

# CABARRUS COUNTY NORTH CAROLINA



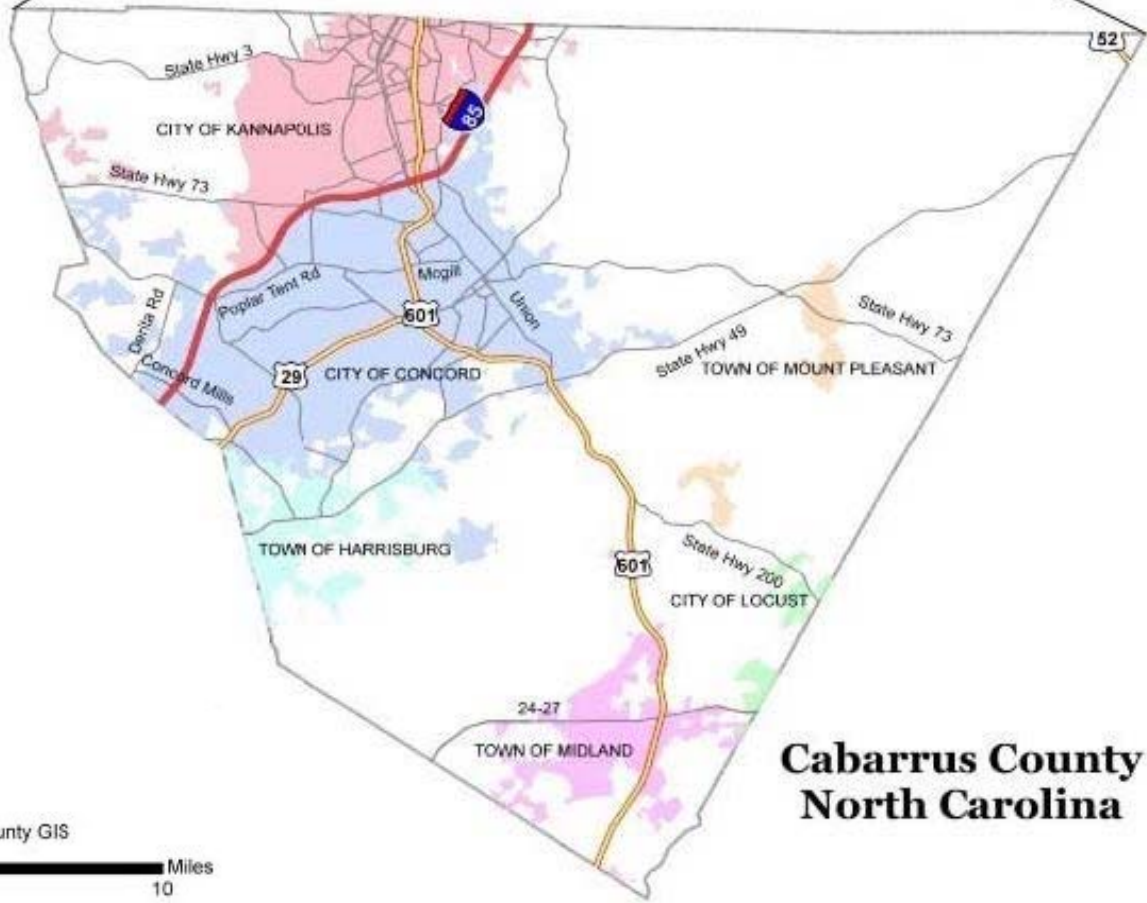
CABARRUS COUNTY  
*America Thrives Here*

**Annual Comprehensive  
Financial Report**

Fiscal Year Ended June 30, 2023







Prepared by Cabarrus County GIS



# Cabarrus County North Carolina





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# Cabarrus County

North Carolina

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

PREPARED BY THE CABARRUS COUNTY FINANCE DEPARTMENT

James M. Howden, Finance Director







**Cabarrus County, North Carolina**  
**Table of Contents**

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**Introductory Section**

Letter of Transmittal ..... 1  
GFOA Certificate of Achievement for Excellence in Financial Reporting ..... 6  
Organizational Chart ..... 7  
List of Principal Officials ..... 8

**Financial Section**

Independent Auditor’s Report..... 9

Management’s Discussion and Analysis ..... 13

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position

Exhibit 1 ..... 26

Statement of Activities

Exhibit 2 ..... 28

Fund Financial Statements:

Balance Sheet – Governmental Funds

Exhibit 3 ..... 29

Reconciliation of Balance Sheet to the Statement of Net Position

Exhibit 3A..... 31

Statement of Revenues, Expenditures, and Changes in

Fund Balances – Governmental Funds

Exhibit 4 ..... 32

Reconciliation of the Statement of Revenues, Expenditures, and Changes

In Fund Balances of Governmental Funds to the Statement of Activities

Exhibit 4A..... 34

Statement of Revenues, Expenditures, and Changes in

Fund Balances – Budget and Actual – General Fund

Exhibit 5 ..... 35

Statement of Revenues, Expenditures, and Changes in Fund

Balances – Budget and Actual – Opioid Settlement Fund

Exhibit 6 ..... 37

**Cabarrus County, North Carolina**  
**Table of Contents**

---

Statement of Net Position – Proprietary Funds	
Exhibit 7 .....	38
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	
Exhibit 8 .....	40
Statement of Cash Flows – Proprietary Funds	
Exhibit 9 .....	42
Statement of Fiduciary Net Position – Fiduciary Funds	
Exhibit 10 .....	44
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	
Exhibit 11 .....	45
<b>Notes to the Financial Statements</b> .....	<b>46</b>
Required Supplemental Financial Data:	
Schedule of Changes in the Net OPEB Liability and Related Ratios	
Exhibit 12 .....	115
Schedule of County Contributions - OPEB	
Exhibit 13 .....	116
Schedule of Investment Returns – OPEB	
Exhibit 14 .....	117
Schedule of County’s Proportionate Share of Net Pension Liability (ASSET) - (LGERS)	
Exhibit 15 .....	118
Schedule of County Contributions (LGERS)	
Exhibit 16 .....	119
Schedule of County’s Proportionate Share of Net Pension Asset (ROD)	
Exhibit 17 .....	120
Schedule of County Contributions (ROD)	
Exhibit 18 .....	121
Schedule of Changes in Total Pension Liability LEO Special Separation Allowance	
Exhibit 19 .....	122
Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll LEO Special Separation Allowance	
Exhibit 20 .....	123



**Cabarrus County, North Carolina**  
**Table of Contents**

---

Other Supplemental Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds

Schedule 1..... 124

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Nonmajor Governmental Funds

Schedule 2..... 126

Special Revenue Funds:

Schedules of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual:

Emergency Telephone System Special Revenue Fund

Schedule 3..... 128

Community Development Block Grant Special Revenue Fund

Schedule 4..... 129

Cabarrus Arena and Events Center Special Revenue Fund

Schedule 5..... 130

Fire Districts' Special Revenue Fund

Schedule 6..... 132

Sheriff's Department Special Revenue Fund

Schedule 7..... 133

Department of Aging Special Revenue Fund

Schedule 8..... 134

Social Services Payee Fund

Schedule 9..... 135

Intergovernmental Fund

Schedule 10..... 136

Capital Projects Funds:

Schedules of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual:

Public School Building Capital Projects Fund

Schedule 11..... 137

School Capital Projects Fund

Schedule 12..... 138

Small Projects Capital Projects Fund

Schedule 13..... 139

**Cabarrus County, North Carolina**  
**Table of Contents**

---

Fiduciary Funds:

Combining Statement of Fiduciary Net Position – Custodial Funds Schedule 14.....	141
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds Schedule 15.....	142
Combining Statement of Fiduciary Net Position – OPEB Trust Fund Schedule 16.....	143
Combining Statement of Changes Fiduciary Net Position – OPEB Trust Fund Schedule 17.....	144

Internal Service Funds:

Combining Statement of Net Position – Internal Services Funds Schedule 18.....	145
Combining Statement of Changes Revenues, Expenses, and Changes in Fund Balances – Internal Service Funds Schedule 19 .....	146
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP Basis): Self-Insured Workers’ Compensation & Liability Internal Services Fund Schedule 20 .....	147
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP Basis): Self-Insured Medical and Dental Internal Services Fund Schedule 21 .....	149
Combining Statement of Cash Flows Schedule 22 .....	150

Other Schedules:

Schedule of Ad Valorem Taxes Receivable Schedule 23 .....	151
Analysis of Current Tax Levy Schedule 24.....	152
Ten Largest Taxpayers Schedule 25.....	154

Schedules of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual:

General Fund Schedule 26.....	155
----------------------------------	-----



**Cabarrus County, North Carolina**  
**Table of Contents**

---

Community Investment Fund  
 Schedule 27..... 167  
 County Capital Projects Fund  
 Schedule 28..... 170  
 CARES Act Relief Fund  
 Schedule 29..... 172  
 Opioid Settlement Fund  
 Schedule30..... 173

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

Landfill Fund  
 Schedule 31..... 174

**Statistical Section (unaudited)**

Government-wide Information:

Net Position by Component  
 TABLE 1..... 176  
 Changes in Net Position  
 TABLE 2..... 177

Fund Information:

Fund Balances, Governmental Funds  
 TABLE 3..... 179  
 Changes in Fund Balances, Governmental Funds  
 TABLE 4..... 180  
 Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years  
 TABLE 5..... 181  
 Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years  
 TABLE 6..... 182  
 Principal Property Taxpayers – Current Year and Nine Years Ago  
 TABLE 7..... 183  
 Property Tax Levies and Collections  
 TABLE 8..... 184  
 Ratio of Net General Obligation Bonded Debt to Outstanding - Last Ten Fiscal Years  
 TABLE 9..... 185

**Cabarrus County, North Carolina**  
**Table of Contents**

---

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years  
 TABLE 10 ..... 186

Direct and Overlapping Governmental Activities Debt  
 TABLE 11 ..... 187

Legal Debt Margin Information – Last Ten Fiscal Years  
 TABLE 12 ..... 188

Demographic and Economic Statistics - Last Ten Fiscal Years  
 TABLE 13 ..... 189

Principal Employers – Current Year and Nine Years Ago  
 TABLE 14 ..... 190

Full-time Equivalent County Government Employees by Function – Last Ten Fiscal Years  
 TABLE 15 ..... 191

Operating Indicators by Functional Area Fiscal Years – Last Ten Fiscal Years  
 TABLE 16 ..... 192

Capital Asset Statistics by Function/Program – Last Ten Fiscal Years  
 TABLE 17 ..... 193

**Compliance Section**

Report on Internal Control Over Financial Reporting and on Compliance and Other  
 Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*..... 194

Report on Compliance for Each Major Federal Program and Report on Internal  
 Control Over Compliance Required by the Uniform Guidance and the State  
 Single Audit Implementation Act. . . . . 196

Report on Compliance for Each Major State Program and Report on Internal  
 Control Over Compliance Required by the Uniform Guidance and the State  
 Single Audit Implementation Act. . . . . 199

Schedule of Findings, Responses, and Questioned Costs ..... 202

Schedule of Prior Year Audit Findings ..... 205

Schedule of Expenditures of Federal and State Awards ..... 206

# INTRODUCTORY SECTION

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## Finance Department

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November 30, 2023

To the Board of Commissioners and the Citizens of Cabarrus County, North Carolina:

State law requires that all general-purpose local governments publish each year a complete set of financial statements, presented in accordance with generally accepted accounting principles (GAAP), and audited by a certified public accountant in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the annual comprehensive financial report (ACFR) for the County of Cabarrus (the County) for the fiscal year ended June 30, 2023.

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

The licensed certified public accountants of Martin Starnes & Associates, CPA's, P.A., audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year that ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. **The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2023, are fairly presented in all material respects with GAAP.** This report presents the independent auditor's report as the first component of the financial section.

The independent audit of the financial statements of the County was part of a broader, federally- and state-mandated Single Audit designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The County issues the Single Audit report separately from the ACFR. Results of the Single Audit can be found in the compliance section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal complements MD&A and should be read in conjunction with it. This report presents the MD&A immediately following the report of the independent auditors.

**Profile of Cabarrus County**

The County, incorporated in 1792, is in the Piedmont section of the state of North Carolina and bordered on the north by Rowan and Iredell counties, on the east by Stanly County, on the south by Union County and on the west by Mecklenburg County; it comprises approximately 230,400 acres. There are six municipalities in the County, the largest of which is the City of Concord, also the County seat. Concord is approximately 124 miles from the City of Raleigh, North Carolina and 18 miles northeast of the City of Charlotte, North Carolina. The second largest municipality is the City of Kannapolis. The Towns of Mount Pleasant, Harrisburg, Midland, and Locust are smaller municipalities in the County. The North Carolina State Demographer estimates the County had a County population of 235,797 as of July 2022. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

The County has operated under the Board of Commissioners-County Manager form of government since 1976. The governing board consists of five commissioners. The governing board is responsible for, among other things, passing ordinances, adopting a balanced budget, appointing committees, and hiring the County’s manager, tax administrator, attorney, and clerk. The County Manager serves as the chief executive and is responsible for carrying out the policies and legislative priorities of the governing board, overseeing day-to-day operations, and appointing the directors of various departments.

**Local Economy**

The County is one of 10 counties located in the Charlotte-Concord-Gastonia, NCSC Metropolitan Statistical Area (the "Charlotte MSA"). According to the U.S. Census Bureau, as of July 1, 2020, the Charlotte MSA was the 22nd largest MSA in the United States with nearly 2.7 million residents. The following table lists the five largest non-public sector employers in the County as of June 30, 2023:

<b>Company</b>	<b>Employees</b>
Atrium Health	5,140
Cabarrus County Schools	4,410
Cabarrus County Government	1,345
Wal-Mart	1,225
Amazon	1,175

The County's rapid growth, largely attributable to the County's position in the Charlotte MSA, strong labor force, and pro-business policy climate has continued during this period of uneven national economic indicators. Short-range and long-range planning has provided the needed infrastructure to accommodate current and anticipated growth, particularly with strong cooperation with municipalities on economic recruitment and development efforts. The Cabarrus Economic Development Corporation (“Cabarrus EDC”), which operates with full-time staff, serves as the County’s primary recruiting and marketing entity. The Cabarrus EDC makes a measurable impact on individuals and families through program partnerships for local start-ups, support of existing businesses, and recruitment of new industry. This includes supporting incubators for entrepreneurs, facilitating growth of existing businesses, and keeping an inventory of available sites for business recruitment. All of these efforts position the County for continued economic development.



One of the largest industrial/manufacturing parcels in the state, which encompasses over 2,100 acres, lies in the City of Concord. The manufacturing site and land on both sides of U.S. 29 is available for development and is being marketed as The Grounds at Concord. Since 2019, the Cabarrus EDC has announced over \$2 billion dollars of new investment and over 1,800 new jobs at the site, including manufacturing facilities for Eli Lilly, Red Bull, Ball and Rauch. The property is adjacent to George Liles Parkway, which has been extended/improved and provides a four-lane connector to U.S. 29, I-85, N.C. 73, and N.C. 3. In the future, the four-lane thoroughfare will extend to NC 49.

The City of Concord also started a Downtown Revitalization project in 2020. Lansing Melbourne Group's Novi mixed-use projects represent an estimated \$70 million of private investment and will add nearly 300 new market-rate and workforce apartments, commercial retail space, and a rooftop restaurant to the heart of downtown. In early 2023, Cabarrus County completed and opened a new 250,000 square foot courthouse and public plaza development in the downtown Concord area. The city's streetscape project will replace aging utility infrastructure and improve pedestrian walkability, recreation, and outdoor dining opportunities.

Similarly, the City of Kannapolis began a Downtown Revitalization project in 2016. Atrium Health Ballpark, home to minor league baseball's Kannapolis Cannon Ballers, is the centerpiece of the transformation along with the revamped West Avenue streetscape. The VIDA district includes 284 apartments, as well as commercial/retail space and a public parking deck. More than 30 businesses are now open on West Avenue including restaurants, boutiques, and a brewery. The City has reached an agreement with Right Field Development, which should begin construction soon on a mixed-use district adjacent to the ballpark consisting of offices, a restaurant, condos, and potentially a hotel.

Atrium Health Cabarrus, located in Concord, is the largest employer in the County. The 457-bed medical center serves a five-county region with more than 4,000 employees serving in more than 30 facilities throughout the region.

The retail mix in Cabarrus County includes sites that serve the region/state and the local economy. The regional magnet is Concord Mills, which is the state's largest tourism draw with over 17 million visitors each year and continues to spur additional retail and non-retail development.

According to a 2021 NCDOT Division of Aviation economic impact analysis, Concord-Padgett Regional Airport contributed over \$831 million into the local economy and supported 5,070 jobs in the region. There are currently 160 aircraft based at the airport with a combined taxable value of \$270 million. Bringing additional revenues, based aircraft and new services for the community ensures the airport's role as a critical regional economic generator and community asset.

The County promotes itself through definable motorsports brand as well. This is due to the large concentration of motorsports attractions, including Charlotte Motor Speedway, the four wide dragstrip, NASCAR driving schools and NASCAR based teams such as Hendrick Motorsports, Roush Fenway Keselowski Racing and Stewart-Hass Racing which provides race fans and visitors the opportunity to get behind the scenes look at top racing teams. In addition to the actual teams, there are several racing support/supplier businesses that provide metal fabrication, car design, and engine building services that support the small and medium sized racing teams. In addition, the speedway complex hosts many more events such as: dirt track racing, drag racing, trade shows, circuses, and outdoor concerts. The combination of these events attracts over a million visitors to Cabarrus County each year resulting in Cabarrus County ranking in the top five counties in North Carolina for tourism.

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

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

In addition, the County re-examines and adopts a Capital Improvement Plan (CIP) each year. The CIP is a five-year plan for capital projects that details estimated costs, project descriptions and funding sources. The CIP generally addresses capital projects with a value greater than \$100,000 (and greater than \$500,000 for Cabarrus County Schools) and a useful life longer than one year. The County acknowledges pay-as-you-go financing as a significant capital financing source but recognizes that debt issuance is sometimes the most appropriate financing structure for a capital project. Current and planned debt obligations factor into the County's long term financial planning.

The County has identified economic development, future capital needs of the County, our public schools, and our community college as significant issues to address as we strive to enhance the viability of our County and its resident.

### **Relevant Financial Policies**

In accordance with state statutes, appropriated fund balance in any fund will not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts. The County maintains an undesignated fund balance of 15 percent (15%) to meet cash flow needs, which exceeds the eight percent (8%) recommended by the North Carolina Local Government Commission (LGC).

Board policy permits the use of fund balance to avoid cash-flow interruptions, generate interest income, and assist in maintaining an investment-grade bond rating. The County does not use fund balance for recurring, operational expenses unless required to overcome revenue shortfalls related to significant downturns in the economy. Additional assigned fund balance totaling \$5,000,000 is set aside to sustain operations during unanticipated emergencies and disasters.

Upon the completion of the annual audit of the County finances, any undesignated fund balance above 15% transfers to the Community Investment Fund (CIF) to reduce reliance on debt financing; or to the Self-Funded Hospitalization Fund, the Self-Funded Liability Fund or the Self-Funded Workers' Compensation Fund as required to maintain the integrity of those funds.

If unassigned fund balance at the end of the current fiscal year is less than the approved fund balance level, the County must replenish the deficiency within three fiscal years.

## Major initiatives

The County made progress on numerous initiatives over the past year including:

- In June 2023, the County's new courthouse opened to the public.
- The County's Index Crime Rate is 27<sup>th</sup> in the State out of 100 counties. The County had a 20% reduction in reportable crimes.
- The Traffic Education and Enforcement Unit wrote citations and/or charged nearly 2,000 moving violations and reached more than 4,000 residents with traffic safety messaging.
- Sustained a two-day turnaround on residential plan reviews.
- Exceeded benchmark on two-week commercial plan review (currently 5-7 days).
- Cardiac arrest survival rates continued to exceed national standards.
- Hired the County's first behavioral health director and continued design work on a regional behavioral health facility.
- Household hazardous waste received over 80,000 pounds of paint for proper disposal.
- Collected over \$12 million in child support on behalf of children in Cabarrus County.
- Provided over \$7.5 million of emergency rental assistance to over 1,400 families.

## Awards

The County was fortunate to receive the following awards and recognition over the past year:

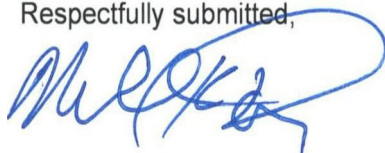
**Certificate of Excellence in Financial Reporting** - the Government Finance Officers Association of the United States and Canada (GFOA) awarded to the County for its ACFR for the fiscal year ended June 30, 2022. This was the 38th consecutive year the County received this prestigious award.

**Distinguished Budget Presentation Award** - the GFOA awarded to the County for its annual budget document for the fiscal year ended June 30, 2022. This was the 24th year the County received this prestigious award.

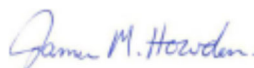
## Acknowledgements

In closing, we extend our sincere appreciation to the Finance Department staff and Martin Starnes & Associates, CPA's, P.A. Producing this report would not have been possible without their dedicated assistance. To the Board of Commissioners, thank you for your continued support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



Michael K. Downs  
County Manager



James M. Howden  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Cabarrus County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

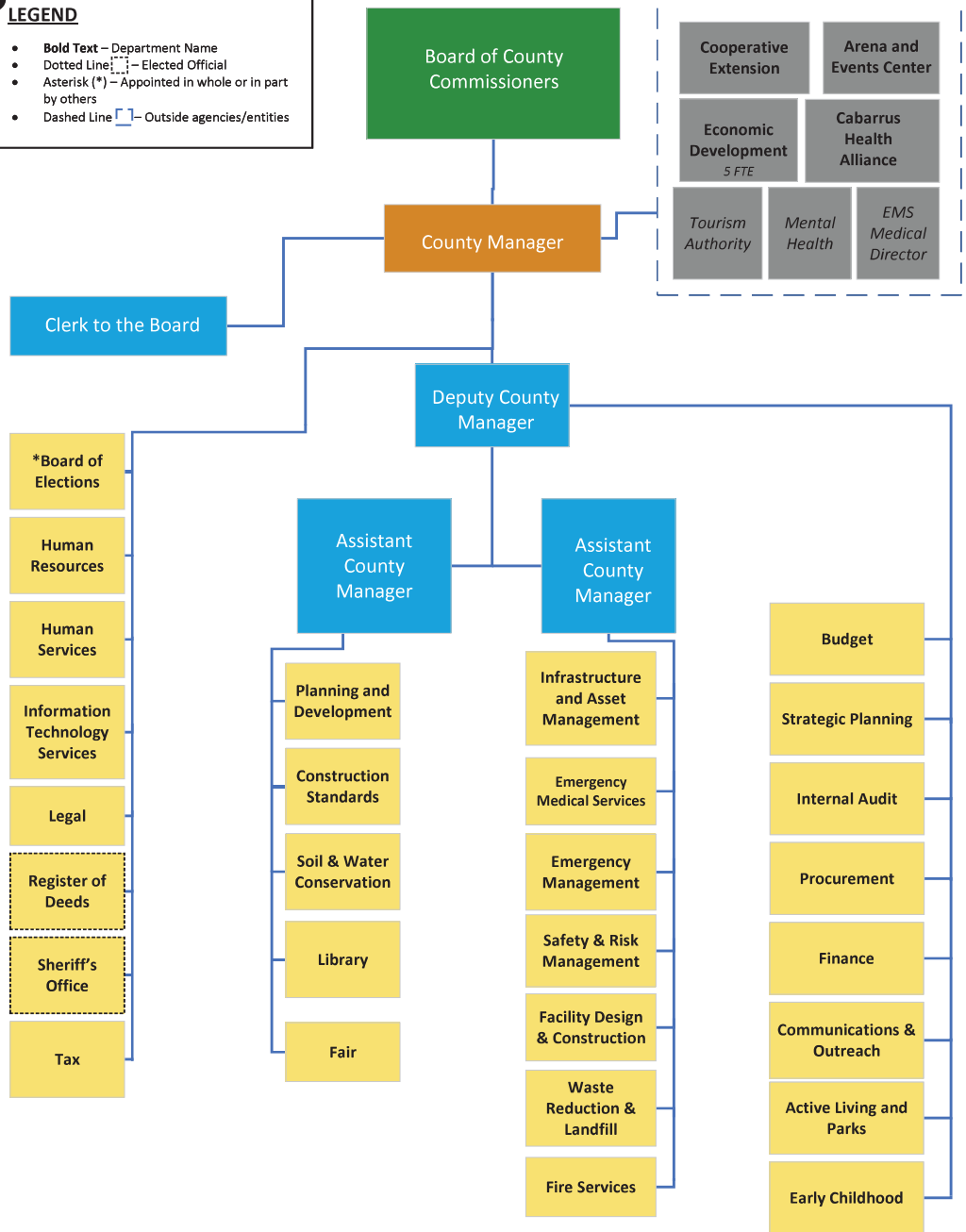
*Christopher P. Morrill*

Executive Director/CEO

# Cabarrus County Voters and Citizens

**LEGEND**

- **Bold Text** – Department Name
- Dotted Line [---] – Elected Official
- Asterisk (\*) – Appointed in whole or in part by others
- Dashed Line [---] – Outside agencies/entities





Cabarrus County, North Carolina  
 List of Principal Officials  
 June 30, 2023

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**Board of County Commissioners**

Chairman ..... Stephen M. Morris  
 Vice-Chair..... Lynn W. Shue  
 Commissioner ..... Christopher A. Measmer  
 Commissioner ..... Kenneth M. Wortman  
 Commissioner ..... Barbara C. Strang

**Other Elected Officials**

Sheriff ..... Van W. Shaw  
 Register of Deeds ..... M. Wayne Nixon

**County Manager**

..... Michael K. Downs  
 Deputy County Manager ..... Rodney D. Harris  
 Assistant County Manager ..... Kyle D. Bilafer  
 Assistant County Manager ..... Kelly F. Sifford

**Clerk to the Board**

..... Lauren E. Linker

**General Counsel**

..... Evan A. Lee

**County Department Directors**

Budget ..... Rashmikanth Khatri  
 Communications and Outreach..... Jonathan A. Weaver  
 Construction Standards..... T. Matt Love  
 Cooperative Extension ..... Tracy M. LeCompte  
 Board of Elections ..... Carol L. Soles  
 Emergency Management..... Jason A. Burnette  
 Emergency Medical Services..... James W. Lentz  
 Facility Design and Construction..... Michael A. Miller  
 Fair ..... Kathleen P. Sharpe  
 Finance ..... James M. Howden  
 Human Resources ..... Lundee L. Covington  
 Human Services ..... Karen B. Calhoun  
 Information Technology Services..... Todd M. Shanley  
 Libraries..... Melanie J. Holles  
 Parks ..... Londa A. Strong  
 Waste Reduction and Landfill ..... Kevin P. Grant  
 Tax Administration ..... M. David Thrift  
 Veterans' Services ..... Tony R. Miller



# FINANCIAL SECTION

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

*“A Professional Association of Certified Public Accountants and Management Consultants”*

## **Independent Auditor’s Report**

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cabarrus County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Opioid Settlement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Public Health Authority of Cabarrus County (Cabarrus Health Alliance) which represents 100% of the assets, net position, and revenues of the discretely presented component units as of June 30, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cabarrus Health Alliance, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, the Local Governmental Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deed's Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cabarrus County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of Cabarrus County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of Cabarrus County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cabarrus County’s internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Cabarrus County Management's Discussion and Analysis

As management of Cabarrus County, we offer readers of Cabarrus County's financial statements this narrative overview and analysis of the financial activities of Cabarrus County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

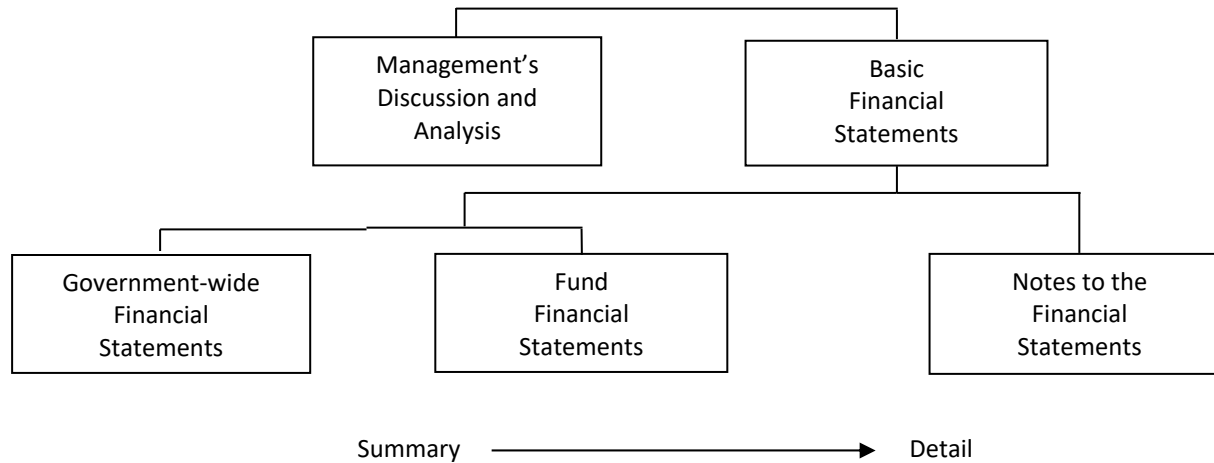
### Financial Highlights

- On the government-wide Statement of Net Position, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2023 by \$122.5 million (*net position*). The County's net position is impacted considerably by the debt the County has issued on behalf of the School Systems and Community College to fund school capital outlay. Under North Carolina law, the County is responsible for providing capital funding for schools. The County has chosen to meet its legal obligation by issuing general obligation and installment purchase debt. The County funds the capital assets; however, the Schools Systems and Community College utilize them. Since the County, as the issuing government acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of school-related debt was \$263.0 million.
- The County's total net position increased by \$68.97 million, due to an increase in governmental activities of \$68.91 million and an increase in business-type activities of \$.06 million (Exhibit 2).
- As of the close of the 2023 fiscal year, the County's governmental funds reported combined ending fund balances of \$240.7 million after a net increase in fund balance of \$28.2 million. Approximately 60.4% of this total amount or \$145.3 million is restricted or non-spendable.
- At the end of the 2023 fiscal year, unassigned fund balance for the General Fund was \$89.5 million, or 24.9%, of total General Fund expenditures and transfers out for the fiscal year.
- Cabarrus County's total debt increased by \$14.8 million, or 3.6%, during the current fiscal year. Due to normal debt service payments, COPS and LOBS debt decreased by \$39.6 million, General Obligation Bond debt decreased by \$7.3 million, and installment financing decreased by \$.2 million. A draw direct borrowing finance agreement was established in fiscal year 2022, the current liability is \$75.2 million, an increase of \$62.0 million.
- For the first time in history, Cabarrus County earned the distinction of AAA ratings by Fitch Ratings and Moody's Investors Service. The County maintained AA+ rating with S&P Global ratings. The ratings reflect sound operating performance, revenue growth, strong economic development, and maintenance of healthy reserves.

### Overview of the Financial Statements

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

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



### **Basic Financial Statements**

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

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

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



## Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. The only business-type activity fund is the landfill operations. The only component unit the County has is the Cabarrus Health Alliance. Cabarrus Health Alliance was incorporated under the Hospital Authority Act to provide public health care to the citizens and residents of the County. The Chairperson of the Board of Commissioners for Cabarrus County appoints the members of the Board of the Health Alliance.

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

## Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Cabarrus County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the NC General Statutes or the County's Budget Ordinance. All of the funds of Cabarrus County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

**Proprietary Funds** – Cabarrus County has two kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Cabarrus County uses an enterprise fund to account for landfill operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are used to account for operations that provide services to other departments on a cost-reimbursement basis. Cabarrus County uses an internal service fund to account for self-insured hospitalization/dental and workers' compensation/property liability activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Cabarrus County has three fiduciary funds. Two are custodial funds and one Pension Trust Fund.

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

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

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

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities, and deferred inflows of resources by \$122.5 million as of June 30, 2023. The County's net position increased by \$68.9 million in the same period. Net position is reported in three categories: net investment in capital assets, restricted and unrestricted.

One of the largest portions of net position reflects its Net Investment in Capital Assets (e.g., land, buildings, vehicles, equipment, and other machinery used in providing services to residents). These assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as net investment in capital assets increased from \$158.7 million in the prior year to \$185.9 million on June 30, 2023. The increase is mainly attributable to an increase in new assets associated with phase I of the courthouse completion.

The second reported category of net position is restricted net position. This category represents resources that are subject to specific external legal restrictions that limit the County's ability to access and use these funds beyond the purpose for which they were provided. Restricted net position totaled \$145.8 million at June 30, 2023, a \$35.3 million increase from prior year. This increase is primarily due to an increase in the stabilization by state statute which represents the County's receivables and outstanding encumbrances. The County's Capital Project fund included \$75.5 million in encumbrances for the courthouse and other County projects that the County will use the draw direct borrowing finance agreement to pay. The County does not draw the funds until the invoices are paid.

The third category of the County's net position is reported as unrestricted. The balance is to be used to meet the government's ongoing obligation to citizens and creditors. At June 30, 2023, the County reported an unrestricted net position deficit of \$209.2 million. This amount is impacted by the portion of the County's outstanding debt incurred for the Cabarrus County and Kannapolis City School Systems and Rowan-Cabarrus Community College. Even though the debt was issued to finance school capital outlay, the Governmental Accounting Standards Board has determined that it is not capital debt of the County since it does not finance assets that are owned by the County. At June 30, 2023, \$263.0 million of the outstanding debt on the County's financial statements was related to assets included on the Schools Systems' and community college's financial statements. If this debt was not reported as a reduction of net position, the balance of unrestricted net position would be a surplus of \$53.8 million.

Net position does not present the County's position regarding spending, this amount is presented in the governmental fund's statements.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 358,891,579	\$ 306,562,046	\$ 7,932,707	\$ 7,328,426	\$ 366,824,286	\$ 313,890,472
Capital assets	347,250,141	303,560,586	2,252,676	2,284,446	349,502,817	305,845,032
Total assets	<u>706,141,720</u>	<u>610,122,632</u>	<u>10,185,383</u>	<u>9,612,872</u>	<u>716,327,103</u>	<u>619,735,504</u>
Deferred outflows of resources	<u>49,928,492</u>	<u>39,852,050</u>	<u>143,986</u>	<u>97,405</u>	<u>50,072,478</u>	<u>39,949,455</u>
Long-term liabilities outstanding	531,937,064	485,245,303	4,438,306	3,778,766	536,375,370	489,024,069
Other liabilities	87,676,872	81,574,534	155,874	190,222	87,832,746	81,764,756
Total liabilities	<u>619,613,936</u>	<u>566,819,837</u>	<u>4,594,180</u>	<u>3,968,988</u>	<u>624,208,116</u>	<u>570,788,825</u>
Deferred inflows of resources	<u>19,628,768</u>	<u>35,239,848</u>	<u>62,600</u>	<u>128,731</u>	<u>19,691,368</u>	<u>35,368,579</u>
Net Position						
Net investment in capital assets	183,698,605	156,428,800	2,252,676	2,284,446	185,951,281	158,713,246
Restricted	145,776,324	110,468,295	-	-	145,776,324	110,468,295
Unrestricted	(212,647,422)	(218,982,098)	3,419,913	3,328,112	(209,227,509)	(215,653,986)
Total net position	<u>\$ 116,827,507</u>	<u>\$ 47,914,997</u>	<u>\$ 5,672,589</u>	<u>\$ 5,612,558</u>	<u>\$ 122,500,096</u>	<u>\$ 53,527,555</u>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage above 99.0 percent
- Continued low cost of debt due to the County's high bond rating and the prevailing interest rate environment.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- Conservative spending practices which resulted in lower expenditures.
- The main area of under budget expenses were in the area of County salary and fringe which were \$8.0 million under budget, due to unfilled positions and turnover.

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 27,578,799	\$ 28,573,284	\$ 1,025,067	\$ 908,296	\$ 28,603,866	\$ 29,481,580
Operating grants and contributions	64,667,845	55,114,802	-	-	64,667,845	55,114,802
Capital grants and contributions	2,895,148	5,514,430	-	-	2,895,148	5,514,430
General revenues:						
Property taxes	238,498,719	229,030,987	-	-	238,498,719	229,030,987
Local option sales tax	78,357,960	72,616,470	-	-	78,357,960	72,616,470
ABC revenues	242,721	227,863	-	-	242,721	227,863
Other taxes and licenses	1,410,618	1,194,229	607,752	493,499	2,018,370	1,687,728
Investment earnings	9,817,567	(1,762,381)	169,253	8,374	9,986,820	(1,754,007)
Miscellaneous	3,520,931	1,399,291	6,230	116	3,527,161	1,399,407
Total revenues	<u>426,990,308</u>	<u>391,908,975</u>	<u>1,808,302</u>	<u>1,410,285</u>	<u>428,798,610</u>	<u>393,319,260</u>
Expenses:						
General government	38,650,194	42,088,592	-	-	38,650,194	42,088,592
Public safety	82,186,124	75,020,454	-	-	82,186,124	75,020,454
Economic and physical development	4,977,516	4,797,206	-	-	4,977,516	4,797,206
Environmental protection	121,645	122,163	-	-	121,645	122,163
Human services	64,264,463	55,574,511	-	-	64,264,463	55,574,511
Education	140,498,917	121,259,242	-	-	140,498,917	121,259,242
Cultural and recreation	10,308,138	9,956,155	-	-	10,308,138	9,956,155
Interest on long-term debt	16,448,929	12,271,921	-	-	16,448,929	12,271,921
Landfill	-	-	2,370,143	1,755,828	2,370,143	1,755,828
Total expenses	<u>357,455,926</u>	<u>321,090,244</u>	<u>2,370,143</u>	<u>1,755,828</u>	<u>359,826,069</u>	<u>322,846,072</u>
Increase (decrease) in net position						
before transfers	69,534,382	70,818,731	(561,841)	(345,543)	68,972,541	70,473,188
Transfers	<u>(621,872)</u>	<u>(553,055)</u>	<u>621,872</u>	<u>553,055</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>68,912,510</u>	<u>70,265,676</u>	<u>60,031</u>	<u>207,512</u>	<u>68,972,541</u>	<u>70,473,188</u>
Net position, beginning	<u>47,914,997</u>	<u>(22,350,679)</u>	<u>5,612,558</u>	<u>5,405,046</u>	<u>53,527,555</u>	<u>(16,945,633)</u>
Net position ending	<u>\$ 116,827,507</u>	<u>\$ 47,914,997</u>	<u>\$ 5,672,589</u>	<u>\$ 5,612,558</u>	<u>\$ 122,500,096</u>	<u>\$ 53,527,555</u>

## Governmental Activities

For the fiscal year ended June 30, 2023, governmental activities increased the County's net position by \$68.91 million, and business-type activities increased net position by \$.06 million. As indicated on the previous page, the majority of the County's expenses were related to education (\$140.5 million, 39.3 percent), public safety (\$82.2 million, 23.0 percent) and human services (\$64.3 million, 18 percent).

## Business-type Activities

The County's business-type activity, the Landfill, experienced a \$60,031, 1.1 percent increase in net position. Tipping fees increased in fiscal year 2023 by \$129,403, nonoperating revenues increased by \$281,146 and transfers in increased by \$68,817. Operating expenses increased by \$614,315 related to an increase in the Landfill's post closure liability account. Exhibit 7 provides a more detailed breakdown of revenue and expenses.

## Financial Analysis of the County's Funds

As noted earlier, Cabarrus County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's major funds, as defined by GAAP for the fiscal year ended June 30, 2023, were the *General Fund*, the *County Capital Project Fund*, the *Cares Act Relief Fund*, and the *OPIOID Settlement Fund*.

**Governmental Funds.** The focus of Cabarrus County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Cabarrus County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Cabarrus County. The County's total fund balance was \$199.0 million of which \$165.6 million was available for commitments, assignments, and appropriations. The governing body of Cabarrus County has determined that the County should maintain an available fund balance of 15% of General Fund expenditures in case of unforeseen needs or opportunities and to meet the cash flow needs of the County.

The County currently has an available fund balance of 46.0% of General Fund expenditures, while total fund balance represents 55.3% of that same amount. Of the \$165.6 million available fund balance, the County has non-spendable and restricted of \$47.8 million (24.0%), committed \$55.6 million (27.9%) and assigned \$6.2 million (3.1%) for specific projects and obligations. Following the fund balance policy, \$53.1 million (26.7%) of the available fund balance has been set aside for working capital. This leaves \$36.4 million (18.3%) of fund balance remaining for appropriation, commitment, or assignment.

General Fund balance at June 30, 2023 increased \$21.3 million from the prior year. This net increase was primarily due to three factors:

- Sales taxes revenue exceeded last year by \$7.7 million (10.4 percent). The increase is related to the increase in quantity of purchases within the County and the rate and an increase in overall prices of products being purchased.
- Investment earnings increase of \$11.6 million. This increase is driven by an increase in interest rates (from less than 1% to over 5%) and an increase in funds invested by the County throughout the year.
- Operational efficiencies resulted in 11.2 percent of unspent budgeted expenditures (excluding transfers) for the year. Mainly from payroll expenses due to lapse salaries.

**Major and Non-Major Funds.** The *County Capital Projects Fund* (Major Fund) was created in FY2020 for the account tracking of County capital improvement projects. A Limited Obligation Bond draw program was established in February 2020 to finance a portion of the projects. The current draw program, LOBS 2022B had actual draws in fiscal year 2023 of \$38.7 million. Some of the major projects under construction are the Courthouse, Frank Liske Park Barn, EMS Headquarters, and Library/Senior Center. *General Fund*, the *Community Investment Fund*, and State Capital Infrastructure (SCIF) Grants funds are also being used to fund the projects. During fiscal year 2023 \$36.3 million was spent towards the construction of these projects.

The *Cares Act Relief Fund* (Major Fund) was created in FY 2020 to record the funding received from the federal government to cover COVID-19 expenditures for the public health emergency. \$13.0 million was recognized as revenue and expended during the fiscal year ending June 30, 2023.

The *School Capital Projects Fund* (Non-Major Fund) was created in FY2020 for the account tracking of School capital improvement projects. A Limited Obligation Bond draw program was established in February 2020 to finance a portion of the projects. Actual draws for fiscal year 2023 was \$23.3 million. Some of the major projects under construction are a new Middle School, new Elementary School, and land for a future High School. *General Fund* and the *Community Investment Fund (Major Fund)* funding are also being used to fund the projects. During fiscal year 2023 \$21.2 million was spent towards the construction of these projects.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust budgetary estimates; 2) amendments made to recognize new funding amounts from external sources, such as Federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund's budget amounted to an increase of \$41.1 Million. The majority of this increase is related to transfers out to fund various County and School Capital Projects.

At year-end, *actual* General Fund revenues and transfers in exceeded the *final amended budget* numbers by 18.9 million (5.7%). Actual General Fund expenditures and transfers out were less than *final budgetary* figures by \$32.6 million (9.1%).

**Proprietary Funds.** Cabarrus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The Landfill Fund is the County's sole Enterprise fund. The Net position of the Landfill Fund increased by \$60,031 during the fiscal year ended June 30, 2023.

### **Capital Asset and Debt Administration**

**Capital assets.** Cabarrus County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$349.5 million (net of accumulated depreciation). These assets include buildings, building improvements, land, land improvements, reservoir, equipment, furniture and fixtures, vehicles, and construction in progress.

Major capital asset transactions during the year include:

- Purchased a total of 67 vehicles. One for Communications, four for Building Maintenance, eight for Infrastructure and Asset Management, eleven for Department of Human Services, three for Animal Control, twenty-four for Sheriff's Department, seven for Transportation, one for the Library, one for the Arena, one for Landfill and six ambulances for Emergency Medical Services
- Two land purchases – Two lots on Solutions Street and 75.997 acres along Highway 24/27.
- Phase I of the new Court House was completed in Fiscal Year 2023. \$102.6 million was added to Capital Assets - Buildings.
- Various Construction projects in progress at the end of the year were the new Court House Phase II, Public Safety Training Center, Mount Pleasant Library project, new EMS Headquarters, new animal shelter, Frank Liske Park softball facilities, stormwater project, and Park Barn improvements, West Cabarrus Library / Active Living Center, Warehouse / IT Location, and Milestone Building renovations.

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

Figure 4

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 27,884,216	\$ 26,334,716	\$ 490,447	\$ 490,447	\$ 28,374,663	\$ 26,825,163
Land improvements	4,523,380	5,068,190	884,748	916,491	5,408,128	5,984,681
Buildings	222,438,692	123,865,504	722,851	754,265	223,161,543	124,619,769
Building improvements	15,844,438	16,132,317	-	-	15,844,438	16,132,317
Equipment	2,944,499	2,408,583	42,204	46,101	2,986,703	2,454,684
Furniture and fixtures	399,071	72,897	-	-	399,071	72,897
Vehicles	7,160,431	6,280,132	112,426	77,143	7,272,857	6,357,275
Reservoir	21,156,061	21,177,827	-	-	21,156,061	21,177,827
Construction in progress	40,439,886	97,464,350	-	-	40,439,886	97,464,350
Right to use assets	4,459,467	4,756,070	-	-	4,459,467	4,756,070
<b>Total</b>	<b>\$ 347,250,141</b>	<b>\$ 303,560,586</b>	<b>\$ 2,252,676</b>	<b>\$ 2,284,447</b>	<b>\$ 349,502,817</b>	<b>\$ 305,845,033</b>

Additional information on the County's capital assets can be found in Note 2 section A (6) of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2023, Cabarrus County had total debt outstanding of \$536,375,370 which includes General Obligation Bonds that are backed by the full faith and credit of the County and other debt that is covered by pledged collateral and is subject to appropriation. Additional information on the County’s long-term debt can be found in Note 2 section B (7) (a, b, c, d(1)(2), e, f, g) of the Basic Financial Statements.

**Cabarrus County’s Outstanding Debt**  
**All Debt Funding Sources**  
**Figure 5**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
General obligation bonds	\$ 22,122,541	\$ 29,479,041	\$ -	\$ -	\$ 22,122,541	\$ 29,479,041
Certificates of participation/ Limited obligation bonds	399,840,531	377,498,997	-	-	399,840,531	377,498,997
Capital lease obligations	3,757,265	4,911,157	-	-	3,757,265	4,911,157
IT subscriptions	817,627	-	-	-	817,627	-
Installment financing	2,225,806	2,438,718	-	-	2,225,806	2,438,718
Accrued landfill closure and postclosure care costs	-	-	4,101,973	3,565,878	4,101,973	3,565,878
Compensated absences	6,338,831	5,783,336	13,665	15,787	6,352,496	5,799,123
Net pension liability (LGERS)	48,833,784	12,744,949	186,276	48,616	49,020,060	12,793,565
Net pension liability (LEOSSA)	12,244,359	13,462,604	-	-	12,244,359	13,462,604
Total OPEB Liability	35,756,320	38,926,501	136,392	148,485	35,892,712	39,074,986
<b>Total</b>	<b>\$ 531,937,064</b>	<b>\$ 485,245,303</b>	<b>\$ 4,438,306</b>	<b>\$ 3,778,766</b>	<b>\$ 536,375,370</b>	<b>\$ 489,024,069</b>

Cabarrus County’s total long-term obligations increased by \$47,351,301 (9.7%) during the past fiscal year. During FY2023, general obligation bonds decreased \$7,356,500 (25.0%) due to annual principal payments. Limited obligation bonds and the draw program increased \$22,341,534 (5.9%). There was an overall increase in net in pension and OPEB liability of \$31,825,976 (48.7%).

As mentioned in the financial highlights section of this document, Cabarrus County was upgraded to AAA from Aa1 rating from Moody’s and AA+ rating from Fitch. For the 14th consecutive year, a rating of AA+ from Standard and Poor’s has been maintained. These bond ratings are a clear indication of the sound financial condition of Cabarrus County.

The state of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Cabarrus County is \$2,072,322,630 as of June 30, 2023. Additional information regarding Cabarrus County’s long-term obligations can be found in the Notes to the Financial Statements, Note 2 section B (7) (g).



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

Cabarrus County is a part of the Charlotte Metropolitan Statistical Area (MSA), which continues to experience economic growth.

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

- Unemployment for the County was 3.3% for June 2023, compared to 3.7% at June 2022. Comparable rates for the state of North Carolina were 3.3% and 3.4% respectively. The unemployment rate decrease can be attributable to recovering from COVID-19 pandemic lockdowns, the American Rescue Plan that supported small businesses and continuous new jobs coming into the County.
- Population growth experienced an increase to approximately 235,797.
- A large diverse tax base with only 7.10% of assessed value attributed to the top ten taxpayers in the County.

These factors, as well as others, were considered when management prepared the County's budget ordinances for the 2024 fiscal year.

## **Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2024**

**Governmental Activities:** The FY2024 budget maintained the property tax rate of 74 cents per \$100 of assessed valuation for a total budget of \$450,241,009, which is an increase of 5.9% over the FY2023 adopted budget. There were two primary revenue sources for the County, property taxes and sales taxes. Property taxes are expected to see a growth of approximately 4.3%. For sales tax revenues a growth of 12.5%.

The County directed new funding toward the following:

### **Personnel: The Most Important Commodity**

To ensure we provide competitive compensation compared to other jurisdictions and the private industry, the FY24 budget increases overall personnel expenditures by 11.4%. These adjustments are a result of the County Commissioners focus on employees and retention by utilizing recently completed market studies that compared our pay rates to comparable cities and counties throughout North Carolina. In addition, the budget also includes funds for a 1% cost-of-living adjustment for all employees and merit pay increases of up to 4% based on their individual performance. An increase in healthcare spending of 5.7% and retirement contributions of 15.1% are also included in the budget. Competitive pay enables us to attract and retain high-quality employees to allow us to serve the community better.

The budget funds an additional 12 positions in public safety, emergency medical services, information technology, infrastructure & asset management, economic development, and the library to address the County's rapid growth and increased workloads across County departments strengthening essential County services.

Additional funding of \$874,432 for the Cabarrus Health Alliance will allow for inflationary and merit increases, nurses for the school nurse program and additional funding to allow CHA to provide a behavioral health program for the jail.

## **Education: Key to a Thriving Community**

We cannot overstate the importance of making strategic investments in our education partners: Cabarrus County Schools (CCS), Kannapolis City Schools (KCS) and Rowan-Cabarrus Community College (Rowan-Cabarrus).

As always, part of the investment helps attract and retain top educators.

The FY24 budget includes for Cabarrus County Schools (CCS) funding increase of \$8,099,438 to cover rising costs of locally paid staff, facilities and grounds maintenance, and technology expenses. In addition to the day-to-day operations, the CCS budget includes additional funding of \$1,020,000 for minor capital needs. Such as buses or other school vehicles, technology equipment, building improvements and acquisition or replacement of furnishings and equipment. The CCS budget totals \$82.7 million, an increase of 10.8%. This budget also includes a 4.7% increase to Kannapolis City Schools (KCS). The KCS budget totals \$9.4 million.

The County is required to provide equal per-pupil funding for residents choosing to attend a charter school. Charter school enrollment continues to rise, with an estimate of nearly 3,000 students. That's a 21% increase over the past three years. This results in total per-pupil funding of \$6.5 million for Charter Schools, an increase of 3.2%.

Rowan-Cabarrus serves nearly 19,000 students each year through 55 degrees, 36 diplomas and 101 certificate programs. The college plays a vital role in workforce and economic development within the County and region. This results in total funding of \$4.3 million, an increase of 9.2%. Additional Capital Improvement funding for HVAC replacement at the South Campus of \$5.3 million is also included in the budget.

## **Capital Projects: Funding for Preservation and Growth**

The FY24 budget includes:

- **\$38.2 million** from the General Fund to the Community Investment Fund (CIF) for current and future debt payments.
  - **\$62.1 million** for Cabarrus County Human Services Facility Design, Renovations and Construction.
  - **\$35.0 million** for Cabarrus County Public Safety Training Facility.
  - **\$11.0 million** for Cabarrus County Schools to renovation at Mary Frances Wall.
  - **\$16.0 million** for Cabarrus County Schools HVAC replacements at Weddington Hill Elementary School and Concord High School.
  - **\$7.5 million** for Cabarrus County Schools roof replacements at Hickory Ridge High School, Cox Mill Elementary School, and Wolf Meadow Elementary School.
  - **\$12.0 million** for Kannapolis City School's Fred L. Wilson Elementary School addition.
  - **\$7.0 million** for Kannapolis City School's Forest Park Elementary School HVAC replacement.

• **\$18.5 million** from the County’s pay-as-you-go (PAYGO) program. PAYGO is the use of cash rather than debt to pay for needed capital projects. The County will not issue new debt in FY24, which is consistent with our every-other-year cycle. PAYGO will fund a significant number of essential projects, including:

- **\$11.2 million** for various projects at County facilities. Examples include boardwalk replacement at Vietnam Veterans Park, mini-golf and office renovations at Frank Liske Park, CAD/Records Management System, chiller at Sheriff’s Administration Building, compactor at Landfill, design of Human Services Facility and potential land acquisition for future growth.
- **\$5.8 million** for Cabarrus County Schools to fund their Top 29 deferred maintenance projects. Project examples include the following taking place at multiple schools. Access control key fobs, roof repairs, HVAC replacements, chiller replacements, gym floor replacements, bleachers and concession stand upgrades and safe harbor locations being built. These projects would have a positive impact on 15 schools across the district.
- **\$1.5 million** for Kannapolis City Schools to fund various deferred maintenance projects including flooring replacements, security cameras and paving repairs.

While continued capital investments are necessary, it is important to set aside additional funding needed for the operation of the new facilities. The additional expenses will receive funding with current resources. Two years ago, the County used this budgeting method for the courthouse renovation/expansion project. Funds were budgeted for additional staffing and operating expenses, even though the facility would not open until 2023. Since then, these funds paid for one-time capital projects, allowing us to prevent facilities from unnecessary deterioration. With this budget, the funds shift fully to staffing and operating the new courthouse. Consistent with this approach, the budget sets aside \$3.2 million to cover a portion of the future operating expenses for the Library and Senior Center at Afton Ridge and the new behavioral health facilities in Kannapolis. These funds will become available for one-time capital projects until the facilities open.

**Business-type Activities:** The Landfill budget slightly decreased by \$80,472, or 3.7%, from the FY2023 adopted budget. The decrease is associated with an estimated decrease in normal services for the upcoming year.

### **Requests for Information**

This report is designed to provide an overview of the County’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Department, Cabarrus County, 65 Church Street S, Concord, NC 28025. You can also call 704-920-2104 or visit our website at [www.cabarruscounty.us](http://www.cabarruscounty.us).



# BASIC FINANCIAL STATEMENTS

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**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Exhibit 1**  
**Page 1 of 2**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 42,876,618	\$ 1,750,741	\$ 44,627,359	\$ 8,616,783
Investments	200,367,194	6,012,780	206,379,974	
Receivables (net of allowance for uncollectibles):				
Accounts receivable	17,957,530	-	17,957,530	3,935,398
Customers	2,357,203	17,110	2,374,313	393,349
Interest	3,179,434	-	3,179,434	-
Property taxes	1,697,924	-	1,697,924	-
Leases	299,044	-	299,044	-
Due from other governments	21,761,075	152,076	21,913,151	157,652
Inventories	500,998	-	500,998	-
Prepaid items	374,985	-	374,985	-
Restricted cash and cash equivalents	67,209,811	-	67,209,811	789,671
Net Register of Deeds				
Supplemental retirement asset	309,762	-	309,762	-
Notes receivable	-	-	-	200,000
Capital assets:				
Land and Construction in Progress	68,324,102	490,447	68,814,549	-
Other capital assets, net of depreciation	274,466,572	1,762,229	276,228,801	1,173,862
Right to use lease asset, net of amortization	3,630,229	-	3,630,229	461,295
Subscription asset, net of amortization	829,238	-	829,238	-
Total capital assets	347,250,141	2,252,676	349,502,817	1,635,157
Total assets	706,141,719	10,185,383	716,327,102	15,728,010
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	49,928,492	143,986	50,072,478	8,753,904
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	18,248,093	155,874	18,403,967	1,053,141
Liabilities to be paid from restricted assets	-	-	-	789,671
Advance from grantor	59,980,001	-	59,980,001	-
Accrued interest payable	4,424,290	-	4,424,290	965
Retainage payable	5,024,488	-	5,024,488	-
Long-term liabilities:				
Due within one year	118,544,654	100,249	118,644,903	1,321,660
Due in more than one year	413,392,410	4,338,057	417,730,467	14,478,272
Total long-term liabilities	531,937,064	4,438,306	536,375,370	15,799,932
Total liabilities	619,613,936	4,594,180	624,208,116	17,643,709

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Exhibit 1**  
**Page 2 of 2**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>DEFERRED INFLOWS OF RESOURCES</b>	19,628,768	62,600	19,691,368	198,228
<b>NET POSITION</b>				
Net investment in capital assets	183,698,605	2,252,676	185,951,281	1,159,138
Restricted for :				
Stabilization by state statute	127,901,297	-	127,901,297	2,250,238
Register of Deeds	448,864	-	448,864	-
Emergency Telephone 911	365,218	-	365,218	-
Public Safety	9,898,487	-	9,898,487	-
Community Development programs	47,091	-	47,091	-
Soil & Water programs	116,571	-	116,571	-
Economic and physical development	46,961	-	46,961	-
Social Services grants	329,133	-	329,133	-
School debt	4,360,679	-	4,360,679	-
Cabarrus Arena & Events Center	51,757	-	51,757	-
Human Services	1,720,363	-	1,720,363	-
Register of Deeds Pension Plan	489,903	-	489,903	-
Unrestricted	(212,647,422)	3,419,913	(209,227,509)	3,230,601
Total net position	\$ 116,827,507	\$ 5,672,589	\$ 122,500,096	\$ 6,639,977

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



**CABARRUS COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 2**

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 38,650,194	\$ 4,007,426	\$ 8,694,960	\$ -	\$ (25,947,808)	\$ -	\$ (25,947,808)	
Public safety	82,186,124	19,647,444	2,350,919	-	(60,187,761)	-	(60,187,761)	
Economic and physical development	4,977,516	438,181	676,855	-	(3,862,480)	-	(3,862,480)	
Environmental protection	121,645	-	-	-	(121,645)	-	(121,645)	
Human services	64,264,463	281,427	50,953,051	-	(13,029,985)	-	(13,029,985)	
Education	140,498,917	1,765,536	729,988	2,895,148	(135,108,245)	-	(135,108,245)	
Culture and recreation	10,308,138	1,438,785	1,262,072	-	(7,607,281)	-	(7,607,281)	
Interest on long-term debt	16,448,929	-	-	-	(16,448,929)	-	(16,448,929)	
Total governmental activities	<u>357,455,926</u>	<u>27,578,799</u>	<u>64,667,845</u>	<u>2,895,148</u>	<u>(262,314,134)</u>	<u>-</u>	<u>(262,314,134)</u>	
Business-Type Activities:								
Solid Waste	2,370,143	1,025,067	-	-	-	(1,345,076)	(1,345,076)	
Total business-type activities	<u>2,370,143</u>	<u>1,025,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,345,076)</u>	<u>(1,345,076)</u>	
Total primary government	<u>\$ 359,826,069</u>	<u>\$ 28,603,866</u>	<u>\$ 64,667,845</u>	<u>\$ 2,895,148</u>	<u>(262,314,134)</u>	<u>(1,345,076)</u>	<u>(263,659,210)</u>	
<b>Component Unit:</b>								
Cabarrus Health Alliance	<u>\$ 35,401,437</u>	<u>\$ 8,636,463</u>	<u>\$ 24,818,871</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (1,946,103)</u>
General Revenues:								
Property taxes					238,498,719	-	238,498,719	-
Local option sales tax					78,357,960	-	78,357,960	-
ABC revenues					242,721	-	242,721	-
Other taxes and licenses					1,410,618	607,752	2,018,370	-
Investment earnings					9,817,567	169,253	9,986,820	298,825
Miscellaneous					3,520,931	6,230	3,527,161	35,833
Total general revenues, excluding transfers					<u>331,848,516</u>	<u>783,235</u>	<u>332,631,751</u>	<u>334,658</u>
Transfers					<u>(621,872)</u>	<u>621,872</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>331,226,644</u>	<u>1,405,107</u>	<u>332,631,751</u>	<u>334,658</u>
Change in net position					<u>68,912,510</u>	<u>60,031</u>	<u>68,972,541</u>	<u>(1,611,445)</u>
Net position, beginning,					<u>47,914,997</u>	<u>5,612,558</u>	<u>53,527,555</u>	<u>8,251,422</u>
Net position, ending					<u>\$ 116,827,507</u>	<u>\$ 5,672,589</u>	<u>\$ 122,500,096</u>	<u>\$ 6,639,977</u>

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

**CABARRUS COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

**EXHIBIT 3  
PAGE 1 OF 3**

	Major				Non-Major	Total Governmental Funds
	General	County Capital Projects	CARES Act Relief	Opioid Settlement	Other Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,509,853	\$ 15,615,990	\$ -	\$ -	\$ 10,554,309	\$ 28,680,152
Investments	176,749,319	13,286,338	-	-	10,331,547	200,367,204
Restricted assets						
Investments	-	41,460,775	-	1,036,354	-	42,497,129
Cash	6,536,470	-	17,810,872	313,583	51,757	24,712,682
Receivables (net of allowance for uncollectible)						
Accounts receivable	1,506,382	-	-	16,394,116	39,206	17,939,704
Customers	2,357,203	-	-	-	-	2,357,203
Property taxes	1,697,924	-	-	-	-	1,697,924
Interest	3,075,527	-	-	-	-	3,075,527
Lease	299,044	-	-	-	-	299,044
Due from other governments	21,622,275	-	-	-	116,896	21,739,171
Prepaid items	140,662	-	-	-	23,722	164,384
Inventories	500,998	-	-	-	-	500,998
Total assets	<u>\$ 216,995,657</u>	<u>\$ 70,363,103</u>	<u>\$ 17,810,872</u>	<u>\$ 17,744,053</u>	<u>\$ 21,117,437</u>	<u>\$ 344,031,122</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 10,722,549	\$ 2,469,577	\$ 3,825	\$ -	\$ 3,505,747	\$ 16,701,698
Advance from grantor	2,172,954	40,000,000	17,807,047	-	-	59,980,001
Contract retainages	-	3,732,379	-	-	1,292,109	5,024,488
Total liabilities	<u>12,895,503</u>	<u>46,201,956</u>	<u>17,810,872</u>	<u>-</u>	<u>4,797,856</u>	<u>81,706,187</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,088,612</u>	<u>-</u>	<u>-</u>	<u>16,394,116</u>	<u>127,958</u>	<u>21,610,686</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	500,998	-	-	-	-	500,998
Prepaid items	140,662	-	-	-	23,722	164,384
Leases	7,427	-	-	-	-	7,427

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

**CABARRUS COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

**EXHIBIT 3  
PAGE 2 OF 3**

	Major			Non-Major	Total Governmental Funds
	General	County Capital Projects	CARES Act Relief	Other Governmental Funds	
<b>FUND BALANCES (continued)</b>					
Restricted:					
Stabilization by state statute	32,731,628	75,472,003	17,350,496	2,347,170	127,901,297
Register of Deeds Automation & Enhancement	-	-	-	448,864	448,864
General government	2,837	-	-	-	2,837
Emergency Telephone 911	-	-	-	365,218	365,218
Public Safety	9,700,726	-	-	197,761	9,898,487
Community Development programs	-	-	-	47,091	47,091
Soil & Water programs	-	-	-	116,571	116,571
Economic & physical development	46,961	-	-	-	46,961
Social Services grants	329,133	-	-	-	329,133
School debt & construction	4,360,679	-	-	-	4,360,679
Cabarrus Arena & Events Center	-	-	-	51,757	51,757
Human services	-	-	-	1,349,937	1,720,363
Committed:					
Community Investment Fund	46,834,275	-	-	-	46,834,275
General government	2,338,500	-	-	-	2,338,500
Public safety	290,820	-	-	-	290,820
Economic & physical development	5,728,489	-	-	2,414,067	8,142,556
Human services	167,872	-	-	153,501	321,373
Education	-	-	-	6,317,927	6,317,927
Culture & recreation	202,500	-	-	-	202,500
Assigned:					
General government	5,505,000	-	-	-	5,505,000
Public safety	602,727	-	-	-	602,727
Economic & physical development	30,000	-	-	-	30,000
Culture & recreation	21,000	-	-	3,409,448	3,430,448
Unassigned	89,469,308	(51,310,856)	(17,350,496)	(71,900)	20,736,056
<b>Total fund balances</b>	<b>199,011,542</b>	<b>24,161,147</b>	<b>-</b>	<b>1,349,937</b>	<b>240,714,249</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 216,995,657</b>	<b>\$ 70,363,103</b>	<b>\$ 17,810,872</b>	<b>\$ 21,117,437</b>	<b>\$ 344,031,122</b>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

**EXHIBIT 3A**  
**PAGE 3 OF 3**

Total fund balances-total governmental funds		\$ 240,714,249
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Government capital assets	459,584,843	
Less accumulated depreciation	<u>(116,794,169)</u>	342,790,674
Right to use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Government capital assets	5,881,913	
Less accumulated depreciation	<u>(2,251,684)</u>	3,630,229
Subscription based assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Government capital assets	1,167,915	
Less accumulated depreciation	<u>(338,677)</u>	829,238
Charges related to advance refunding bond issue		8,247,602
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Deferred inflows of resources for taxes, Opioid settlement and ambulance receivables		20,449,234
Premium on debt issuance		<u>(25,423,901)</u>
Sales tax receivable for capital lease		21,904
Contributions and other costs to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		
Pension		32,149,323
Register of Deeds Supplemental Retirement		216,741
Benefit payments and pension administration costs for LEOSSA		3,716,533
Contributions and administration costs for OPEB are deferred outflows of resources		<u>5,598,293</u>
Internal service funds are used by management to charge the costs of self-insured hospitalization dental, Workers Compensation, and Liability Insurance to individual departments.		
		12,878,486
Pension related deferred inflows		(2,262,720)
OPEB related deferred inflows		<u>(16,204,594)</u>
Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and other debt payable	(398,764,977)	
Accrued interest	(4,320,383)	
Lease liability	(3,757,265)	
Subscription liability	(817,627)	
Compensated absences	(6,338,831)	
Net LEO Pension liability	(12,244,359)	
Net LGERS liability	(48,833,784)	
Net Register of Deeds Supplemental Retirement asset	309,762	
Total OPEB liability	<u>(35,756,320)</u>	<u>(510,523,784)</u>
Net position of governmental activities		<u>\$ 116,827,507</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 4**  
**PAGE 1 OF 3**

	Major				Non-Major	Total Governmental Funds
	General	County Capital Projects	Cares Act Relief	Opioid Settlement	Other Governmental Funds	
<b>REVENUES</b>						
Ad valorem taxes	\$ 231,483,637	\$ -	\$ -	\$ -	\$ 6,963,056	\$ 238,446,693
Other taxes and licenses	79,768,578	-	-	-	-	79,768,578
Intergovernmental revenues	33,362,860	700,000	12,972,802	1,393,979	4,198,205	52,627,846
Permits and fees	9,320,563	-	-	-	-	9,320,563
Sales and services	15,331,548	-	-	-	2,403,282	17,734,830
Investment earnings	8,140,949	1,466,884	-	25,958	198,935	9,832,726
Donations	-	-	-	-	1,895,587	1,895,587
Miscellaneous	384,435	-	-	-	12,748	397,183
<b>Total revenues</b>	<b>377,792,570</b>	<b>2,166,884</b>	<b>12,972,802</b>	<b>1,419,937</b>	<b>15,671,813</b>	<b>410,024,006</b>
<b>EXPENDITURES</b>						
Current:						
General government	37,002,746	2,768,140	322,986	-	54,661	40,148,533
Public safety	65,616,214	4,243,774	-	-	6,988,424	76,848,412
Economic & physical development	4,805,282	-	-	-	98,075	4,903,357
Environmental protection	-	-	-	-	64,527	64,527
Human services	49,239,293	-	12,649,816	70,000	363,532	62,322,641
Culture and recreation	7,366,736	-	-	-	1,925,528	9,292,264
Education	96,068,495	-	-	-	44,430,422	140,498,917
Capital outlay	-	48,287,255	-	-	33,045	48,320,300
Debt service:						
Principal retirement	46,217,092	-	-	-	-	46,217,092
Interest and fees	15,693,671	-	-	-	-	15,693,671
<b>Total expenditures</b>	<b>322,009,529</b>	<b>55,299,169</b>	<b>12,972,802</b>	<b>70,000</b>	<b>53,958,214</b>	<b>444,309,714</b>
Excess (deficiency) of revenues over (under) expenditures	55,783,041	(53,132,285)	-	1,349,937	(38,286,401)	(34,285,708)

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 4**  
**PAGE 2 OF 3**

	Major				Non-Major	Total Governmental Funds
	General	County Capital Projects	Cares Act Relief	Opioid Settlement	Other Governmental Funds	
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt proceeds	-	38,628,774	-	-	23,340,743	61,969,517
Subscription liabilities issued	1,167,916	-	-	-	-	1,167,916
Transfers in	2,325,174	18,176,001	-	-	19,220,401	39,721,576
Transfers out	(38,018,274)	-	-	-	(2,325,174)	(40,343,448)
Total other financing sources (uses)	(34,525,184)	56,804,775	-	-	40,235,970	62,515,561
Net change in fund balances	21,257,857	3,672,490	-	-	1,949,569	28,229,853
Fund balance, July 1, as previously reported	177,753,685	20,488,657	-	-	14,242,054	212,484,396
Fund balance, June 30	<u>\$ 199,011,542</u>	<u>\$ 24,161,147</u>	<u>\$ -</u>	<u>\$ 1,349,937</u>	<u>\$ 16,191,623</u>	<u>\$ 240,714,249</u>

A legally budgeted Capital Investment Fund is consolidated into the General Fund for reporting purposes.

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

**CABARRUS COUNTY, NORTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 4A  
PAGE 3 OF 3**

Net change in fund balances-total governmental funds		\$ 28,229,853
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	53,514,094	
Less current year depreciation	<u>(9,338,547)</u>	44,175,547
Subscription asset capital outlay expenditures which were capitalized	1,167,915	
Subscription amortization expense	(338,677)	
Right to use lease assets amortization expense	<u>(1,125,841)</u>	(296,603)
Changes in contributions and other costs to the pension plan		12,622,004
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
OPIOID settlement	16,394,116	
Ambulance	361,858	
Property tax	<u>52,026</u>	16,808,000
The effect of various miscellaneous transactions involving capital assets		
Disposal of capital assets, net book value	<u>(218,996)</u>	(218,996)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of:		
Debt proceeds	(61,969,517)	
New long-term debt issued (subscriptions)	(1,167,916)	
Amortization of current year debt premium	2,484,483	
Principal payments	46,217,092	
Deferred charge on refunding	<u>(1,708,505)</u>	(16,144,363)
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	(555,495)	
Law Enforcement Officers Pension Liability	(962,331)	
Local Government Employees Retirement System	(18,066,559)	
Register of Deeds Supplemental Retirement	(165,509)	
Other Postemployment Benefit Liability	2,289,450	
Accrued interest	<u>(1,638,475)</u>	(19,098,919)
Internal service funds are used by management to charge the cost of self-insured hospitalization dental, workers compensation, and liability systems to individual departments.		<u>2,835,987</u>
Changes in net position of governmental activities		<u>\$ 68,912,510</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 5**  
**PAGE 1 OF 2**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 226,563,987	\$ 226,563,987	\$ 231,483,637	\$ 4,919,650
Other taxes and licenses	42,293,000	42,293,000	49,971,456	7,678,456
Intergovernmental revenues	25,147,250	34,336,937	32,632,872	(1,704,065)
Permits and fees	9,931,343	9,931,343	9,320,563	(610,780)
Sales and services	13,454,082	13,695,653	15,331,548	1,635,895
Investment earnings	200,000	200,000	7,067,637	6,867,637
Miscellaneous	268,900	271,900	384,435	112,535
Total revenues	<u>317,858,562</u>	<u>327,292,820</u>	<u>346,192,148</u>	<u>18,899,328</u>
<b>EXPENDITURES</b>				
Current:				
General government	44,435,665	47,740,573	35,834,829	11,905,744
Public safety	67,497,152	74,538,804	65,616,214	8,922,590
Economic & physical development	6,328,686	6,626,413	4,805,282	1,821,131
Human services	52,705,105	58,213,186	49,239,293	8,973,893
Education	92,875,564	94,893,651	94,848,495	45,156
Culture and recreation	7,715,516	8,321,592	7,366,736	954,856
Total expenditures	<u>271,557,688</u>	<u>290,334,219</u>	<u>257,710,849</u>	<u>32,623,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,300,874</u>	<u>36,958,601</u>	<u>88,481,299</u>	<u>51,522,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,175,694	1,175,694	-
Transfers out	(46,300,874)	(68,696,406)	(68,686,406)	10,000
Fund balance appropriated	-	30,562,111	-	(30,562,111)
Total other financing sources (uses)	<u>(46,300,874)</u>	<u>(36,958,601)</u>	<u>(67,510,712)</u>	<u>(30,552,111)</u>

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 5**  
**PAGE 2 OF 2**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Net change in fund balance	\$ -	\$ -	20,970,587	\$ 20,970,587
Fund balance, July 1			126,843,165	
Fund balance, June 30			147,813,752	
A legally budgeted Community Investment Fund is consolidated into the General Fund for reporting purposes:				
Other taxes and licenses			29,797,121	
Intergovernmental revenues			729,988	
Investment earnings			1,073,312	
Expenditures			(58,428,678)	
Transfer in - General Fund			64,786,707	
Transfer in - Other Funds			2,325,174	
Subscription liabilities			1,167,916	
Transfer out			(35,294,270)	
Fund balance, June 30			153,971,022	
Fund balance, July 1			50,910,520	
Debt service payment made from sinking fund held by trustee and previously budgeted			(7,200,000)	
A legally budgeted principal debt service payment was made to a sinking fund held by a trustee in the County's name			1,330,000	
			<u>\$ 199,011,542</u>	

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

**CABARRUS COUNTY, NORTH CAROLINA**

**EXHIBIT 6**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**OPIOID SETTLEMENT FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,321,587	\$ 1,321,587	\$ 1,393,979	\$ 72,392
Investment earnings	-	-	25,958	25,958
Total revenues	<u>1,321,587</u>	<u>1,321,587</u>	<u>1,419,937</u>	<u>98,350</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>1,321,587</u>	<u>1,321,587</u>	<u>70,000</u>	<u>1,251,587</u>
Total expenditures	<u>1,321,587</u>	<u>1,321,587</u>	<u>70,000</u>	<u>1,251,587</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,349,937</u>	<u>1,349,937</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,349,937	<u>\$ 1,349,937</u>
Fund balance, July 1			<u>-</u>	
Fund balance, June 30			<u>\$ 1,349,937</u>	

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

**EXHIBIT 7**  
**PAGE 1 OF 2**

	<u>Business-type Activities Landfill Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,750,741	\$ 14,196,456
Investments	6,012,780	
Receivables (net):		
Accounts	-	17,826
Customers	17,110	-
Due from other governments	152,076	-
Prepaid expenses	-	210,601
Total current assets	<u>7,932,707</u>	<u>14,424,883</u>
Noncurrent assets:		
Land	490,447	-
Land improvements	2,376,141	-
Buildings & improvements	1,256,544	-
Vehicles and equipment	2,352,840	29,664
Less: Accumulated depreciation	(4,223,296)	(29,664)
Total noncurrent assets (net)	<u>2,252,676</u>	<u>-</u>
Total assets	<u>10,185,383</u>	<u>14,424,883</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan in fiscal year	122,633	-
OPEB deferrals	21,353	-
Total deferred outflows of resources	<u>143,986</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	155,874	51,594
Landfill closure   post closure costs	90,000	-
Compensated absences	10,249	-
Total current liabilities	<u>256,123</u>	<u>51,594</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

**EXHIBIT 7**  
**PAGE 2 OF 2**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Landfill Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>LIABILITIES (continued)</b>		
Noncurrent liabilities:		
Net pension liability	186,276	-
Claims payable	-	1,494,803
Landfill closure   post closure costs	4,011,973	-
Compensated absences	3,416	-
Total OPEB liability	<u>136,392</u>	<u>-</u>
Total noncurrent liabilities	<u>4,338,057</u>	<u>1,494,803</u>
Total liabilities	<u>4,594,180</u>	<u>1,546,397</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	787	-
OPEB deferrals	61,813	-
Total deferred inflows of resources	<u>62,600</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in capital assets	2,252,676	-
Unrestricted	<u>3,419,913</u>	<u>12,878,486</u>
Total net position	<u>\$ 5,672,589</u>	<u>\$ 12,878,486</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 8**  
**PAGE 1 OF 2**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Landfill Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>Operating revenues:</b>		
Charges for sales and services:		
Tipping fees	\$ 784,504	\$ -
Items for sale	83,538	-
Waste disposal fees	113,757	-
Recycling revenues	43,268	-
Insurance premiums   refunds	-	20,771,930
Program fees	-	33,645
Total operating revenues	<u>1,025,067</u>	<u>20,805,575</u>
<b>Operating expenses:</b>		
Salaries and benefits	803,444	-
Operations	1,475,854	18,213,287
Depreciation	90,845	3,955
Total operating expenses	<u>2,370,143</u>	<u>18,217,242</u>
Operating income (loss)	<u>(1,345,076)</u>	<u>2,588,333</u>
<b>Nonoperating revenues:</b>		
Landfill disposal tax	33,656	-
Landfill state tax distribution	55,787	-
Solid waste franchise fee	30,000	-
White Goods Disposal Tax	52,010	-
Tire disposal fees	436,299	-
Investment earnings	169,253	251,607
Miscellaneous revenue	6,230	-
Total nonoperating revenues	<u>783,235</u>	<u>251,607</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 8**  
**PAGE 2 OF 2**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Landfill Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>Nonoperating expense - loss on disposal</b>		
Income (loss) before contributions	(561,841)	2,839,940
<b>Transfers:</b>		
Transfer in - General Fund	621,872	-
Change in net position	60,031	2,839,940
Total net position, July 1	5,612,558	10,038,546
Total net position, June 30	<u>\$ 5,672,589</u>	<u>\$ 12,878,486</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 9**  
**PAGE 1 OF 2**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Landfill Enterprise Fund</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 988,149	\$ 6,660
Cash received from departments	-	20,574,113
Cash paid to employees	(785,406)	-
Cash paid to suppliers for goods and services	(981,413)	(18,485,331)
Net cash provided (used) by operating activities	<u>(778,670)</u>	<u>2,095,442</u>
<b>Cash flows from non-capital and related financing activities:</b>		
Transfer in	621,872	-
Non-capital grants and other subsidies	613,983	-
Net cash provided (used) by non-capital financing activities	<u>1,235,855</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(59,075)	-
Net cash (used) by capital and related financing activities	<u>(59,075)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	169,253	251,607
Net cash provided by investing activities	<u>169,253</u>	<u>251,607</u>
<b>Net increase in cash and cash equivalents</b>	567,363	2,347,049
Cash and cash equivalents, July 1	7,196,158	11,849,407
Cash and cash equivalents, June 30	<u>\$ 7,763,521</u>	<u>\$ 14,196,456</u>

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

**CABARRUS COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT 9  
PAGE 2 OF 2**

	<b>Business-type Activities Landfill Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (1,345,076)	\$ 2,588,333
Depreciation expense	90,845	3,955
Pension expense	(116,372)	-
Accounts receivable and prepaid expenses	-	(224,804)
Customers receivable	489	-
Due from other governments	(37,407)	-
Increase in pension liability	137,660	-
Accrued salaries and compensated absences payable	(2,122)	(272,042)
Accounts payable	(34,348)	-
Deferred inflows of resources (OPEB)	1,044	-
Landfill closure post-closure care cost	536,095	-
OPEB Liability	(12,093)	-
Deferred inflows of resources (OPEB)	2,615	-
Total adjustments	<u>566,406</u>	<u>(492,891)</u>
Net cash provided (used) by operating activities	<u>\$ (778,670)</u>	<u>\$ 2,095,442</u>

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**

**EXHIBIT 10**

	<u>Custodial Funds</u>	<u>OPEB Trust Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,600,487	\$ 4,074,775
Accounts receivable	915,775	-
Total assets	<u>2,516,262</u>	<u>4,074,775</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	2,516,262	4,074,775
Total fiduciary net position	<u>\$ 2,516,262</u>	<u>\$ 4,074,775</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**EXHIBIT 11**

	<u>Custodial Funds</u>	<u>OPEB Trust Fund</u>
<b>ADDITIONS</b>		
Employer contributions	\$ -	\$ 2,000,000
Investment income	-	72,097
Ad valorem taxes collected for other governments	126,470,557	-
Collections on behalf of inmates	837,255	-
Total additions	<u>127,307,812</u>	<u>2,072,097</u>
<b>DEDUCTIONS</b>		
Tax distributions to other governments	126,500,682	-
Payments on behalf of inmates	908,692	-
Total deductions	<u>127,409,374</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	(101,562)	2,072,097
Net position - beginning	<u>2,617,824</u>	<u>2,002,678</u>
Net position - ending	<u>\$ 2,516,262</u>	<u>\$ 4,074,775</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

<b>Component Unit</b>	<b>Reporting Method</b>	<b>Criteria for Inclusion</b>	<b>Separate Financial Statements</b>
Cabarrus Development Corporation	Blended	The Development Corporation is governed by a three-member Board of Directors who are established through the bylaws of the Articles of Incorporation. The Corporation exists to provide debt financing to the County	None issued
Cabarrus County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Public Health Authority of Cabarrus County d.b.a. Cabarrus Health Alliance	Discrete	Cabarrus Health Alliance (the “Alliance” was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. On April 20 <sup>th</sup> , 1998, the Cabarrus County Board by resolution authorized the transfer of powers, duties, and responsibilities to the Alliance for communicable disease control, environmental protection, and maintenance of vital records. The members of the Board of Alliance are appointed by the Chairperson of the Board of Commissioners for Cabarrus County. The County provides funding to the Alliance. The County funded the Alliance with \$10,681,910 or 31.30% of its total revenues for the fiscal year ended June 30, 2023. A financial benefit or burden relationship exists between the Alliance and the County.	Cabarrus Health Alliance 300 Mooresville Road Kannapolis, NC 28081

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

**Basis of Presentation**

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the primary government's (the County's) and its component unit's net position. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, although interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

**General Fund** - This is the County's primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Community Investment Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation, in accordance with GASB 54, it is consolidated in the General Fund.

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

**CARES Act Relief** – This fund accounts for funding received from the federal government to cover COVID-19 expenditures for public health emergency.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**Opioid Settlement Fund** – accounts for the receipt and expenditure of OPIOID Settlement Funds.

The County reports the following major proprietary fund:

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

The County reports the following fund types:

**Internal Service Fund.** This fund accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The County has two internal service funds, the Medical and Dental Fund and the Property Liability and Workers' Compensation Fund.

**Custodial Funds.** These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Undistributed Taxes Fund and the Jail Commissary Fund. The Undistributed Taxes Fund is used to accumulate collected property taxes before they are distributed to local municipalities. The Jail Commissary Fund is used to account for an inmate's money deposited with the County when an inmate is housed at the County Detention Center. The money can be used by the inmate to purchase commissary items. Any unused monies are returned to the inmate upon their release.

**Trust Funds.** This fund is used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans or other postemployment benefit plans. The Other Postemployment Benefits Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees.

**Special Revenue Funds.** These funds account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The County maintains the following non-major special revenue funds:

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

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

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

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

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

*Social Services Fund* - used to account for money deposited with the County through the social services department under a program which manages the financial affairs of persons unable or incapable of managing them on their own.

*Intergovernmental Fund* – accounts for the penalties, fines and forfeitures collected by the County and remitted to school systems.

**Capital Projects Funds.** These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains the following non-major capital projects funds:

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

*School Capital Projects* – This fund accounts for planning, design, construction and/or renovation of schools using debt and non-debt sources.

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

**Measurement Focus – Basis of Accounting**

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements* – The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

In the Undistributed Tax Fund, a fiduciary custodial fund, ad valorem taxes related to various municipalities, for which the County bills and collects are recorded as a receivable in the period that the taxes are levied. An allowance for uncollectible accounts is also recorded.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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In the OPIOID Settlement Fund, funds were earned at the point the County entered into the settlement agreement. Since some companies may cease making payments at some point in the future for various reasons, and an allowance is also recorded.

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. On June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the state at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Community Investment Fund, the Cabarrus Arena and Events Center Special Revenue Fund, the OPIOID Settlement Special Revenue Fund, the Landfill Fund, the Social Services Payee Special Revenue Fund, the Intergovernmental Special Revenue Fund, the Fire Districts Special Revenue Fund, and the Emergency Telephone Special Revenue Fund, all annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the remaining special revenue funds and the capital projects funds. The County operates under a financial plan for the Medical and Dental and Property Liability and Workers' Compensation Internal Service Funds. The financial plans are adopted by the governing board at the time the County's budget ordinance was approved, as required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds and at the project level for the multi-year funds.

1. The County Manager may not distribute funds appropriated to a private entity until the County and the private entity enter into a written contract or agreement specifying the following:
  - The purposes for which the private entity may use the funds, which shall comply with the requirements of G.S. 153A-449(a) and N.C. Const. Art. V, Sec. 2.
  - Requirements for accounting for the management and expenditure of County funds.
  - Any other fiscal or programmatic control deemed appropriate by the County Manager to ensure the lawful and appropriate spending and management of the County funds.
2. The County Manager, or his designee, may transfer moneys from one appropriation to another within the same fund. The County Manager must report such transfers to the Board of Commissioners at its next regular meeting and record such notice in the minutes.
3. The Board of Commissioners must approve the use of any contingency appropriation within any fund except for the County Manager may authorize expenditures from contingency appropriations to fund an increase in charter school student enrollment. Expenditures from contingency appropriations authorized by the County Manager must be reported to the board at its next regular meeting and recorded in the minutes.
4. The County Manager, Budget Director, or designee may create debt-financing amendments from estimated projections upon approval by the Board of Commissioners of the debt financing and adjust as needed upon closing.
5. The County Manager or designee may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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6. The County Manager or designee may execute contracts not required to be bid or which G.S. 143-131 allows an informal bid so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
7. The County Manager or designee may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153A-248(b), 259, 449 and any similar statutes require such contracts.
8. The County Manager or designee may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
9. The appropriations for Cabarrus County Schools and Kannapolis City Schools are allocated by category. Cabarrus County Schools and Kannapolis City Schools must obtain the approval of the Board of Commissioners for any amendment that would increase or decrease the amount of County appropriations allocated by category by more than ten percent.

In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent the final authorized amounts as of June 30, 2023.

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

As required by General Statute (G.S.) 159-26(d), the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances represent commitments related to unperformed contracts and purchase orders for goods or services. Encumbrances are recognized during the year.

**D. Assets, Liabilities, Deferred Inflows and Outflows and Fund Equity**

**1. Deposits and Investments**

All deposits of the County and its component units are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and its component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and its component unit may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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General Statute 159-30.1 allows the County to establish and fund an irrevocable trust for the purpose of paying post-employment benefits (OPEB) for which the County is liable. The County Other Postemployment Benefit (OPEB) Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds submitted are held on the State Treasurer's Short-Term Investment Fund (STIF). Allowable STIF investments are detailed in G.S. 147-69.1.

The County's and its component unit's investments with a maturity of more than one year at acquisition, and non-money market investments, are carried at fair value as determined by quoted market prices.

- The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 money market mutual fund, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.
- Ownership of the STIF is determined on a fair marker valuation basis as of fiscal year-end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs-other than quoted prices-included with Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and has a weighted average maturity at June 30, 2023, of 0.7 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

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

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

The County, as well as the Cabarrus Health Alliance, pools monies from several funds to facilitate disbursement and investment and to maximize investment income. The County considers all demand deposits and investments with a maturity date of 90 days or less, at the time of purchase to be cash and cash equivalents.

## **3. Restricted Assets**

ARPA funds are classified as restricted cash because funds must be expended in accordance with the American Rescue Plan Act. Additional restricted amounts at year end are for debt payments held in escrow by agent, advances from grantors related to grant advances and cash that is restricted for grant purposes such as SCIF and opioid settlement funds, advance for Medicaid expansion, unspent ERAP funds and funds for the Cabarrus Arena and Events Center. These assets have been reclassified as restricted cash or restricted investments on the Statement of Net Position and the Governmental Balance Sheet. The amounts are considered restricted because their use is expressly prohibited except for the original purpose of which the funds were received.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

Governmental Activities		
General Fund	Debt payments held in escrow by agent	\$ 4,363,516
General Fund	Unspent Grant Funds	1,472,103
General Fund	Advance from Grantor - Medicaid Expansion	700,851
County Capital Projects	SCIF funds, including interest	41,460,775
Cares Act Relief	Unspent ARPA relief funds	17,803,143
Cares Act Relief	Unspent ERAP funds	7,729
Opioid Settlement Fund	Unspent Opioid settlement proceeds	1,349,937
Cabarrus Arena and Events Center Fund	Unspent escrow	51,757
Total Restricted Cash		<u>\$ 67,209,811</u>

Cash and cash equivalents in the OPEB Trust Fund are considered restricted because it can only be used to pay other postemployment benefit obligations.

**4. Ad Valorem Taxes Receivable**

In accordance with G.S. 105-347 and G.S. 159-13(a), ad valorem taxes on property other than motor vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1; however, penalties and interest does not accrue until the following January 6. The taxes are based on the assessed values as of January 1, 2022. The legal lien date is January 1.

The County is permitted by North Carolina general statutes to levy taxes up to \$1.50 per \$100 assessed valuation for general governmental services. This limitation does not apply to debt service, court, and jail facilities, funding deficits, conducting elections, kindergarten to post-secondary public education, social services, or joint ventures with other political subdivisions in providing these functions, services, or activities. The County's tax rate for the 2022-2023 fiscal year was \$0.74 per \$100 valuation.

**5. Lease Receivable**

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**6. Allowances for Doubtful Accounts**

Ad valorem taxes for the County and various municipalities for which the County bills, and Emergency Management Services receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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Based on the County's collection history for Landfill accounts and the aging report as of June 30, 2023, the County expects the total accounts receivable for the Landfill to be collected. The County does not consider accounts uncollectible unless greater than three years. Therefore, an allowance for doubtful accounts has not been recorded for the Landfill. Of the total accounts receivable at June 30, 2023, eight credit customers had a balance greater than 30 days past due. These accounts are expected to be paid in full.

Opioid settlement funds were earned when the County entered into a settlement agreement. Since some companies may cease making OPIOID settlement payments at some point in the future for various reasons, the County considered a level of offset and recorded an allowance for payments that may not be received.

**7. Inventories and Prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. If significant, the amount of inventory on hand at year end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement of Activities the cost of these inventories is expensed as the items are used. The Cabarrus Health Alliance maintains no inventory.

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

**8. Capital Assets**

Capital assets are defined by the government as assets with an initial, minimum individual cost of \$5,000 and an estimated useful life more than one year. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Land improvements	15
Furniture and equipment	7
Reservoir	999
Vehicles and motorized equipment	7

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

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

**9. Right to Use Assets**

The County has recorded right to use lease assets as a result of implementing GASB 87 and GASB 96. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet this criterion – charges on debt refunding, pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet this criterion for this category – prepaid taxes, property tax receivable, ambulance receivable, unavailable Opioid revenues (reported only on the Balance Sheet of the Governmental Funds), other pension OPEB related deferrals, and lease receivable.

**11. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

**12. Compensated Absences**

All permanent and probationary County and Cabarrus Health Alliance employees who are scheduled to work at least 1,000 hours during the calendar year receive vacation and sick leave benefits. The County's vacation policy allows for an unlimited accumulation of earned leave during the calendar year with a maximum of 240 hours (252 hours for 12-hour law enforcement personnel and 318 hours for fire fighter personnel) being carried over to January 1. Vacation exceeding 240 hours (252 hours for 12-hour law enforcement personnel and 318 hours for fire fighter personnel) is converted into sick leave after January 1st. Vacation leave is fully vested when earned. The County budgets and funds the current portion of accumulated vacation leave during each fiscal year. Vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County's and Cabarrus Health Alliance's sick leave policies also allow for unlimited accumulation of earned leave. Sick leave benefits do not vest but any unused leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. As there is not an obligation to pay sick leave until it is taken, no liability is recorded for these non-vested benefits.

**13. Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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North Carolina’s Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the state (“State Abatement Fund”)
- 80% to abatement funds established by Local Governments (“Local Abatement Funds”)
- 5% to a County Incentive Fund

As of June 30, 2023, the County has received \$1,393,979 as part of this settlement. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. As of June 30, 2023, the County had determined a spending strategy for \$210,000 of the total funds under Option A for recovery support services. The County expended \$70,000 as of June 30, 2023. The County had not determined a spending strategy for the balance of the funds and the funds are budgeted in an unallocated account. Cabarrus County is expected to receive a total of \$21,886,625.

OPIOID settlement funds were earned when the County entered into a settlement agreement. Since some companies may cease making OPIOID settlement payments at some point in the future for various reasons, the County considered a level of offset and recorded an allowance for payments that may not be received.

**14. Reimbursements for Pandemic-related Expenditures**

In Fiscal Year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. Cabarrus County was awarded \$42,043,458 of fiscal recovery funds to be paid in two equal installments. The first installment of \$21,021,729 was received May 2021. The second installment \$21,027,729 was received June 2022. County staff and Board of Commissioners elected to support public health, mental health services, small businesses, non-profits and disproportionately impacted populations and communities. The County spent \$8,569,453 in fiscal year 2023. As of June 30, 2023, the County has spent \$24,244,140. This includes the \$10 million standard allowance for lost revenue and used for payroll and covered benefits expenses for public safety employees.

**15. Net Position/Fund Balances**

**a. Net Position**

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

**b. Fund Balances**

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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The governmental fund types classify fund balances as follows:

**1. Non-spendable Fund Balance**

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

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

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

*Leases* – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**2. 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* – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet. For June 30, 2023, \$6,534,872 was restricted to the General Fund, \$75,472,003 for County Capital Projects Fund, \$17,350,496 for the CARES Act Relief Fund, and \$2,191,068 for non-major funds.

*Restricted for Register of Deeds* – portion of fund balance that is restricted by revenue source to pay for automation enhancement improvements in the Register of Deeds' office.

*Restricted for General Government* – portion of fund balance restricted by revenue source to be used for general government debt service payments.



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Restricted for Emergency Telephone* – portion of fund balance restricted for expenditures to enhance the state’s 911 system.

*Restricted for Public Safety* – portion of fund balance restricted by revenue source for unspent Federal Forfeiture Funds, Emergency Management Operations, State Criminal Alien Assistance Program, Animal Shelter Donations and support of the administration and activities of the inspection department.

*Restricted for Community Development Programs* – portion of fund balance restricted by revenue source for community development low-income housing projects.

*Restricted for Soil & Water Programs* – portion of fund balance restricted by revenue source for unspent Conservation Grant proceeds used for Soil and Water Land conservation projects.

*Restricted for Economic and Physical Development* – portion of fund balance restricted by revenue source for unspent grants.

*Restricted for Social Services* – portion of fund balance restricted by revenue source for various unspent grants.

*Restricted for School Debt and Construction* – portion of fund balance restricted by revenue source to be used for school debt service payments and construction.

*Restricted for Cabarrus Arena & Events Center* – portion of fund balance restricted by revenue source for use as an at-risk fund for the Cabarrus Arena and Events Center operations.

*Restricted for Human Services* – portion of fund balance restricted for unspent 4H Cannon Grant and funds received for Social Services Payees’.

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 as of June 30, 2023 by the amount of unspent debt proceeds of \$2,837 and Register of Deeds’ Pension Plan of \$489,903 for a net difference of \$487,066.

### **3. Committed Fund Balance**

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

*Committed for Community Investment Fund* – portion of fund balance budgeted by the governing board to pay for future capital projects.

*Committed for General Government* – portion of fund balance budgeted by the governing board for ERP software upgrade and support for recruitment.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Committed for Public Safety* – portion of fund balance committed by the governing board by revenue source to pay for EMS vehicle and Sheriff radio expenses.

*Committed for Economic & Physical Development* – portion of fund balance committed by the governing board for economic development expenditures.

*Committed for Human Services* – portion of fund balance committed by the governing board for Department of Human Services projects.

*Committed for Education* – portion of fund balance committed by the governing board for planning, designing and construction of public schools. (don't delete, EXh3 updated)

*Committed for Culture & Recreation* – portion of fund balance committed by the governing board for building improvements at the arena.

#### **4. Assigned Fund Balance**

The County's governing body has the authority to assign fund balance. The Manager and Deputy County Manager, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

*Assigned for General Government* – portion of fund balance that is intended to be used for 1) property tax appeals 2) extraordinary circumstances 3) pending and potential claims and 4) uncompleted projects budgeted in subsequent years expenditures.

*Assigned for Public Safety* – portion of fund balance intended to be used for uncompleted Emergency Medical Services and Sheriff Department projects.

*Assigned for Economic and Physical Development* – portion of fund balance intended to be used for planning and soil and water projects.

*Assigned for Culture and Recreation* – portion of fund balance intended to be used for parks project.

#### **5. Unassigned Fund Balance**

Unassigned fund balance represents the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

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

On June 18, 2019, the Board of Commissioners adopted a resolution formalizing the following fiscal management policies to be incorporated into the County's budget document beginning with the 2019 fiscal year:

If unassigned fund balance at the end of the current fiscal year is less than the approved fund balance level, the deficiency should be replenished in the coming fiscal years, not to exceed a total of three consecutive years.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

Total fund balance - General Fund	\$ 199,011,542
Less:	
Inventories	500,998
Prepaid items	140,662
Leases	7,427
Stabilization by state statute	32,731,628
Restricted for debt payments	4,363,516
Restricted for Building Inspections	9,575,291
Committed for Community Investment Fund	46,834,275
Committed for unpaid tax incentives	5,728,489
Uncompleted FY23 projects	3,501,221
General Government assignments	6,158,727
Working Capital/Fund Balance policy	53,109,518
Fund balance remaining for appropriation	<u><u>\$ 36,359,790</u></u>

**16. Defined Benefit Pension Plans**

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

**E. Management Estimates**

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**F. Other Resources**

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

**G. Comparative Data/Reclassifications**

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

**NOTE 2. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits**

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

At June 30, 2023, the carrying amount of the County’s bank deposits, including custodial fund, was \$43,317,355 and the bank balance was \$42,939,397. Of the bank balance, \$754,284 was covered by federal depository insurance, and \$42,185,113 was covered by collateral, held by authorized escrow agents in the name of the County, under the Pooling Method. At June 30, 2023, the County had \$9,110 cash on hand.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

At June 30, 2023, the carrying amount of the Cabarrus Health Alliance's bank deposits was \$1,888,623 and the bank balance was \$2,016,419. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the Cabarrus Health Alliance had \$3,600 of cash on hand.

**2. Investments**

As of June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method <sup>2,3</sup>	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years	4-5 Years
US Government Agencies	Fair Value-Level 2	\$ 137,245,946	\$ 9,761,233	\$ 49,790,500	\$ 61,492,843	\$ 16,201,370
US Treasuries	Fair Value-Level 1	39,269,817	9,874,778	9,751,267	19,643,772	-
Commercial Paper	Fair Value-Level 2	72,361,351	-	72,361,351	-	-
NC Capital Management Trust:						
Government Portfolio <sup>1</sup>	Fair Value-Level 1	27,614,052	27,614,052	-	-	-
<b>Total</b>		\$ 276,491,166	\$ 47,250,063	\$ 131,903,118	\$ 81,136,615	\$ 16,201,370

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities on the securities' relationship to benchmark quoted prices.

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

*Credit Risk.* The County's investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, The County's investment in commercial paper were rated A-1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Service as of June 30, 2023. The County's investment in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association) are rated Aaa and Federal Farm Credit Bank is rated AA+ by Moody's Investors Service.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

*Concentration of Credit Risk.* With the exception of U.S. Treasury securities, U.S agencies and authorized pools, Cabarrus County's investment policy does not allow for commercial paper investments in any one issuer in excess of 10% of the County's total investments. Twenty-six percent of the County's investments are held in commercial paper and fifty percent in governmental agencies. More than 5% of the County's investments are in Federal Farm Credit Bank securities and Federal Home Loan Bank securities. These investments are 14% and 31% respectively, of the County's total investments.

At June 30, 2023, the Cabarrus Health Alliance's investments consisted of \$7,514,231 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAA by Standard and Poor's. The Government portfolio's valuation measurement method is amortized cost. The Cabarrus Health Alliance does not have a formal policy regarding credit risk or interest rate risk.

### **3. OPEB Trust Fund**

At June 30, 2023, the County's health Care Plan has \$4,074,775 invested in the North Carolina State Treasurer's Local Government Other Post-Employment (OPEB) Trust pursuant to G.S. 15-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the County's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 100%, which is reported as cash and cash equivalents.

*Level of the Fair Value Hierarchy:* Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs-other than quoted prices-included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023, of 0.7 years.

*Valuation Technique:* North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by marker transactions involving identical or comparable assets or group of assets.

*Interest Rate Risk* – The County does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 0.7 years at June 30, 2023.

*Credit Risk* – The County does not have a formal investment policy regarding credit risk for the HCB Pan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,472,653	\$ 1,537,255	\$ 8,009,908
2021	6,402,195	944,324	7,346,519
2022	6,439,195	370,254	6,809,449
2023	6,635,926	-	6,635,926
Total	<u>\$ 25,949,969</u>	<u>\$ 2,851,833</u>	<u>\$ 28,801,802</u>

**5. Receivables**

**a. Government-wide Receivables**

Receivables at the government-wide level for the Primary Government at June 30, 2023, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Lease Receivable</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
<b>Governmental Activities:</b>						
General	\$ 1,506,382	\$ 14,503,139	\$ 299,044	\$ 21,622,275	\$ 6,582,506	\$ 44,513,346
Other governmental	16,451,148	-	-	138,800	-	16,589,948
Total receivables	17,957,530	14,503,139	299,044	21,761,075	6,582,506	61,103,294
Allowance for doubtful accounts	-	(12,145,936)	-	-	(1,705,148)	(13,851,084)
Total-governmental activities	<u>\$ 17,957,530</u>	<u>\$ 2,357,203</u>	<u>\$ 299,044</u>	<u>\$ 21,761,075</u>	<u>\$ 4,877,358</u>	<u>\$ 47,252,210</u>
	<u>Accounts</u>	<u>Customers</u>	<u>Lease Receivable</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
<b>Business-type Activities:</b>						
Landfill	\$ -	\$ 17,110	\$ -	\$ 152,076	\$ -	\$ 169,186



**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

On July 01, 2021, the County entered in to a 72-month lease as Lessor for the use of AT&T Cell Tower Lease – 698 Walker Road. An initial lease receivable was recorded in the amount of \$131,352. As of June 30, 2023, the value of the lease receivable is \$89,183 and accrued interest receivable is \$23. The lessee is required to make monthly fixed payments of \$1,870. The lease has an interest rate of 0.3160%. The County recognized lease revenue of \$22,120 and \$320 interest revenue during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 01, 2021, the County entered in to a 42-month lease as Lessor for the use of Office Space – 715 Cabarrus Avenue – USDA. An initial lease receivable was recorded in the amount of \$112,379. As of June 30, 2023, the value of the lease receivable is \$48,555 and accrued interest receivable \$35. The lessee is required to make monthly fixed payments of \$2,717. The lease has an interest rate of 0.8930%. The County recognized lease revenue of \$32,011 and \$589 interest revenue during the fiscal year.

On July 01, 2021, the County entered in to a 37-month lease as Lessor for the use of Verizon Tower – 700 Walker Road. An initial lease receivable was recorded in the amount of \$82,671. AS of June 30, 2023, the value of the lease receivable is \$30,661, and accrued interest receivable \$18. The lessee is required to make monthly fixed payments of \$2,200. The lease has an interest rate of 0.7268%. The County recognized lease revenue of \$26,074 and \$325 interest revenue during the fiscal year.

On July 01, 2021, the County entered in to a 76-month lease as Lessor for the use of Verizon Tower – Rockland Circle. An initial lease receivable was recorded in the amount of \$185,100. As of June 30, 2023, the value of the lease receivable is \$130,645, and accrued interest receivable \$110. The lessee is required to make monthly fixed payments of \$2,388. The lease has an interest rate of 1.2166%. The County recognized lease revenue of \$27,599 and \$1,772 interest revenue during the fiscal year. The lessee has 3 extension options(s), each for 60 months.

Fiscal Year	Principal and Interest Expected to Maturity		
	Lease Receivables		
	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 109,281	\$ 2,118	\$ 111,399
2025	72,394	1,305	73,699
2026	52,785	823	53,608
2027	53,855	377	54,232
2028	10,729	27	10,756
	<u>\$ 299,044</u>	<u>\$ 4,650</u>	<u>\$ 303,694</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

	Governmental Activities	Business Type Activities
Local option sales tax	\$ 15,468,929	\$ -
NCVTS	3,202,880	-
Grants	392,065	-
Other	2,697,201	-
White goods	-	27,110
Solid waste disposal tax	-	13,859
Scrap tire tax	-	111,107
	<u>\$ 21,761,075</u>	<u>\$ 152,076</u>

**Discretely Presented Component Unit CHA**

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2023, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 3,935,398	\$ 611,381	\$ 157,652	\$ 4,704,431
Allowance for doubtful accounts	-	(218,032)	-	(218,032)
Total-governmental activities	<u>\$ 3,935,398</u>	<u>\$ 393,349</u>	<u>\$ 157,652</u>	<u>\$ 4,486,399</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**6. Capital Assets**

1. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 26,334,716	\$ 1,549,500	\$ -	\$ 27,884,216
Construction in progress	97,464,350	47,244,307	(104,268,771)	40,439,886
Total capital assets not being depreciated	<u>123,799,066</u>	<u>48,793,807</u>	<u>(104,268,771)</u>	<u>68,324,102</u>
Capital assets being depreciated:				
Buildings	180,943,284	103,299,308	-	284,242,592
Building improvements	24,803,714	459,520	(134,790)	25,128,444
Equipment	22,834,292	1,734,013	(43,639)	24,524,666
Furniture and fixtures	1,477,815	498,726	-	1,976,541
Land improvements	13,235,924	-	-	13,235,924
Vehicles	18,826,213	2,997,491	(1,414,860)	20,408,844
Reservoir	21,743,730	-	-	21,743,730
Total capital assets being depreciated	<u>283,864,972</u>	<u>108,989,058</u>	<u>(1,593,289)</u>	<u>391,260,741</u>
Less accumulated depreciation for:				
Buildings	57,076,312	4,727,588	-	61,803,900
Building improvements	8,668,619	649,687	(34,300)	9,284,006
Equipment	20,425,709	1,198,097	(43,639)	21,580,167
Furniture and fixtures	1,404,918	172,552	-	1,577,470
Land improvements	8,167,734	544,810	-	8,712,544
Vehicles	12,520,720	2,024,047	(1,296,354)	13,248,413
Reservoir	565,903	21,766	-	587,669
Total accumulated depreciation	<u>108,829,915</u>	<u>9,338,547</u>	<u>(1,374,293)</u>	<u>116,794,169</u>
Total capital assets, being depreciated, net	<u>175,035,057</u>	<u>99,650,511</u>	<u>(218,996)</u>	<u>274,466,572</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being amortized:				
Right to use assets:				
Leased equipment	\$ 579,173	\$ -	\$ -	\$ 579,173
Leased buildings	5,302,740	-	-	5,302,740
IT subscriptions	-	1,167,915	-	1,167,915
	<u>5,881,913</u>	<u>1,167,915</u>	<u>-</u>	<u>7,049,828</u>
Less accumulated amortization for:				
Right to use assets:				
Leased equipment	232,178	232,177	-	464,355
Leased buildings	893,665	893,664	-	1,787,329
IT subscriptions	-	338,677	-	338,677
Total accumulated amortization	<u>1,125,843</u>	<u>1,464,518</u>	<u>-</u>	<u>2,590,361</u>
Total right to use assets, net	<u>4,756,070</u>	<u>(296,603)</u>	<u>-</u>	<u>4,459,467</u>
Governmental and Internal Service Fund Capital Assets, net	<u>\$ 303,590,193</u>	<u>\$ 148,147,715</u>	<u>\$ (104,487,767)</u>	<u>\$ 347,250,141</u>

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

Governmental activities:	
General government	\$ 1,985,471
Public safety	5,936,291
Economic & physical development	42,028
Environmental protection development	75,607
Human services	1,420,999
Culture & recreation	1,342,669
Total depreciation expense - governmental & internal services activities	<u>\$ 10,803,065</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

Capital asset activity for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 490,447	\$ -	\$ -	\$ -	\$ 490,447
Total capital assets, not being depreciated	<u>490,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,447</u>
Capital assets, being depreciated:					
Land improvements	2,376,141	-	-	-	2,376,141
Vehicles	2,002,279	49,047	-	-	2,051,326
Equipment	303,336	10,028	(11,850)	-	301,514
Buildings	1,256,544	-	-	-	1,256,544
Total capital assets, being depreciated	<u>5,938,300</u>	<u>59,075</u>	<u>(11,850)</u>	<u>-</u>	<u>5,985,525</u>
Less accumulated depreciation for:					
Land improvements	1,459,651	31,742	-	-	1,491,393
Vehicles	1,925,136	13,764	-	-	1,938,900
Equipment	257,235	13,925	(11,850)	-	259,310
Buildings	502,279	31,414	-	-	533,693
Total accumulated depreciation	<u>4,144,301</u>	<u>90,845</u>	<u>(11,850)</u>	<u>-</u>	<u>4,223,296</u>
Total capital assets, being depreciated, net	<u>1,793,999</u>	<u>(31,770)</u>	<u>-</u>	<u>-</u>	<u>1,762,229</u>
Proprietary capital assets, net	<u>\$ 2,284,446</u>	<u>\$ (31,770)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,252,676</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**Construction Commitments**

The government has active construction projects as of June 30, 2023. The projects include New School Construction (Multiple Schools Roof Replacements, R. Brown McAllister Elementary School), Renovations to Existing Courthouse, Frank Liske Park Barn Replacement, New Ems Headquarters Building, Mental Health Facility, Library and Senior Center, and New Operation Center Building. At year-end, the government's commitments with contractors are as follows:

	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
School new construction	\$ 25,392,319	\$ 26,190,306
Frank Liske Park Barn Replacement	4,703,215	1,076,043
EMS Headquarters	15,521,040	5,114,047
Operations Center Building	5,347,470	3,157,874
Mental Health Facility	505,039	35,092,515
Library & Senior Center	1,030,998	23,378,669
Existing Courthouse Renovation	654,835	29,121,913
	<u>\$ 53,154,916</u>	<u>\$ 123,131,367</u>

**Discretely Presented Component Unit**

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Furniture and fixtures	\$ 391,287	\$ 6,226	\$ -	\$ 397,513
Vehicles	703,673	582,510	(16,592)	1,269,591
Equipment	1,412,062	140,160	(10,806)	1,541,416
Land improvements	618,927	-	-	618,927
Total capital assets being depreciated	<u>3,125,949</u>	<u>728,896</u>	<u>(27,398)</u>	<u>3,827,447</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation:				
Furniture and fixtures	381,097	9,471	-	390,568
Vehicles	453,110	126,468	(16,592)	562,986
Equipment	942,291	166,403	(10,806)	1,097,888
Land improvements	600,915	1,228	-	602,143
Total accumulated depreciation	<u>2,377,413</u>	<u>303,570</u>	<u>(27,398)</u>	<u>2,653,585</u>
Total governmental activities, being depreciated (net)	<u>748,536</u>	<u>425,326</u>	<u>-</u>	<u>1,173,862</u>
Capital assets, being amortized:				
Right to use assets:				
Leased equipment	14,416	157,878	-	172,294
Leased building	703,531	-	-	703,531
Total right to use assets	<u>717,947</u>	<u>157,878</u>	<u>-</u>	<u>875,825</u>
Less accumulated amortization for:				
Leased equipment	2,703	22,924	-	25,627
Leased building	158,398	230,505	-	388,903
Total accumulated amortization	<u>161,101</u>	<u>253,429</u>	<u>-</u>	<u>414,530</u>
Total capital assets being amortized, (net)	<u>556,846</u>	<u>(95,551)</u>	<u>-</u>	<u>461,295</u>
Cabarrus Health Alliance capital assets, (net)	<u>\$ 1,305,382</u>	<u>\$ 329,775</u>	<u>\$ -</u>	<u>\$ 1,635,157</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level for the Primary Government at June 30, 2023, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 4,878,776	\$ 3,289,935	\$ 2,553,838	\$ 10,722,549
County Capital Projects	2,469,576	-	-	2,469,576
Cares Act Relief Fund	-	3,825	-	3,825
Other governmental	4,824,312	5,930	221,901	5,052,143
Total governmental activities	<u>\$ 12,172,664</u>	<u>\$ 3,299,690</u>	<u>\$ 2,775,739</u>	<u>\$ 18,248,093</u>
Business-type activities				
Landfill	<u>\$ 124,706</u>	<u>\$ 31,168</u>	<u>\$ -</u>	<u>\$ 155,874</u>

Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2023, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	<u>\$ 237,403</u>	<u>\$ 815,738</u>	<u>\$ 1,053,141</u>

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

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

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the state of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Cabarrus County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Cabarrus County's contractually required contribution rate for the year ended June 30, 2023, was 12.14% of compensation for law enforcement officers and 13.04% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Cabarrus County were \$8,561,899 for the year ended June 30, 2023.

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

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

At June 30, 2023, the County reported a liability of \$49,020,060 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. The County's

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County’s proportion was 0.869% (measured as of June 30, 2022), which was an increase of 0.0347% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$14,164,082. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,112,230	\$ 207,092
Changes of assumptions	4,891,103	-
Net difference between projected and actual earnings on pension plan investments	16,201,643	-
Changes in proportion and differences between County contributions and proportionate share of contributions	505,078	-
County contributions subsequent to the measurement date	8,561,899	-
	<u>\$ 32,271,953</u>	<u>\$ 207,092</u>

\$8,561,899 reported as deferred outflows of resources related to pensions resulting from County’s contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 7,503,032
2025	6,341,143
2026	1,940,020
2027	7,718,767
2028	-
Thereafter	-
	<u>\$ 23,502,962</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

*Actuarial Assumptions.* The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021, valuation, were based on the results of an actuarial experience study prepared as of December 31, 2019, and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Protection	6.0%	2.7%
	<u>100.0%</u>	

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022 and is part of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 88,474,896</u>	<u>\$ 49,020,060</u>	<u>\$ 16,506,985</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the state of North Carolina.

**b. Law Enforcement Officers' Special Separation Allowance**

*Plan Description.* Cabarrus County administers a public employee retirement system (the "Separation Allowance"); a single employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021 the Separation Allowance's membership consisted of:

Retirees receiving benefits	36
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>218</u>
Total	<u><u>254</u></u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 73.

*Actuarial Assumptions.* The entry age normal actuarial cost method was used in the December 31, 2021, valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.31 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

**Mortality Assumption:** All mortality rates use Pub-2010 amount-weighted tables.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**Mortality Projection:** All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**Deaths After Retirement (Healthy):** Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

**Deaths After Retirement (Disabled Members at Retirement):** Mortality rates are based on the Non-Safety Mortality Table Disabled Retirees. Rates are Set Back 3 years for all ages.

**Deaths Prior to Retirement:** Mortality rates are based are based on the safety mortality for employees.

**Deaths After Retirement (Survivors of Deceased Members):** Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$651,134 as benefits came due for the reporting period.

At June 30, 2023, the County reported a total pension liability of \$12,244,359. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023 the County recognized pension expense of \$1,594,532.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,672,541	\$ 3,324
Changes of assumptions	1,707,091	2,016,504
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	336,903	-
Total	<u>\$ 3,716,535</u>	<u>\$ 2,019,828</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

The County paid \$336,903 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 669,243
2025	611,721
2026	488,642
2027	(207,825)
2028	(201,977)
Total	<u>\$ 1,359,804</u>

*Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.* The following presents the County's total pension liability calculated using the discount rate of 4.31 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(3.31%)</u>	<u>(4.31%)</u>	<u>(5.31%)</u>
Total pension liability	<u>\$ 13,218,550</u>	<u>\$ 12,244,359</u>	<u>\$ 11,356,713</u>

	<u>Total Pension Liability</u>
Beginning balance	\$ 13,462,604
Service cost at end of year	601,608
Interest on the total pension liability	295,583
Difference between expected and actual experience in the measurement of the total pension liability	643,902
Changes of assumptions or other inputs	(2,108,204)
Benefit payments	(651,134)
Ending balance of the total pension liability	<u>\$ 12,244,359</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at June 30, 2021 to 4.31 percent at June 30, 2022.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County has chosen to extend this benefit to all its full and part-time (who are eligible for North Carolina Local Governmental Employees' Retirement System) employees. Contributions by Cabarrus County for the year ended June 30, 2023 were \$5,254,798 which consisted of \$3,472,879 from the County and \$1,781,919 from the employees. Contributions for the year ended June 30, 2023 were \$562,044 from participating Alliance employees. The Alliance's Board reinstated the employer's contribution to this benefit. The Alliance matched up to 2% beginning July 1, 2021. The Alliance contributed \$200,491 to the plan for the year ended June 30, 2023. No amounts were forfeited.

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



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

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

*Plan Description.* Cabarrus County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G. S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the state of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$18,976 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$309,762 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was 2.340%, which was an decrease of 0.36705% from its proportion measured as of June 30, 2021.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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For the year ended June 30, 2023, the County recognized pension expense of \$48,141. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,386	\$ 5,615
Changes of assumptions	16,401	-
Net difference between projected and actual earnings on pension plan investments	128,748	-
Changes in proportion and differences between County contributions and proportionate share of contributions	50,230	30,985
County Contributions subsequent to the measurement date	18,976	-
	<u>\$ 216,741</u>	<u>\$ 36,600</u>

\$18,976 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 32,289
2025	53,635
2026	42,861
2027	32,380
2028	-
Thereafter	-

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Actuarial Assumptions.* The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.0 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.9% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.1%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy study for the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmarks averages. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.00 percent) or one percentage point higher (4.00 percent) than the current rate:

	<u>1% Decrease (2.00%)</u>	<u>Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ (357,045)</u>	<u>\$ (309,762)</u>	<u>\$ (609,914)</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the state of North Carolina.

**e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability (asset) for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Proportionate share of net pension liability (asset)	\$ 49,020,060	\$ (309,762)	\$ -	\$ 48,710,298
Proportion of the net pension liability (asset)	0.869%	2.340%	-	-
Total pension liability	-	-	12,244,359	12,244,359
Pension expense	14,164,082	48,141	1,594,532	15,806,755

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>TOTAL</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 2,112,230	\$ 2,386	\$ 1,672,541	\$ 3,787,157
Change of assumptions	4,891,103	16,401	1,707,091	6,614,595
Net difference between projected and actual earnings on pension plan investments	16,201,643	128,748	-	16,330,391
Changes in proportion and differences between County contributions and proportionate share of contributions	505,078	50,230	-	555,308
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	8,561,899	18,976	336,903	8,917,778
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	207,092	5,615	3,324	216,031
Changes of assumptions	-	-	2,016,504	2,016,504
Changes in proportion and differences between County contributions and proportionate share of contributions	-	30,985	-	30,985

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

*Plan Description.* The County administers a single employer defined benefit Healthcare Benefits Plan (the HCB Plan). The County Board of Commissioners has the authority to establish and amend the benefit terms and financing requirements. Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* The HCB plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Governmental Employee’s Retirement System (System) and at the time of their retirement meet certain service requirements using the schedule below. In addition, retirees must work the last five years at Cabarrus County.

Hired before July 1, 1997:

Signed agreement to reduce vacation : 100%

Signed agreement not to reduce vacation and signed 2<sup>nd</sup> chance in 2021: 50%

Signed agreement not to reduce vacation and did not sign 2<sup>nd</sup> chance in 2021: 100%

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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Hired on or after July 1, 1997, but before November 1, 2003:

Less than 10 years of service: 0%  
 10 or more years of service: 100%

Hired on or after November 1, 2003, but before November 1, 2016:

Less than 25 years of service, but more than 10 years of service: 50%  
 25 or more years of service: 100%

Hired on or after November 1, 2016:

Less than 25 years of service, but more than 15 years of service: 50%  
 25 or more years of service: 100%

The Retirees receive the same benefits as active employees and the County’s eligible retirees can purchase coverage for their dependents at the County’s group rate. The County pays the full cost of coverage for the HCB plan. Coverage for all retirees will cease when the retiree becomes eligible for Medicare or reaches the age where they would have had such benefits had they qualified for Social Security, or upon the retiree’s death, whichever comes first. The Cabarrus County Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

*Plan Membership.* Membership of the HCB plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	105
Inactive members entitled to but not yet receiving benefits	-
Active employees	<u>1,046</u>
Total membership	<u><u>1,151</u></u>

*Contributions* – The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The County has chosen to fund the healthcare benefits on a pay as you go basis. During fiscal year 2023, a \$2,000,000 contribution was paid into the County’s OPEB Trust. The irrevocable trust was established for the purpose of paying future post-employment benefits (OPEB) for which the County is liable. The Fiscal Year 2024 budget includes an additional \$2,000,000 contribution to be contributed onto the Trust Fund.

*Summary of Significant Accounting Policies* – Postemployment expenditures for the County’s portion of the premiums and the prefunded benefits are made from the General Fund, which is maintained on the modified accrual basis of accounting to the Internal Service Fund. Funds are appropriated annually for the County’s portion of the premiums and prefunded benefits. The employee, retiree and County premiums are revenues that finance the self-funded HCP reported in the Internal Service Funds. Claims benefits and administrative costs are expensed as they are incurred.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**Investments**

Per the County’s Trust agreement establishing Other Post-Employment Benefits Trust, the employer, and the Investment Advisory Committee, if any, shall have the responsibility to select Qualified Investments for the Trust Assets. The County’s investment policy shall allow placement of assets in the OPEB investment fund managed by the State Treasurer’s office, as authorized by the Board of Commissioners on June 21, 2021, in addition to investments authorized by NC General Statute 159-30. Placement of County contributions in State Treasurer’s OPEB investment fund shall be at the discretion of the Board of Trustees, as shall be the allocation of assets within that fund. The HCB Plan’s Trust has \$4,074,775 invested in the State Treasurer’s Local Government Other Post-Employment Benefits Fund. The target allocation are based on the initial allocation approved:

<b>Asset Class</b>	<b>Target Allocation 2023</b>	<b>Long-Term Expected Real Rate of Return 2023</b>
Bond Index Fund	0.00%	N/A
Equity Index Fund	0.00%	N/A
Short Term Investment Fund	100.00%	3.65%
Total	100.00%	

*Rate of Return* – For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense was 1.82 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability**

The components of the County’s Net OPEB liability of the County at June 30, 2023, were as follows:

Total OPEB liability	\$ 39,967,487
Plan fiduciary net position	4,074,775
County's net OPEB liability	35,892,712
Plan fiduciary net position as a percentage of the total OPEB liability	10.20%

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Actuarial Assumptions and Other Inputs.* The County's total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following key actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Annual Salary increases, including wage inflation:

Measurement date: 3.50%

Municipal Bond Index Rate:

Prior measurement date 3.54%

Measurement date 3.65%

Healthcare cost trend rates:

Pre-Medicare 7.5% decreasing to an ultimate rate of 5.00% by 2027+

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality table projected fully generationally using projection scale MP-2021.

*Change in the Net OPEB liability, OPEB Expense, and Deferred Outflows of Recourses and Deferred Inflows of Resources Related to OPEB.* At June 30, 2023, the County reported a net OPEB liability of \$35,892,712. The total OPEB liability was determined by an actuarial valuation as of July 1, 2022 (updated as of June 30, 2023)



**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

At June 30, 2023, the components of the Net OPEB liability of the County, measured at June 30, 2023, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2022	\$ 41,077,664	\$ 2,022,678	\$ 39,074,986
Changes for the year:			
Service cost at the end of the year	2,053,580	-	2,053,580
Interest	1,417,476	-	1,417,476
Difference between expected and actual experience	(3,943,785)	1,202	(3,944,987)
Contributions - employer	-	2,000,000	(3,453,623)
Projected investment income	-	70,895	(70,895)
Changes in assumptions	816,175	-	816,175
Benefit payments	(1,453,623)	-	-
Net changes	<u>(1,110,177)</u>	<u>2,072,097</u>	<u>(3,182,274)</u>
Balance as of June 30, 2023	<u>\$ 39,967,487</u>	<u>\$ 4,094,775</u>	<u>\$ 35,892,712</u>

*Changes in Assumptions* – Changes of assumptions and other inputs reflect a change in the discount rate of 3.54% in 2022 to 3.65% in 2023.

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates.* The following presents the total OPEB liability of the Plan, calculated using the health care cost trend rates, as well as what the Plan’s total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<b>Health Care Cost Trend Rate Sensitivity</b>		
	<b>Current Cost</b>		
	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
Net OPEB Liability	<u>\$ 31,553,717</u>	<u>\$ 35,892,712</u>	<u>\$ 41,088,440</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following exhibits present the TOL of the Plan, calculated using the discount rate of 3.65%, as well as what the Plan’s TOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Discount Rate Sensitivity</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>(4.65%)</b>
Net OPEB liability	<u>\$ 40,414,156</u>	<u>\$ 35,892,712</u>	<u>\$ 31,968,528</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the County recognized OPEB expense of \$1,233,787. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 47,206	\$ 10,018,689
Changes of assumptions or other inputs	5,572,441	6,245,150
Net difference between projected and actual earnings on pension plan investments	-	2,567
Total	<u>\$ 5,619,647</u>	<u>\$ 16,266,406</u>

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<b>Measurement Period</b>	<b>Amount</b>
<b>Ended June 30</b>	
2024	\$ (2,166,374)
2025	(2,166,374)
2026	(2,071,847)
2027	(1,829,588)
2028	(924,593)
Thereafter	(1,487,983)

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**g. Other Employment Benefits**

The County and the Cabarrus Health Alliance have elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employee's Retirement System (LGERS) (Death Benefit Plan), a state-administered plan funded on a one year-term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$50,000.

The Alliance and the County have no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan, the number of eligible participants is not determined.

For the years ended June 30, 2021, June 30, 2022, and June 30, 2023, the Alliance contributed .04% of annual covered payroll or \$6,304, \$6,364, and \$5,443 respectively.

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

**3. Closure and Postclosure Care Costs - Cabarrus County Landfill Facility**

Federal and state laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs are typically paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$4,101,973 reported as landfill closure and post closure care liability at June 30, 2023, represents a cumulative amount reported to date, based on the use of 100% of the combined Municipal Solid Waste (MSW) and Construction and Demolition (C&D) cell and 73.6% of a (C&D) only cell. The updated percent use of C&D cell decreased due to a recent expansion that opened in December 2021. This amount is based on what it would cost to perform all closure and post closure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

- The Municipal Solid Waste (MSW) reached capacity in 1997 and was covered in 1998.
- An expansion area that sits on the top of the MSW site was added in 1998 to accept construction and demolition waste (C&D). This expansion area has reached capacity and was closed in FY 2011.
- An additional C&D expansion area was opened in Fiscal Year 2006 and is expected to reach full capacity in FY 2028.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Charge on refunding of debt	\$ 8,247,602	\$ -
(Pensions, OPEB) - difference between expected and actual experience	3,834,363	10,234,720
(Pensions, OPEB) - change of assumptions	12,187,036	8,261,654
(Pensions, OPEB) - Net difference between projected and actual investment earnings	16,330,391	2,567
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	555,308	30,985
Contributions to pension plan subsequent to measurement date (LGRS, ROD)	8,580,875	-
Benefit payment   administrative costs paid subsequent to the measurement date (LEOSSA)	336,903	-
Lease receivable	-	299,044
Prepaid taxes not yet earned	-	862,398
Government-wide deferred outflows and inflows of resources	<u>50,072,478</u>	<u>19,691,368</u>
Taxes receivable, net (General)	-	1,697,924
Ambulance receivable, net (General)	-	2,357,204
OPIOID Settlement receivable, (net)	-	16,394,116
Total	<u>\$ 50,072,478</u>	<u>\$ 40,140,612</u>

**5. Risk Management**

The County is exposed to various risks of loss related to torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County participates in a property liability program, which is financed by using a combination of self-funding and purchase excess insurance coverage through Arthur J. Gallagher & Co. A property liability insurance fund was established to track all financial transactions related to this program. The County retains the first \$350,000 in liability insurance. Above the \$350,000 retention is purchased up to a total limit of \$3,000,000 per occurrence and 6,000,000 aggregate.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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The property insurance program is financed using a combination of self-funding and insurance purchased through Liberty Mutual Insurance. Excess property insurance above a \$25,000 deductible is purchased based on estimated replacement values submitted to the Excess Property Company each year. Special deductibles apply for certain perils such as flood, earth movement, boiler, machinery, and the Stough Road location.

The County purchases primary policies for Emergency Medical Services (EMS). The policies provide coverage for physical damage to EMS units, equipment, and automobiles, general and medical professional liability. Fidelity exposures are covered through the purchase of bonds. Arthur J. Gallagher secures the purchase of these bonds on behalf of the County.

The Workers Compensation insurance program is financed using a combination of self-funding and purchasing excess insurance through Arthur J. Gallagher. A Workers Compensation fund was established to track all the financial claims in excess of this program. The County has purchased excess Workers Compensation insurance for claims in excess of that amount. The self-insured retention for Workers Compensation is as follows: \$600,000 per occurrence for Police & Drivers, Firefighters, and EMS (EMS occurrences resulting in an injury to any employee in, upon, entering, or alighting from any employer owned or non-owned ambulance) and \$500,000 for all other occurrences. The County has \$750,000 self-insured retention for any Presumptive Losses.

The County has also purchased Cyber Liability coverage through Arthur J. Gallagher (Cowbell Cyber Insurance Company) with a \$5,000,000 limit and a basis retention of \$100,000.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is individually bonded for \$1,000,000. The Tax Collector is individually bonded for \$250,000. The Deputy Finance Director and Human Resources Director are each individually bonded for \$100,000 each. The Register of Deeds is bonded for \$50,000. The Sheriff is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$200,000.

The County carries commercial coverage for all other risks of loss including flood loss. Flood coverage is an annual limit not to exceed \$25,000,000. There have been no significant reductions in insurance coverage from previous year and settled claims have not exceeded coverage in any of the past five fiscal years.

Insurance coverage for the Alliance is through Westfield and Wester Insurance Services. The Alliance pays a premium for coverage of worker's compensation, general liability, property, automotive, and professional liability insurance coverage. The Alliance 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 Alliance carries commercial coverage for all other risks of loss. Fiscal year ended June 30, 1998, was the initial year of operations. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in 2021, 2022 and 2023.

In accordance with G.S. 159-29, the Alliance's employees that have access to \$100 or more at any given time of the Alliance's funds are performance bonded through a commercial surety bond. Employees that have access to funds are bonded under a blanket bond for \$250,000. The Finance Director is individually bonded for \$1,000,000.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The current claims liability for fiscal year ended June 30, 2023, is shown.

	<u>6/30/2022</u>	<u>6/30/2023</u>
Unpaid claims, beginning of fiscal year	\$ 553,554	\$ 599,285
Incurred claims	1,730,680	1,906,623
Claims payments	<u>(1,684,949)</u>	<u>(2,075,105)</u>
Unpaid claims, end of fiscal year	<u>599,285</u>	<u>430,803</u>

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

The uninsured risk retention per claim is \$200,000 with an aggregate stop loss of 125%. This coverage is for claims incurred and paid in 12 months. The benefits covered are Medical MH/SA Pharmacy and Vision.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The current claims liability for fiscal year ended June 30, 2023 is shown.

	<u>6/30/2022</u>	<u>6/30/2023</u>
Unpaid claims, beginning of fiscal year	\$ 1,065,000	\$ 1,090,000
Incurred claims	15,473,845	13,638,981
Claims payments	<u>(15,448,845)</u>	<u>(13,664,981)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,090,000</u>	<u>\$ 1,064,000</u>

**6. Contingent Liabilities**

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

As of June 30, 2023, the County was a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of counsel for the County that resolution of these matters will not have a material adverse impact on the financial condition of the County.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**7. Long-Term Obligations**

**a. Leases**

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 01, 2021, Cabarrus County, NC entered in to a 31-month lease as Lessee for the use of Storage Contract for HPE Equipment - HP Switches. An initial lease liability was recorded in the amount of \$311,642. As of June 30, 2023, the value of the lease liability is \$70,878. Cabarrus County is required to make monthly fixed payments of \$10,150.00. The lease has an interest rate of 0.7268%. The County has recorded a right to use asset with a net book value of \$77,423 at June 30, 2023.

On July 01, 2021, Cabarrus County, NC entered in to a 71-month lease as Lessee for the use of Kannapolis Land - 1303 S. Canon Blvd. An initial lease liability was recorded in the amount of \$5,179,441. As of June 30, 2023, the value of the lease liability is \$3,557,950. Cabarrus County is required to make monthly fixed payments of \$76,180. The lease has an interest rate of 0.3160%. The County has recorded a right to use asset with a net book value of \$3,428,644 at June 30, 2023. Cabarrus County has 1 extension option(s), each for 60 months.

On July 01, 2021, Cabarrus County, NC entered in to a 27-month lease as Lessee for the use of Equipment - Canon Copier - TIAA. An initial lease liability was recorded in the amount of \$267,532. As of June 30, 2023, the value of the lease liability is \$38,399. Cabarrus County is required to make monthly fixed payments of \$14,355. The lease has an interest rate of 0.5135%. The County has recorded a right to use asset with a net book value of \$37,397 as of June 30, 2023.

On July 01, 2021, Cabarrus County, NC entered in to an 81-month lease as Lessee for the use of Suite #180 and Closet #7 - The Old Creamery. An initial lease liability was recorded in the amount of \$123,298. As of June 30, 2023, the value of the lease liability is \$90,038. Cabarrus County is required to make monthly fixed payments of \$1,550. The lease has an interest rate of 1.3746%. The County has recorded a right to use asset with a net book value of \$86,765.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<b>Year Ending June 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	\$ 1,031,097	\$ 11,275	\$ 1,042,372
2025	925,396	7,954	933,350
2026	929,002	4,827	933,829
2027	856,460	1,681	858,141
2028	15,310	88	15,398
	<u>\$ 3,757,265</u>	<u>\$ 25,825</u>	<u>\$ 3,783,090</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**b. Subscriptions**

For the year ended June 30, 2023, the County implemented the requirements of GASB Statement No. 96, *Subscription-Based Technology Arrangements* (Subscriptions). The statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

On July 01, 2022, Cabarrus County, NC entered into a 25-month subscription for the use of Accela Software. An initial subscription liability was recorded in the amount of \$410,298. As of June 30, 2023, the value of the subscription liability is \$206,473. Cabarrus County, NC is required to make annual fixed payments of \$204,517. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023, is \$213,355.

On July 01, 2022, Cabarrus County, NC entered into a 78-month subscription for the use of Sirsidynix Products. An initial subscription liability was recorded in the amount of \$487,209. As of June 30, 2023, the value of the subscription liability is \$410,646. Cabarrus County, NC is required to make annual fixed payments of \$83,987. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30, 2023, is \$413,077.

On July 01, 2022, Cabarrus County, NC entered into a 48-month subscription for the use of OpenGov - Software Services. An initial subscription liability was recorded in the amount of \$270,408. As of June 30, 2023, the value of the subscription liability is \$200,508. Cabarrus County, NC is required to make annual fixed payments of \$69,900.00. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30, 2023, is \$202,806.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

<b>Year Ending June 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	\$ 346,450	\$ 19,676	\$ 366,126
2025	145,087	12,023	157,110
2026	150,343	8,419	158,762
2027	85,871	4,680	90,551
2028	89,876	2,393	92,269
	<u>\$ 817,627</u>	<u>\$ 47,191</u>	<u>\$ 864,818</u>



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**c. General Obligation Indebtedness**

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

General Obligation Advance Refunding Bonds (2013) refunded a portion of the 2005 and 2006 General Obligation Bonds. These bonds (2005 and 2006) consisted of the construction of Hickory Ridge High School, W. R. Odell Elementary School, Charles E. Boger Elementary School, Carl A. Furr Elementary School, Building 3000 at Rowan Cabarrus Community College, along with various renovations and additions.

General Obligation Advance Refunding Bonds (2020) refunded a portion of the 2013 General Obligation Bonds. As a result, a portion of the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$660,00. The amount is netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over six years by \$249,950.

The County's general obligation bonds payable at June 30, 2023, is comprised of the following individual issues serviced by the County's General Fund:

\$62,360,000 (2013) Advance Refunding Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 1.5 to 5.0 percent.	\$ 12,580,000
\$6,800,000 (2020) Advance Refunding Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 1.6 percent	<u>6,560,000</u>
Total	<u>\$ 19,140,000</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2023, for the County’s general obligation bonds are as follows:

<u>Year Ending, June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,620,000	\$ 532,140
2025	6,255,000	303,485
2026	3,385,000	87,710
2027	2,880,000	40,320
	<u>\$ 19,140,000</u>	<u>\$ 963,655</u>

**d. Certificates of Participation/Limited Obligation Bonds**

**1. Public Offered Debt**

On April 14, 2011, the Cabarrus County Development Corporation issued \$14,635,000 (2011A) certificates of Participation (COPS) contracts to fund the rehabilitating, repairing, and equipping of approximately eighteen Cabarrus County and six Kannapolis City school facilities. These 15-year COPS are financed under two bullets using Qualified School Construction Bonds. The first bullet, in the amount of \$7,200,000, matured in 2023, with an interest rate of 5.10%, and the second bullet, for \$7,435,000, will mature in 2026 with an interest rate of 5.50%. The Federal subsidy rate on the deal was a 5.43%. The second bullet will have a net interest cost to the County of 0.07%, while the County will have no interest cost on the first bullet. The principal on this debt is deferred for five years with the first principal payment due on April 1, 2016. The principal payments will be held in an interest-bearing sinking fund until the bullet payments are due. Debt Service is financed by Cabarrus County property tax revenues. Total remaining annual payments of principal and interest are approximately \$1,743,925. Total principal and interest over a 15-year period will be \$25,147,248 less the federal subsidy of \$10,434,369, with the net cost to the County of \$14,712,879. In fiscal year 2013, the Federal Government began reducing the subsidy payment by approximately 7.6% for a Federal sequestration. At June 30, 2023, the County’s trustee held principal payments of \$3,440,000 in a sinking fund; the total principal balance due at June 30, 2023, is \$7,435,000.

The site of Winecoff Elementary School was pledged as collateral for the 2011A COPS. The Installment Financing Contract (the “2011A Contract”) and the Trust Indenture relating to the 2011A COPS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2011A COPS. After an event of default, the collateral securing the 2011A COPS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2011A COPS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2011A Contract. The remedies afforded to the owners of the 2011A COPS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2011A COPS.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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On March 10, 2016, the Cabarrus County Development Corporation issued \$73,785,000 (2016) Limited Obligation Bonds (LOBS) contracts for the construction of Mount Pleasant Middle School, Kannapolis Middle School, and Royal Oaks Elementary School. These 20-year LOBS have interest rates ranging from 2.00% to 5.00%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 20-year period will be \$108,697,900. Annual principal and interest payments range from \$3,804,763 to \$5,876,163. The total principal balance due at June 30, 2023, is \$47,965,000.

The site of Kannapolis Middle School (additional land) was pledged as collateral for the 2016 LOBS. The Installment Financing Contract (the "2016 Contract") and the Trust Indenture relating to the 2016 LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2016 LOBS. After an event of default, the collateral securing the 2016 LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2016 LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2016 Contract. The remedies afforded to the owners of the 2016 LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2016 LOBS.

On November 9, 2017, the Cabarrus County Development Corporation issued \$70,820,000 (2017) Limited Obligation Bonds (LOBS) contracts for the construction of Performance Learning Center, Western Cabarrus High School, and Downtown Concord Parking Deck. These 20-year LOBS have interest rates ranging from 3.00% to 5.00%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 20-year period will be \$99,771,165. Annual principal and interest payments range from \$3,484,688 to \$5,870,375. The total principal balance due at June 30, 2023, is \$47,745,000.

The site of West Cabarrus High School was pledged as collateral for the 2017 LOBS. The Installment Financing Contract (the "2017 Contract") and the Trust Indenture relating to the 2017 LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2017 LOBS. After an event of default, the collateral securing the 2017 LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2017 LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2017 Contract. The remedies afforded to the owners of the 2017 LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2017 LOBS.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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For Cabarrus County, the annual debt service payments to maturity as of June 30, 2023, for the County’s Public Offered Certificates of Participation/Limited Obligation Bonds are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 7,535,000	\$ 4,620,463
2025	7,070,000	4,318,713
2026	14,505,000	3,965,213
2027	7,070,000	3,202,788
2028	7,070,000	2,849,288
2029-2033	35,330,000	9,160,538
2034-2038	24,565,000	2,085,601
	<u>\$ 103,145,000</u>	<u>\$ 30,202,604</u>

**2. Direct Borrowing Debt**

On March 26, 2015, the Cabarrus County Development Corporation issued \$18,045,000 (2015A) Limited Obligation Bonds (LOBS) contracts to refund \$16,795,000 of the 2007 COPS issued for the construction of a sheriff administration facility. These 12-year LOBS have an interest rate of 2.38%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 12-year period will be \$21,057,440. Total remaining annual payments of principal and interest range from approximately \$1,617,604 to \$1,861,366. The total principal balance due at June 30, 2023, is \$6,570,000.

The site of the sheriff administration facility was pledged as collateral for the 2015A LOBS. The Installment Financing Contract (the “2015A Contract”) and the Trust Indenture relating to the 2015A LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2015A LOBS. After an event of default, the collateral securing the 2015A LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2015A LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2015A Contract. The remedies afforded to the owners of the 2015A LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2015A LOBS.

On March 26, 2015, the Cabarrus County Development Corporation issued \$23,460,000 (2015B) Limited Obligation Bonds (LOBS) contracts to refund \$21,105,000 of the 2008A COPS issued to finance the construction of Cox Mill High School and Engineering and Architect fees for A.T. Allen Elementary School, Hickory Ridge Middle School, Patriots Elementary School, and a wing addition at A.L. Brown High School. These 13-year LOBS have an interest rate of 2.49%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 13-year period will be \$28,404,338. Total remaining annual payments of principal and interest range from approximately \$2,341,897 to \$2,781,435. The total principal balance due at June 30, 2023, is \$11,905,000.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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The site of the Cox Mill High School facility was pledged as collateral for the 2015B LOBS. The Installment Financing Contract (the “2015B Contract”) and the Trust Indenture relating to the 2015B LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2015B LOBS. After an event of default, the collateral securing the 2015B LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2015B LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2015B Contract. The remedies afforded to the owners of the 2015B LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2015B LOBS.

On March 26, 2015, the Cabarrus County Development Corporation issued \$38,295,000 (2015C) Limited Obligation Bonds (LOBS) contracts to refund \$34,025,000 of the 2008C COPS issued to fund the cost of construction of a residential tower to house County inmates and related improvements. These 14-year LOBS have an interest rate of 2.51%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 14-year period will be \$46,368,088. The total remaining annual payments of principal and interest range from approximately \$3,013,794 to \$3,818,888. The total principal balance due at June 30, 2023, is \$18,880,000.

The site of the jail housing unit facility was pledged as collateral for the 2015C LOBS. The Installment Financing Contract (the “2015C Contract”) and the Trust Indenture relating to the 2015C LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2015C LOBS. After an event of default, the collateral securing the 2015C LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2015C LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2015C Contract. The remedies afforded to the owners of the 2015C LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2015C LOBS.

On March 26, 2015, the Cabarrus County Development Corporation issued \$54,435,000 (2015D) Limited Obligation Bonds (LOBS) contracts to refund \$47,300,000 of the 2009 COPS issued a) to pay a portion of the costs of (i) acquiring real property, (ii) constructing Patriots Elementary School, A.T. Allen Elementary School, Hickory Ridge Middle School, Harold E. Winkler Middle School, a wing addition, and renovation at A.L. Brown High School and equipping the Facilities. These 14-year LOBS have an interest rate of 2.52%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 14-year period will be \$66,336,892. Total remaining annual payments of principal and interest range from approximately \$4,772,306 to \$5,902,896. The total principal balance due at June 30, 2023, is \$29,480,000.

The sites of Patriots Elementary School, Hickory Ridge Middle School, AT Allen Elementary School and Winkler Middle School were pledged as collateral for the 2015D LOBS. The Installment Financing Contract (the “2015D Contract”) and the Trust Indenture relating to the 2015D LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2015D LOBS. After an event of default, the collateral securing the 2015D LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2015D LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2015D Contract. The remedies afforded to the owners of the 2015D LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2015D LOBS.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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On May 16, 2018, the Cabarrus County Development Corporation issued \$54,680,000 (2018) Limited Obligation Bonds (LOBS) contracts for the construction of Advanced Technology Center, New Elementary School, replacement of HVAC systems at J.N. Fries Middle School and Mount Pleasant High School, 20 school mobile units, and land for Rowan Cabarrus Community College. These 20-year LOBS have an interest rate of 3.05%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 20-year period will be \$70,563,129. Annual principal and interest payments range from \$2,241,338 to \$4,456,015. The total principal balance due at June 30, 2023, is \$38,230,000.

The site of Hickory Ridge Elementary School was pledged as collateral for the 2018 LOBS. The Installment Financing Contract (the "2018 Contract") and the Trust Indenture relating to the 2018 LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2018 LOBS. After an event of default, the collateral securing the 2018 LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2018 LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2018 Contract. The remedies afforded to the owners of the 2018 LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2018 LOBS.

On February 27, 2020, the County entered into a direct borrowing agreement (the "2020A Contract") with Cabarrus County Development Corporation providing for a 3-year draw program allowing the County to borrow up to \$130,000,000 as needed for the construction of the new courthouse, new middle school, land for high and middle school, skylight and roof replacement and athletic turf fields. Principal is due in a lump sum at the end of the 3-year term and interest is paid monthly at a variable rate.

On June 1, 2022, the Cabarrus County Development Corporation issued \$96,825,000 (2022A) Limited Obligation Refunding Bonds (LOBS) to refund the \$105,672,677 outstanding principal balance of the 2020A Contract on June 1, 2022. As of June 30, 2023, the County has no outstanding liability with respect to the 2020A Contract.

On July 16, 2020, the Cabarrus County Development Corporation issued \$6,230,000 (2020B) Limited Obligation Bonds (LOBS) contracts to refund \$7,820,000 (2011C) LOBS which funded the cost of acquiring real property, construction and equipping of Bethel Elementary School, Pitts Road Elementary, Kannapolis Middle School, expansion of two existing elementary school facilities and various real and personal property improvements. These 4-year LOBS have an interest rate of 1.15%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a the 4-year period will be \$6,372,140. Total remaining annual payments of principal and interest is approximately \$2,043,230. The total principal balance due at June 30, 2023, is \$2,020,000.

The sites of Kannapolis Middle School (original land), Bethel Elementary School, Shady Brook Elementary School, Fred L. Wilson Elementary School, and Pitts Road Elementary School were pledged as collateral for the 2020B LOBS. The Installment Financing Contract (the "2020B Contract") and the Trust Indenture relating to the 2020B LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2020B LOBS. After an event of default, the collateral securing the 2020B LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2020B LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2020B Contract. The remedies afforded to the owners of the 2020B LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2020B LOBS.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

On June 1, 2022, the Cabarrus County Development Corporation issued \$96,825,000 (2022A) Limited Obligation Refunding Bonds (LOBS) to refund the \$105,672,677 outstanding principal balance of the 2020A Contract on June 1, 2022. These 20-year LOBS all bear interest at 5.00%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 20-year period will be \$147,648,750. Annual principal and interest payments range from \$5,082,000 to \$9,444,000. The total principal balance due at June 30, 2023, is \$91,980,000.

The site of Roberta Road Middle School was pledged as collateral for the 2022A LOBS. The Installment Financing Contract (the “2022A Contract”) and the Trust Indenture relating to the 2022A LOBS have numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding 2022A LOBS. After an event of default, the collateral securing the 2022A LOBS can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2022A LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2022A Contract. The remedies afforded to the owners of the 2022A LOBS after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2022A LOBS.

On June 8, 2022, the County entered into a direct borrowing agreement (the “2022B Contract”) with Cabarrus County Development Corporation providing for a 3-year draw program allowing the County to borrow up to \$160,000,000 as needed for the construction of the new courthouse, Roberta Road Middle School, a new middle school and high school, a new replacement elementary school, a new EMS headquarters, a new public library/senior center, a new emergency equipment and information technology warehouse, a new radio tower, a new public park, land for a new regional public park, improvements to Frank Liske Park, parking improvements at Mt. Pleasant High School and roof replacements at various public schools. Principal is due in a lump sum at the end of the 3-year term and interest is paid monthly at a variable rate. As of June 30, 2023, the County has an outstanding liability of \$75,189,171.

In FY 2025, the County intends to draw the available funds and to liquidate the entire debt using the proceeds from a new permanent financing.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2023, for the County’s Certificates of Participation/Limited Obligation Bonds are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 98,039,171	\$ 7,457,830
2025	20,570,000	6,775,558
2026	20,295,000	6,122,987
2027	20,015,000	5,477,261
2028	18,200,000	4,838,512
2029-2033	42,695,000	17,367,650
2034-2038	35,080,000	9,465,216
2039-2043	19,360,000	2,420,000
	<u>\$ 274,254,171</u>	<u>\$ 59,925,014</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**e. Installment Financing**

On December 18, 2008, the County financed the acquisition of land for the Rob Wallace Park with a down payment of \$190,000 at an effective interest rate of 4.00%. In May 2016, the County sold 40.6 acres of this property. Annual payments of \$190,000 will be made on the lease through December 2037. The County's outstanding liability at June 30, 2023, was \$2,112,493.

The site of the park was pledged as collateral for the 2008 Agreement. The Installment Purchasing Agreement (the "2008 Agreement") relating to the 2008 Agreement has numerous events of default specified therein. An occurrence of an event of default could result in an acceleration of the then outstanding amount of the 2008 Agreement. After an event of default, the collateral securing the 2008 Agreement can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2008 Agreement. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2008 Agreement. The remedies afforded to the owners of the 2008 Agreement after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2008 Agreement.

On August 15, 2018, the County financed the acquisition of equipment for the Emergency Medical Services Department at an effective interest rate of 1.65%. Annual payments of \$115,191 will be made for six years. The outstanding liability at June 30, 2023, was \$113,313.

The equipment was pledged as collateral for the 2018 Lease. The Lease has numerous events of default specified therein. An occurrence of an event of default could result in an acceleration of the then outstanding amount of the 2018 Lease. After an event of default, the collateral securing the 2018 Lease can be foreclosed upon, sold in a foreclosure sale and the foreclosure proceeds applied to the payment of the amounts due to the owners of the 2018 Lease. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2018 Lease. The remedies afforded to the owners of the 2018 Lease after an event of default are limited to those of a secured party under the laws of the state of North Carolina, including foreclosing on the collateral securing the 2018 Lease.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2023, for the County's installment financing are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 218,813	\$ 84,500
2025	109,720	80,280
2026	114,109	75,891
2027	118,673	71,327
2028	123,420	66,580
2029-2033	695,223	254,776
2034-2038	845,848	104,154
2039-2043	-	-
	<u>\$ 2,225,806</u>	<u>\$ 737,508</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed, only \$165,806,871 relates to assets for which the County holds title.

**f. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	<b>Balance July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2023</b>	<b>Due Within One Year</b>
Governmental activities:					
General Obligation Bonds	\$ 25,735,000	\$ -	\$ 6,595,000	\$ 19,140,000	\$ 6,620,000
Plus: Premiums on issuance	3,744,041	-	761,500	2,982,541	-
Total General Obligation Bonds	<u>29,479,041</u>	<u>-</u>	<u>7,356,500</u>	<u>22,122,541</u>	<u>6,620,000</u>
Certificates of Participation/ Limited Obligation Bonds	117,880,000	-	14,735,000	103,145,000	7,535,000
Direct borrowings and direct placements	235,454,654	61,969,517	23,170,000	274,254,171	98,039,171
Plus: Premiums on issuance	24,164,343	-	1,722,983	22,441,360	-
Total Certificates of Participation/ Limited Obligation Bonds	<u>377,498,997</u>	<u>61,969,517</u>	<u>39,627,983</u>	<u>399,840,531</u>	<u>105,574,171</u>
Leases	4,911,157	-	1,153,892	3,757,265	1,031,097
IT Subscriptions	-	1,167,916	350,289	817,627	346,450
Installment financing	2,438,718	-	212,912	2,225,806	218,813
Compensated absences	5,783,336	5,045,715	4,490,220	6,338,831	4,754,123
Net Pension liability (LGRS)	12,744,949	36,088,835	-	48,833,784	-
Total Pension liability (LEOSSA)	13,462,604	-	1,218,245	12,244,359	-
Net OPEB liability	38,926,501	-	3,170,181	35,756,320	-
Total governmental activities	<u>\$ 485,245,303</u>	<u>\$ 104,271,983</u>	<u>\$ 57,580,222</u>	<u>\$ 531,937,064</u>	<u>\$ 118,544,654</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>One Year</u>
Business-type activities					
Compensated absences	\$ 15,787	\$ 18,865	\$ 20,987	\$ 13,665	\$ 10,249
Net pension liability (LGERS)	48,616	137,660	-	186,276	-
Net OPEB liability	148,485	-	12,093	136,392	-
Landfill closure/post-closure	3,565,878	623,260	87,165	4,101,973	90,000
Total business-type activities	<u>\$ 3,778,766</u>	<u>\$ 779,785</u>	<u>\$ 120,245</u>	<u>\$ 4,438,306</u>	<u>\$ 100,249</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within</u>
	<u>July 1, 2022</u>			<u>June 30, 2023</u>	<u>One Year</u>
Discretely presented component unit:					
Compensated absences	\$ 999,045	\$ 1,028,642	\$ 954,262	\$ 1,073,425	\$ 1,051,957
Net pension liability	2,920,274	9,464,353	-	12,384,627	-
Leases	562,801	157,878	244,660	476,019	269,703
Total OPEB liability	2,080,532	83,640	298,311	1,865,861	-
Total discretely presented component unit	<u>\$ 6,562,652</u>	<u>\$ 10,734,513</u>	<u>\$ 1,497,233</u>	<u>\$ 15,799,932</u>	<u>\$ 1,321,660</u>

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

The County's legal debt margin is \$ 2,072,322,630.

**g. Conduit Debt Obligations**

Cabarrus County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the state, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were no industrial revenue bonds outstanding.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**C. Interfund Balances and Activity**

Transactions between funds are accounted for as follows:

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

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

From the General Fund to the Landfill Enterprise Fund for operations	\$ 621,872
From the General Fund to the Emergency Telephone Special Revenue Fund for CAD Motorola System	756,964
From the General Fund to the County Capital Projects Fund for various capital expenditures	2,200,000
From the General Fund to the County Capital Projects Fund for various capital expenditures	15,976,001
From the General Fund to the Schools Capital Projects Fund for various expenditures	16,145,611
From the General Fund to the Cabarrus Arena and Events Center for operations and capital projects	2,317,826
From the Schools Capital Projects Fund to the General Fund for closed projects	25,174
From the Public School Building Capital Projects Fund to the General Fund for debt service payments	<u>2,300,000</u>
	<u>\$ 40,343,448</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**D. Net Investment in Capital Assets**

Governmental activity, net investment in capital assets at June 30, 2023, are computed as follows:

Capital assets, net of accumulated depreciation		\$	342,790,674
Right to use assets, net of amortization			3,630,229
Subscription assets, net of amortization			829,238
Deferred outflows of resources			7,889,289
Less: capital debt			
Gross debt	\$	(428,763,770)	
School debt related to assets to which the County does not capitalize		262,956,899	
Unspent debt proceeds, non school related debt		<u>2,837</u>	(165,804,034)
Deferred outflows related to school debt			<u>(5,636,791)</u>
Net investment in capital assets			<u>\$ 183,698,605</u>

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

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2023, the County reported these local option sales taxes within its General Fund and Capital Investment Fund. The County expended the restricted portion of these taxes for public school capital outlays.

**F. Public School Building Capital Fund**

The Public-School Building Capital Fund (PSBCF) is currently the only source of recurring state funding for the capital facility needs (buildings and land) of the local boards of education (local education administration, or LEA). The PSBCF revenue (originally funded from a portion of the Corporate Income Tax) was distributed among the counties in the state according to Average Daily Membership (ADM) and was thus colloquially known as the “ADM Fund.” At June 30, 2023 the balance of the County’s ADM allocation account was \$6,842.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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When the Lottery was formed, the share of that revenue allocated for capital projects was brought under the 'umbrella' of the PSBCF for distribution to the LEAs in the state. Technically, both and 'ADM Fund' and the Lottery are part of the PSBCF. At June 30, 2023 the Lottery fund had a disbursing account balance of \$4,777,973.

In order to assist county governments in meeting their public-school building repair and renovation needs, the North Carolina General Assembly passed legislation in 2021, as part of *S.I. 2021-180*, that established a new source of revenue to be used specifically for repair and renovation projects. At June 30, 2023 the Public-School Building Repair and Renovation Fund (PSBRRF) had an account balance of \$794,185.

**G. Internal Service**

The County has two internal service funds, one for self-insured hospitalization / dental insurance and the other for workers' compensation and property liability insurance. The self-insured hospitalization insurance fund accumulates premiums and pays all claims and related expenses for health insurance activities. At June 30, 2023 the self-insured hospitalization / dental internal service fund had an unrestricted net position of \$4,764,927. The self-insured workers' compensation and property liability insurance fund accumulates premiums and pays all claims and related expenses for workers' compensation and property liability insurance activities. At June 30, 2023 the workers' compensation / property liability internal service fund had a net position of \$8,113,559. In the basic financial statements, the net positions and activities have been allocated to all governmental fund types, and business types as applicable. These surpluses are being retained for anticipated future catastrophic losses.

**Note 3. Joint Ventures**

The County, in conjunction with the state of North Carolina, Rowan-Cabarrus Community College and Rowan County participates in a joint venture to operate the Rowan-Cabarrus Community College. Each of the four participants, except the County who only appoints two members, appoints four members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an *ex-officio* non-voting member of the community college's board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds, Limited Obligation Bonds and Capital Leases to provide financing for new and restructured facilities. Of the 2013 Refunding General Obligation bonds issued, \$424,958 in debt is still outstanding. A portion of the 2013 Refunding General Obligation Bonds were refunded with new series 2020. Of the 2020 Refunding General Obligation bonds \$412,170 in debt is still outstanding. Of the 2018 Limited Obligation bond issued, \$11,600,000 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$3,951,954 to the community college for operating purposes and \$1,064,867 for capital outlay and building and grounds during the fiscal year ended June 30, 2023. In addition, the County made combined debt service principal payments of \$1,103,312 during the fiscal year on general obligation bonds, and limited obligation bonds for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the community college may be obtained from the community college's administrative offices at I-85 at Jake Alexander Boulevard South, Salisbury, NC 28145.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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In conjunction with Cabarrus County Chamber of Commerce, the County takes part in a joint venture to operate the Cabarrus County Tourism Authority, (dba Cabarrus County Convention and Visitors Bureau), which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Board of Directors for the Tourism Authority is a twelve-member board. The Board of Cabarrus County Commissioners appoints three members, six members are appointed based on the recommendations of the Authority, and three members are appointed based on recommendations by the Cabarrus Regional Chamber of Commerce. The Board of Directors established the Convention and Visitors Bureau to conduct the day-to-day operations for the Tourism Authority. The Authority receives approximately 90% of room occupancy taxes, which are levied and collected by the County. For the year ended June 30, 2023 occupancy taxes totaling \$6,287,074, were distributed to the Authority. The participating governments and agency do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2023. Complete financial statements for the Authority can be obtained at Cabarrus County CVB, 10099 Weddington Road Ext., Suite 102, Concord NC 28027.

**Note 4. Jointly Governed Organization**

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

The County, in conjunction with eight other counties and seventy-four municipalities, established the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid to the Council membership fees of \$63,003 and \$20,021 for the County Aging Service Program Match during the fiscal year ended June 30, 2023. The County was the sub recipient of grants totaling \$1,102,113 from the Division of Aging of the North Carolina Department of Health and Human Services that was passed through the Council.

**Note 5. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State-Assisted Programs**

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies 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 monies.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**Note 6. Significant Effects of Subsequent Event**

**Direct Borrowing Draws**

On June 8, 2022, the County entered into a direct borrowing agreement (the “2022B Contract”) with Cabarrus County Development Corporation providing for a 3-year draw program allowing the County to borrow up to \$160,000,000 as needed to pay all or a portion of the costs of construction of the new courthouse, Roberta Road Middle School, a new middle school and high school, a new replacement elementary school, a new EMS headquarters, a new public library/senior center, a new emergency equipment and information technology warehouse, a new radio tower, a new public park, land for a new regional public park, improvements to Frank Liske Park, parking improvements at Mt. Pleasant High School and roof replacements at various public schools. Principal is due in a lump sum at the end of the 3-year term and interest is paid monthly at a variable rate. There have been \$27,807,061 in draws since June 30, 2023.

<u>Effective Date</u>	<u>Funding Date</u>	<u>Amount</u>
06/30/23	07/07/23	\$ 4,122,233
07/31/23	08/08/23	1,731,208
09/06/23	09/13/23	9,329,125
10/03/23	10/10/23	5,122,164
10/31/23	11/07/23	7,502,331
		<u>\$ 27,807,061</u>





# REQUIRED SUPPLEMENTAL FINANCIAL DATA

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The section contains additional information required by generally accepted accounting principles.

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Schedule of Changes in Net OPEB Liability and Related Ratios

Schedule of County Contributions – OPEB

Schedule of Investment Returns - OPEB

Schedule of the County's Proportionate Share of Net Pension Liability (Asset) for the Local Government Employees' Retirement

Schedule of County Contributions for the Local Government Employees' Retirement System

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) for the Register of Deeds' Supplemental Pension Fund

Schedule of County Contributions for the Register of Deeds' Supplemental Pension Fund

Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll for the Law Enforcement Officers' Special Separation Allowance



**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST SIX FISCAL YEARS**

**EXHIBIT 12**

	<b>Other Post Employment Benefit</b>					
	2023	2022	2021	2020	2019	2018
Service cost at the end of the year	\$ 2,053,580	\$ 2,718,586	\$ 1,928,135	\$ 2,382,844	\$ 2,459,190	\$ 2,650,570
Interest	1,417,476	1,028,741	1,298,511	1,622,016	1,448,147	1,215,771
Difference between expected and actual experience	(3,943,785)	(286,707)	(42,333)	(11,265,223)	(309,710)	154,492
Changes of assumptions or other inputs	816,175	(6,567,892)	6,940,003	622,675	(1,458,547)	(2,423,124)
Benefits payments	(1,453,623)	(1,439,077)	(1,322,051)	(1,109,572)	(1,131,739)	(1,488,105)
Net change in Total OPEB Liability	(1,110,177)	(4,546,349)	8,802,265	(7,747,260)	1,007,341	109,604
Total OPEB Liability - beginning	41,077,664	45,624,013	34,499,299	42,246,559	41,239,218	41,129,614
Total OPEB Liability - ending	<u>\$ 39,967,487</u>	<u>\$ 41,077,664</u>	<u>\$ 43,301,564</u>	<u>\$ 34,499,299</u>	<u>\$ 42,246,559</u>	<u>\$ 41,239,218</u>
	<b>Plan Fiduciary Net Position</b>					
	2023	2022				
Contributions - Employer	\$ 3,453,623	\$ 3,439,077				
Actual versus expected return	1,202	2,678				
Expected investment return	70,895	-				
Benefits payments	(1,453,623)	(1,439,077)				
Net Changes in Plan Fiduciary Net Position	2,072,097	2,002,678				
Plan Fiduciary Net Position - beginning	2,002,678	-				
Plan Fiduciary Net Position - ending	<u>\$ 4,074,775</u>	<u>\$ 2,002,678</u>				
Net OPEB liability - ending	<u>\$ 35,892,712</u>	<u>\$ 39,074,986</u>	<u>\$ 43,301,564</u>	<u>\$ 34,499,299</u>	<u>\$ 42,246,559</u>	<u>\$ 41,239,218</u>
Plan Fiduciary Net Position as a percentage of Total OPEB liability	10.20%	4.88%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 52,062,606	\$ 53,880,223	\$ 51,283,972	\$ 49,994,283	\$ 44,146,565	\$ 44,146,565
Total OPEB liability as a percentage of covered payroll	76.77%	76.24%	84.43%	69.01%	95.70%	93.41%

**Notes to Schedule**

*Changes of assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2023	3.65%
2022	3.54%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

**CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF COUNTY CONTRIBUTIONS  
CURRENT FISCAL YEAR**

**EXHIBIT 13**

	2023
Actuarially determined contribution	\$ 3,727,460
Contribution in relation to the Actuarially determined contribution	3,453,623
Contribution deficiency / (excess)	<u>\$ 273,837</u>
Covered payroll	<u>\$ 52,062,606</u>
Contribution as a percentage of covered payroll	6.63%
Investment Rate of Return	3.65%

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining amortization period	29 years
Asset Valuation	Market value
Inflation	2.50%
Healthcare Trend rates	7.5% initially, decreasing to an ultimate rate of 5.0% in 2027
Salary increase 3.5%	3.50%
Payroll Growth	2.50%
Average Assumed Retirement Age	62
Mortality	RPH-2014 Total Dataset with Scale MP-2021

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF INVESTMENT RETURNS**  
**CURRENT FISCAL YEAR**

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**EXHIBIT 14**

	<u>2023</u>
Annual money-weighted rate of return, net of investment expense	1.82%

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

**EXHIBIT 15**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.869%	0.834%	0.827%	0.795%	0.778%	0.770%	0.778%	0.724%	0.740%	0.741%
County's proportionate share of the net pension liability (asset) \$	\$ 49,020,060	\$ 12,793,565	\$ 29,568,671	\$ 21,710,284	\$ 18,459,668	\$ 11,761,328	\$ 16,504,338	\$ 3,247,518	\$ (4,362,472)	\$ 8,935,512
County's covered payroll <sup>(1)</sup>	\$ 63,599,221	\$ 59,661,187	\$ 55,609,898	\$ 51,620,898	\$ 47,754,726	\$ 46,557,398	\$ 42,520,688	\$ 39,999,294	\$ 39,888,050	\$ 38,285,570
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	77.08%	21.44%	53.17%	42.06%	38.66%	25.26%	38.81%	8.12%	(10.94%)	23.34%
Plan fiduciary net position as a percentage of the total pension liability <sup>(2)</sup>	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

<sup>(1)</sup> The amount presented for each fiscal year were determined as of the prior fiscal year ending June 30.

<sup>(2)</sup> This will be the same percentage for all participant employers in the LGERS plan.

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

**EXHIBIT 16**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,561,899	\$ 7,337,388	\$ 6,153,223	\$ 5,088,523	\$ 4,097,992	\$ 3,674,201	\$ 3,472,475	\$ 2,903,772	\$ 2,855,518	\$ 2,836,414
Contributions in relation to the contractually required contribution	8,561,899	7,337,388	6,153,223	5,088,523	4,097,992	3,674,201	3,472,475	2,903,772	2,855,518	2,836,414
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 69,420,547	\$ 63,599,221	\$ 59,661,187	\$ 55,609,898	\$ 51,620,898	\$ 47,754,726	\$ 46,557,398	\$ 42,520,688	\$ 39,999,294	\$ 39,888,050
Contributions as a percentage of covered payroll	12.33%	11.54%	10.31%	9.15%	7.94%	7.69%	7.46%	6.83%	7.14%	7.11%

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**REGISTER OF DEED'S SUPPLEMENTAL PENSION FUND**  
**LAST TEN FISCAL YEARS**

**EXHIBIT 17**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	2.334%	2.701%	2.253%	2.072%	2.280%	2.387%	2.399%	2.267%	2.143%	2.163%
County's proportionate share of the net pension liability (asset) \$	\$ (309,762)	\$ (520,027)	\$ (516,340)	\$ (408,973)	\$ (377,711)	\$ (407,500)	\$ (448,487)	\$ (525,183)	\$ (485,686)	\$ (462,104)
Plan fiduciary net position as a percentage of the total pension liability <sup>(1)</sup>	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

<sup>(1)</sup> This will be the same percentage for all participant employers in the ROD plan.



**CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF THE COUNTY CONTRIBUTIONS  
REGISTER OF DEED'S SUPPLEMENTAL PENSION FUND  
LAST TEN FISCAL YEARS**

**EXHIBIT 18**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 18,976	\$ 26,821	\$ 30,568	\$ 23,488	\$ 19,690	\$ 19,516	\$ 20,743	\$ 19,597	\$ 18,134	\$ 17,494
Contributions in relation to the contractually required contribution	<u>18,976</u>	<u>26,821</u>	<u>30,568</u>	<u>23,488</u>	<u>19,690</u>	<u>19,516</u>	<u>20,743</u>	<u>19,597</u>	<u>18,134</u>	<u>17,494</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST SEVEN FISCAL YEARS**

**EXHIBIT 19**

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 13,462,604	\$ 13,003,554	\$ 8,474,799	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726	\$ 6,532,773
Service cost	601,608	600,037	379,104	281,417	289,280	249,707	283,709
Interest on the total pension liability	295,583	245,798	269,162	260,998	220,996	252,149	229,563
Differences between expected and actual experience in the measurement of the total pension liability	643,902	494,015	1,083,766	724,690	319,266	(145,794)	-
Changes of assumption or other inputs	(2,108,204)	(344,991)	3,233,320	241,394	(281,484)	416,835	(164,444)
Benefits payments	(651,134)	(535,809)	(436,597)	(407,962)	(334,661)	(288,758)	(204,875)
Ending balance of the total pension liability	<u>\$ 12,244,359</u>	<u>\$ 13,462,604</u>	<u>\$ 13,003,554</u>	<u>\$ 8,474,799</u>	<u>\$ 7,374,262</u>	<u>\$ 7,160,865</u>	<u>\$ 6,676,726</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

**CABARRUS COUNTY, NORTH CAROLINA****EXHIBIT 20****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SEVEN FISCAL YEARS**

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 12,244,359	\$ 13,462,604	\$ 13,003,554	\$ 8,474,799	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726
Covered-employee payroll	13,720,888	12,917,051	12,448,861	10,156,862	9,482,279	9,441,196	10,335,413
Total pension liability as a percentage of covered-employee payroll	89.24%	104.22%	104.46%	83.44%	77.77%	75.85%	64.60%

**Notes to the Schedule:**

Cabarrus County has no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement 73 to pay related benefits.



# OTHER SUPPLEMENTAL INFORMATION

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- Combining Statements for Non-Major Funds
- Special Revenue Funds
- Capital Project Funds
- Fiduciary Funds



**CABARRUS COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

**SCHEDULE 1  
PAGE 1 OF 2**

	Special Revenue Funds								Total Non-major Special Revenue Funds
	Emergency Telephone System Fund	Community Development Block Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts' Fund	Sheriff's Department Fund	Dept of Aging Fund	Social Services Payee Fund	Inter- governmental Fund	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 2,222,588	\$ 47,091	\$ 742,521	\$ 20,554	\$ 199,291	\$ 153,501	\$ 395,261	\$ 62,077	\$ 3,842,884
Investments	-	-	3,116,930	-	-	-	-	-	3,116,930
Due from other governments	51,174	-	-	65,722	-	-	-	-	116,896
Accounts receivable	-	100	30,819	-	-	-	2,109	6,178	39,206
Prepaid items	-	-	23,722	-	-	-	-	-	23,722
Restricted cash	-	-	51,757	-	-	-	-	-	51,757
Total assets	<u>\$ 2,273,762</u>	<u>\$ 47,191</u>	<u>\$ 3,965,749</u>	<u>\$ 86,276</u>	<u>\$ 199,291</u>	<u>\$ 153,501</u>	<u>\$ 397,370</u>	<u>\$ 68,255</u>	<u>\$ 7,191,395</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 406	\$ -	\$ 115,899	\$ 86,276	\$ 1,530	\$ -	\$ 24,835	\$ 68,255	\$ 297,201
Contract retainages	-	-	-	-	-	-	-	-	-
Total liabilities	<u>406</u>	<u>-</u>	<u>115,899</u>	<u>86,276</u>	<u>1,530</u>	<u>-</u>	<u>24,835</u>	<u>68,255</u>	<u>297,201</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>									
Nonspendable									
Prepaid items	-	-	23,722	-	-	-	-	-	23,722
Restricted									
Stabilization by state statute	1,908,138	100	364,923	65,722	-	-	2,109	6,178	2,347,170
Register of Deeds Automation & Enhancement	-	-	-	-	-	-	-	-	-
Emergency Telephone 911	365,218	-	-	-	-	-	-	-	365,218
Sheriff & State Safety programs	-	-	-	-	197,761	-	-	-	197,761
Community Development programs	-	47,091	-	-	-	-	-	-	47,091
Soil and Water programs	-	-	-	-	-	-	-	-	-
Cabarrus Arena and Events Center	-	-	51,757	-	-	-	-	-	51,757
Health and Human Services	-	-	-	-	-	-	370,426	-	370,426
Committed									
Economic and physical development	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	153,501	-	-	153,501
Education	-	-	-	-	-	-	-	-	-
Assigned									
Culture and recreation	-	-	3,409,448	-	-	-	-	-	3,409,448
Unassigned	-	-	-	(65,722)	-	-	-	(6,178)	(71,900)
Total fund balances	<u>2,273,356</u>	<u>47,191</u>	<u>3,849,850</u>	<u>-</u>	<u>197,761</u>	<u>153,501</u>	<u>372,535</u>	<u>-</u>	<u>6,894,194</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,273,762</u>	<u>\$ 47,191</u>	<u>\$ 3,965,749</u>	<u>\$ 86,276</u>	<u>\$ 199,291</u>	<u>\$ 153,501</u>	<u>\$ 397,370</u>	<u>\$ 68,255</u>	<u>\$ 7,191,395</u>

**CABARRUS COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

**SCHEDULE 1  
PAGE 2 OF 2**

	Capital Project Funds				Total Non-major Governmental Funds
	Public School Building Fund	School Capital Projects Fund	Small Projects Fund	Total Capital Projects Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 3,588,068	\$ 3,123,357	\$ 6,711,425	\$ 10,554,309
Investments	-	7,214,617	-	7,214,617	10,331,547
Due from other governments	-	-	-	-	116,896
Accounts receivable	-	-	-	-	39,206
Prepaid items	-	-	-	-	23,722
Restricted cash	-	-	-	-	51,757
Total assets	<u>\$ -</u>	<u>\$ 10,802,685</u>	<u>\$ 3,123,357</u>	<u>\$ 13,926,042</u>	<u>\$ 21,117,437</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ 3,192,649	\$ 15,897	\$ 3,208,546	\$ 3,505,747
Contract retainages	-	1,292,109	-	1,292,109	1,292,109
Total liabilities	<u>-</u>	<u>4,484,758</u>	<u>15,897</u>	<u>4,500,655</u>	<u>4,797,856</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>127,958</u>	<u>127,958</u>	<u>127,958</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	-	-	-	-	23,722
Restricted					
Stabilization by state statute	-	-	-	-	2,347,170
Register of Deeds Automation & Enhancement	-	-	448,864	448,864	448,864
Emergency Telephone 911	-	-	-	-	365,218
Sheriff & State Safety programs	-	-	-	-	197,761
Community Development programs	-	-	-	-	47,091
Soil and Water programs	-	-	116,571	116,571	116,571
Cabarrus Arena and Events Center	-	-	-	-	51,757
Health and Human Services	-	-	-	-	370,426
Committed					
Economic and physical development	-	-	2,414,067	2,414,067	2,414,067
Human services	-	-	-	-	153,501
Education	-	6,317,927	-	6,317,927	6,317,927
Assigned					
Culture and recreation	-	-	-	-	3,409,448
Unassigned	-	-	-	-	(71,900)
Total fund balances	<u>-</u>	<u>6,317,927</u>	<u>2,979,502</u>	<u>9,297,429</u>	<u>16,191,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 10,802,685</u>	<u>\$ 3,123,357</u>	<u>\$ 13,926,042</u>	<u>\$ 21,117,437</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULE 2**  
**PAGE 1 OF 2**

	Special Revenue Funds								Total Non-major Special Revenue Funds
	Emergency Telephone System Fund	Community Development Block Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts' Fund	Sheriff's Department Fund	Dept of Aging Fund	Social Services Payee Fund	Inter- governmental Fund	
<b>REVENUES</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 6,626,317	\$ -	\$ -	\$ -	\$ -	\$ 6,626,317
Restricted intergovernmental	614,089	1,200	-	-	56,538	-	452,192	-	1,124,019
Intergovernmental - lottery	-	-	-	-	-	-	-	-	-
Program fees	-	-	597,005	-	1,724	-	-	1,765,536	2,364,265
Investment earnings	33,959	-	92,054	-	4,827	3,405	3,403	-	137,648
Donations	-	-	349,282	-	-	1,030	-	-	350,312
Miscellaneous	-	-	5,248	-	-	-	-	-	5,248
Total revenues	<u>648,048</u>	<u>1,200</u>	<u>1,043,589</u>	<u>6,626,317</u>	<u>63,089</u>	<u>4,435</u>	<u>455,595</u>	<u>1,765,536</u>	<u>10,607,809</u>
<b>EXPENDITURES</b>									
General government	-	-	-	-	-	-	-	-	-
Public safety	329,814	-	-	6,626,317	32,293	-	-	-	6,988,424
Economic and physical development	-	1,054	-	-	-	-	-	-	1,054
Environmental protection	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	363,532	-	363,532
Education	-	-	-	-	-	-	-	1,765,536	1,765,536
Culture and recreation	-	-	1,925,528	-	-	-	-	-	1,925,528
Capital outlay	-	-	-	-	33,045	-	-	-	33,045
Total expenditures	<u>329,814</u>	<u>1,054</u>	<u>1,925,528</u>	<u>6,626,317</u>	<u>65,338</u>	<u>-</u>	<u>363,532</u>	<u>1,765,536</u>	<u>11,077,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>318,234</u>	<u>146</u>	<u>(881,939)</u>	<u>-</u>	<u>(2,249)</u>	<u>4,435</u>	<u>92,063</u>	<u>-</u>	<u>(469,310)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Debt proceeds	-	-	-	-	-	-	-	-	-
Transfer in	756,964	-	2,317,826	-	-	-	-	-	3,074,790
Transfer (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>756,964</u>	<u>-</u>	<u>2,317,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,074,790</u>
Net change in fund balances	1,075,198	146	1,435,887	-	(2,249)	4,435	92,063	-	2,605,480
Fund balance, July 1	<u>1,198,158</u>	<u>47,045</u>	<u>2,413,963</u>	<u>-</u>	<u>200,010</u>	<u>149,066</u>	<u>280,472</u>	<u>-</u>	<u>4,288,714</u>
Fund balance, June 30	<u>\$ 2,273,356</u>	<u>\$ 47,191</u>	<u>\$ 3,849,850</u>	<u>\$ -</u>	<u>\$ 197,761</u>	<u>\$ 153,501</u>	<u>\$ 372,535</u>	<u>\$ -</u>	<u>\$ 6,894,194</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULE 2**  
**PAGE 2 OF 2**

	Capital Project Funds				
	Public School Building Fund	School Capital Projects Fund	Small Projects Fund	Total Capital Projects Funds	Total Non-major Governmental Funds
<b>REVENUES</b>					
Ad valorem taxes	\$ -	\$ -	\$ 336,739	\$ 336,739	\$ 6,963,056
Restricted intergovernmental	-	-	179,037	179,037	1,303,056
Intergovernmental - lottery	2,895,149	-	-	2,895,149	2,895,149
Program fees	-	-	39,017	39,017	2,403,282
Investment earnings	-	-	61,287	61,287	198,935
Donations	-	1,545,275	-	1,545,275	1,895,587
Miscellaneous	-	-	7,500	7,500	12,748
Total revenues	<u>2,895,149</u>	<u>1,545,275</u>	<u>623,580</u>	<u>5,064,004</u>	<u>15,671,813</u>
<b>EXPENDITURES</b>					
General government	-	-	54,661	54,661	54,661
Public safety	-	-	-	-	6,988,424
Economic and physical development	-	-	97,021	97,021	98,075
Environmental protection	-	-	64,527	64,527	64,527
Human services	-	-	-	-	363,532
Education	595,149	42,069,737	-	42,664,886	44,430,422
Culture and recreation	-	-	-	-	1,925,528
Capital outlay	-	-	-	-	33,045
Total expenditures	<u>595,149</u>	<u>42,069,737</u>	<u>216,209</u>	<u>42,881,095</u>	<u>53,958,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,300,000</u>	<u>(40,524,462)</u>	<u>407,371</u>	<u>(37,817,091)</u>	<u>(38,286,401)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt proceeds	-	23,340,743	-	23,340,743	23,340,743
Transfer in	-	16,145,611	-	16,145,611	19,220,401
Transfer (out)	(2,300,000)	(25,174)	-	(2,325,174)	(2,325,174)
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>39,461,180</u>	<u>-</u>	<u>37,161,180</u>	<u>40,235,970</u>
Net change in fund balances	-	(1,063,282)	407,371	(655,911)	1,949,569
Fund balance, July 1	-	7,381,209	2,572,131	9,953,340	14,242,054
Fund balance, June 30	<u>\$ -</u>	<u>\$ 6,317,927</u>	<u>\$ 2,979,502</u>	<u>\$ 9,297,429</u>	<u>\$ 16,191,623</u>

# SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

**Social Services** – accounts for money deposited with the County through the Department of Social Services under a program which manages the financial affairs of persons unable or incapable of managing on their own.

**Intergovernmental** – accounts for the penalties, fines, and forfeitures collected by the County and remitted to school systems.



**CABARRUS COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND**

**SCHEDULE 3**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Actual</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Restricted intergovernmental:			
NC 911 service fees	\$ 614,089	\$ 614,089	\$ -
Investment earnings	1,500	33,959	32,459
Total revenues	<u>615,589</u>	<u>648,048</u>	<u>32,459</u>
<b>EXPENDITURES</b>			
Public Safety:			
Operations	615,589	329,814	285,775
Capital outlay	1,856,964	-	1,856,964
Total expenditures	<u>2,472,553</u>	<u>329,814</u>	<u>2,142,739</u>
Revenues over (under) expenditures	<u>(1,856,964)</u>	<u>318,234</u>	<u>2,175,198</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In - Community Investment Fund	756,964	756,964	-
Fund balance appropriation	1,100,000	-	(1,100,000)
Total other financing sources	<u>1,856,964</u>	<u>756,964</u>	<u>(1,100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,075,198</u>	<u>\$ 1,075,198</u>
Fund balance, July 1		<u>1,198,158</u>	
Fund balance, June 30		<u>\$ 2,273,356</u>	

**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE 4**

**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
Restricted intergovernmental:				
CDBG program fees	\$ 42,352	\$ 42,352	\$ -	\$ 42,352
HOME Consortium grants	964,042	205,247	-	205,247
HOME program revenues	54,895	44,495	1,200	45,695
Total revenues	<u>1,061,289</u>	<u>292,094</u>	<u>1,200</u>	<u>293,294</u>
<b>EXPENDITURES</b>				
Economic and physical development:				
CDBG:				
Sub-contractor construction	42,352	41,817	-	41,817
HOME Consortium:				
Consultants	1,041,965	8,810	1,054	9,864
Sub-contractor construction	61,829	279,279	-	279,279
Total HOME consortium	<u>1,103,794</u>	<u>288,089</u>	<u>1,054</u>	<u>289,143</u>
Total expenditures	<u>1,146,146</u>	<u>329,906</u>	<u>1,054</u>	<u>330,960</u>
Revenues over (under) expenditures	(84,857)	(37,812)	146	(37,666)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	84,857	84,857	-	84,857
Net change in fund balance	<u>\$ -</u>	<u>\$ 47,045</u>	146	<u>\$ 47,191</u>
Fund balance, July 1			<u>47,045</u>	
Fund balance, June 30			<u>\$ 47,191</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
 CABARRUS ARENA AND EVENTS CENTER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 5  
 PAGE 1 OF 2**

	<b>Actual</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
<b>Arena and Events Center:</b>			
Donations - Cabarrus Visitors Bureau	\$ 286,500	\$ 339,282	\$ 52,782
Investment earnings	-	16	16
Total Arena and Events Center	<u>286,500</u>	<u>339,298</u>	<u>52,798</u>
<b>County Fair:</b>			
Program fees	749,831	597,005	(152,826)
Investment earnings	15,000	92,038	77,038
Miscellaneous	5,000	5,248	248
Total County Fair	<u>769,831</u>	<u>694,291</u>	<u>(75,540)</u>
<b>Visitor Related Events:</b>			
Donations - Cabarrus Visitors Bureau	10,000	10,000	-
Total visitor-related events	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenues	<u>1,066,331</u>	<u>1,043,589</u>	<u>(22,742)</u>
<b>EXPENDITURES</b>			
Cultural and recreational:			
<b>Arena and Events Center</b>			
Management company	736,326	609,531	126,795
Other operating expenses	1,846,919	267,996	1,578,923
Capital outlay	374,081	374,081	-
Total Arena & Events Center	<u>2,957,326</u>	<u>1,251,608</u>	<u>1,705,718</u>
<b>County Fair:</b>			
Salaries and employee benefits	186,455	155,205	31,250
Other operating expenses	583,376	518,715	64,661
Total County Fair	<u>769,831</u>	<u>673,920</u>	<u>95,911</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**CABARRUS ARENA AND EVENTS CENTER SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Actual</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Visitor Related Events:</b>			
Total visitor-related events	10,000	-	10,000
Total expenditures	3,737,157	1,925,528	1,811,629
Revenues over (under) expenditures	(2,670,826)	(881,939)	1,788,887
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in - General Fund	1,077,826	1,077,826	-
Transfer (out) - Construction and Renovations Fund	1,240,000	1,240,000	-
Fund balance appropriated	353,000	-	(353,000)
Total other financing sources (uses)	2,670,826	2,317,826	(353,000)
Net change in fund balance	<u>\$ -</u>	1,435,887	<u>\$ 1,435,887</u>
Fund balance, July 1		<u>2,413,963</u>	
Fund balance, June 30		<u>\$ 3,849,850</u>	



**CABARRUS COUNTY, NORTH CAROLINA  
FIRE DISTRICTS SPECIAL REVENUE FUND**

**SCHEDULE 6**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Actual		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Ad valorem taxes	\$ 6,924,450	\$ 6,626,317	\$ (298,133)
<b>EXPENDITURES</b>			
Public safety	6,924,450	6,626,317	298,133
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1		-	
Fund balance, June 30		<u>\$ -</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
SHERRIFF'S DEPARTMENT SPECIAL REVENUE FUND**

**SCHEDULE 7**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Federal forfeiture sharing	\$ 123,678	\$ 114,390	\$ 9,288	\$ 123,678
Federal forfeiture sharing - Treasury	277,299	286,587	(9,288)	277,299
NC Substance Control Tax	558,757	511,016	56,538	567,554
Firing range fees	35,941	34,831	1,724	36,555
Investment earnings:				
Federal Forfeiture sharing	8,401	8,023	592	8,615
Federal Forf sharing - Treasury	14,268	13,380	1,367	14,747
NC Substance Control tax	61,072	59,359	2,692	62,051
Firing range	879	766	176	942
Total revenues	<u>1,080,295</u>	<u>1,028,352</u>	<u>63,089</u>	<u>1,091,441</u>
<b>EXPENDITURES</b>				
Public safety	766,622	547,714	32,293	580,007
Capital outlay:				
Equipment	153,701	153,701	-	153,701
Vehicles	337,423	304,378	33,045	337,423
Total expenditures	<u>1,257,746</u>	<u>1,005,793</u>	<u>65,338</u>	<u>1,071,131</u>
Revenues (under) expenditures	<u>(177,451)</u>	<u>22,559</u>	<u>(2,249)</u>	<u>20,310</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	285,138	285,138	-	285,138
Transfer (out) - General Fund	(107,687)	(107,687)	-	(107,687)
Total other financing sources (uses)	<u>177,451</u>	<u>177,451</u>	<u>-</u>	<u>177,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 200,010</u>	<u>(2,249)</u>	<u>\$ 197,761</u>
Fund balance, July 1			<u>200,010</u>	
Fund balance, June 30			<u>\$ 197,761</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
DEPARTMENT OF AGING SPECIAL REVENUE FUND**

**SCHEDULE 8**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
Contributions and private donations	\$ 197,528	\$ 196,708	\$ 1,030	\$ 197,738
Investment earnings	25,602	23,440	3,405	26,845
Total revenues	<u>223,130</u>	<u>220,148</u>	<u>4,435</u>	<u>224,583</u>
<b>EXPENDITURES</b>				
Human Services:				
Special projects	<u>223,130</u>	<u>71,082</u>	<u>-</u>	<u>71,082</u>
Total expenditures	<u>223,130</u>	<u>71,082</u>	<u>-</u>	<u>71,082</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 149,066</u>	4,435	<u>\$ 153,501</u>
Fund balance, July 1			<u>149,066</u>	
Fund balance, June 30			<u>\$ 153,501</u>	

**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE 9**

**SOCIAL SERVICES PAYEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 400,000	\$ 452,192	\$ 52,192
Investment earnings	-	3,403	3,403
Total revenues	<u>400,000</u>	<u>455,595</u>	<u>55,595</u>
<b>EXPENDITURES</b>			
Current:			
Human services			
Payments made for the benefit of beneficiaries	<u>400,000</u>	<u>363,532</u>	<u>36,468</u>
Net change in fund balance	<u>\$ -</u>	92,063	<u>\$ 92,063</u>
Fund balance, beginning		<u>280,472</u>	
Fund balance, ending		<u>\$ 372,535</u>	

**CABARRUS COUNTY, NORTH CAROLINA**  
**INTERGOVERNMENTAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULE 10**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Sales and services			
Penalties, fines and forfeitures	\$ 2,080,000	\$ 1,765,536	\$ (314,464)
<b>EXPENDITURES</b>			
Current:			
General government			
Payments of penalties, fines and forfeitures to the			
Legal fees	115,000	106,728	8,272
Cabarrus County Schools	1,720,000	1,482,300	237,700
Kannapolis City Schools	245,000	176,508	68,492
Total expenditures	<u>2,080,000</u>	<u>1,765,536</u>	<u>314,464</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	



# CAPITAL PROJECT FUNDS

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

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

**School Capital Projects** – accounts for planning, design, construction and/or renovation of schools through the use of debt and non-debt sources.

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





**CABARRUS COUNTY, NORTH CAROLINA  
PUBLIC SCHOOL BUILDING CAPITAL PROJECTS FUND**

**SCHEDULE 11**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
Intergovernmental				
Lottery proceeds: State	\$ 17,530,000	\$ 15,230,000	\$ 2,300,000	\$ 17,530,000
Lottery proceeds: Rowan County	1,052,149	457,000	595,149	1,052,149
Total revenues	<u>18,582,149</u>	<u>15,687,000</u>	<u>2,895,149</u>	<u>18,582,149</u>
<b>EXPENDITURES</b>				
Capital outlay - education:				
Rowan County projects	1,052,149	457,000	595,149	1,052,149
Total expenditures	<u>1,052,149</u>	<u>457,000</u>	<u>595,149</u>	<u>1,052,149</u>
Revenues over expenditures	<u>17,530,000</u>	<u>15,230,000</u>	<u>2,300,000</u>	<u>17,530,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out) - General Fund	(15,380,000)	(13,080,000)	(2,300,000)	(15,380,000)
Transfer (out) - School Construction - CPF	(1,650,000)	(1,650,000)	-	(1,650,000)
Transfer (out) - LOBS 2017 - CPF	(500,000)	(500,000)	-	(500,000)
Total other financing sources (uses)	<u>(17,530,000)</u>	<u>(15,230,000)</u>	<u>(2,300,000)</u>	<u>(17,530,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, July 1			-	
Fund balance, June 30			<u>\$ -</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
SCHOOL CAPITAL PROJECTS FUND**

**SCHEDULE 12**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>REVENUES</b>				
NC Department of Transportation Grant	\$ 1,950,000	\$ -	\$ -	\$ -
Contributions and Donations	1,550,000	-	1,545,275	1,545,275
Total revenues	3,500,000	-	1,545,275	1,545,275
<b>EXPENDITURES</b>				
Roberta Road Middle School	56,599,331	50,919,255	3,460,313	54,379,568
New High School	9,513,790	5,252,689	1,654,511	6,907,200
R. Brown McAllister Elementary	48,356,750	1,637,272	23,099,948	24,737,220
Southeast High School	1,816,320	-	1,816,248	1,816,248
JM Robinson High School Mondo Track	1,550,000	-	634,086	634,086
Cabarrus County School Maintenance	27,475,416	5,806,976	9,313,141	15,120,117
Kannapolis City School Maintenance	4,140,034	1,800,068	1,126,623	2,926,691
Rowan Cabarrus Community College Maintenance	3,468,000	268,613	964,867	1,233,480
Total expenditures	152,919,641	65,684,873	42,069,737	107,754,610
Revenues (under) expenditures	(149,419,641)	(65,684,873)	(40,524,462)	(106,209,335)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from LOBS 2020A	45,227,096	45,232,065	-	45,232,065
Proceeds from LOBS 2022B	57,105,056	2,948,716	23,340,743	26,289,459
Proceeds from LOBS 2024B	6,081,750	-	-	-
Transfer in - General Fund	15,909,450	15,909,450	-	15,909,450
Transfer in - Capital Projects	9,383,614	9,383,613	-	9,383,613
Transfer in - Capital Reserve	693,429	693,429	-	693,429
Transfer in - Community Investment Fund	20,020,580	3,874,969	16,145,611	20,020,580
Transfer (out) - CIF	(25,174)	-	(25,174)	(25,174)
Transfer (out) - Capital Reserve	(4,976,160)	(4,976,160)	-	(4,976,160)
Total other financing sources (uses)	149,419,641	73,066,082	39,461,180	112,527,262
Net change in fund balance	\$ -	\$ 7,381,209	(1,063,282)	\$ 6,317,927
Fund balance, July 1			7,381,209	
Fund balance, June 30			\$ 6,317,927	

**CABARRUS COUNTY, NORTH CAROLINA  
SMALL PROJECTS CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
<b>Board of Elections:</b>				
Investment earnings	\$ 34,130	\$ 34,129	\$ 15	\$ 34,144
Total Board of Elections	<u>34,130</u>	<u>34,129</u>	<u>15</u>	<u>34,144</u>
<b>Register of Deeds:</b>				
Automation & enhancement fees	2,291,355	2,215,373	116,507	2,331,880
Investment earnings	76,471	69,148	11,840	80,988
Total Register of Deeds	<u>2,367,826</u>	<u>2,284,521</u>	<u>128,347</u>	<u>2,412,868</u>
<b>Community Development:</b>				
Program fees	57,657	24,322	37,489	61,811
Total Community Development	<u>57,657</u>	<u>24,322</u>	<u>37,489</u>	<u>61,811</u>
<b>Soil &amp; Water:</b>				
Grants	1,221,419	687,225	62,530	749,755
Stewardship Fund	52,250	52,250	-	52,250
Deferred tax collections	443,823	436,558	7,265	443,823
Program fees	19,341	18,096	1,528	19,624
Contribution and donations	2,898	2,898	-	2,898
Investment earnings	1,693	1,693	-	1,693
Total Soil & Water	<u>1,741,424</u>	<u>1,198,720</u>	<u>71,323</u>	<u>1,270,043</u>
<b>Elma Lomax Incubator Farm:</b>				
Deferred tax collections	347,000	267,000	80,000	347,000
Total Elma Lomax Incubator Farm	<u>347,000</u>	<u>267,000</u>	<u>80,000</u>	<u>347,000</u>
<b>Local Agriculture Preservation:</b>				
Deferred tax collections	4,782,455	4,560,180	249,474	4,809,654
Lease on Land	15,000	7,500	7,500	15,000
Investment earnings	160,709	129,789	49,432	179,221
Total Soil & Water	<u>4,958,164</u>	<u>4,697,469</u>	<u>306,406</u>	<u>5,003,875</u>
Total revenues	<u>9,506,201</u>	<u>8,506,161</u>	<u>623,580</u>	<u>9,129,741</u>

**CABARRUS COUNTY, NORTH CAROLINA  
SMALL PROJECTS CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>EXPENDITURES</b>				
Operations:				
General Govt - Board of Elections	86,316	111,677	-	111,677
General Govt - Register of Deeds	2,445,331	1,909,343	54,661	1,964,004
Economic Development - Community Development	112,559	57,597	17,021	74,618
Economic Development - Elma Lomax	347,000	267,000	80,000	347,000
Environmental Protection - Soil & Water	1,827,569	1,088,945	64,527	1,153,472
Environ Protect - Local Agric Preservation	2,161,964	-	-	-
Total Operations	<u>6,980,739</u>	<u>3,434,562</u>	<u>216,209</u>	<u>3,650,771</u>
Capital Outlay:				
Equipment and furniture	152,899	127,530	-	127,530
Total capital outlay	<u>152,899</u>	<u>127,530</u>	<u>-</u>	<u>127,530</u>
Total expenditures	<u>7,133,638</u>	<u>3,562,092</u>	<u>216,209</u>	<u>3,778,301</u>
Revenues over (under) expenditures	<u>2,372,563</u>	<u>4,944,069</u>	<u>407,371</u>	<u>5,351,440</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	293,837	293,837	-	293,837
Transfer in - Capital Reserve Fund	150,000	150,000	-	150,000
Transfer (out) - General Fund	(25,000)	(25,000)	-	(25,000)
Transfer (out) - Capital Project Fund	(2,791,400)	(2,790,775)	-	(2,790,775)
Total other financing sources (uses)	<u>(2,372,563)</u>	<u>(2,371,938)</u>	<u>-</u>	<u>(2,371,938)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,572,131</u>	<u>407,371</u>	<u>\$ 2,979,502</u>
Fund balance, July 1			<u>2,572,131</u>	
Fund balance, June 30			<u>\$ 2,979,502</u>	

# FIDUCIARY FUNDS

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Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds are used to account for assets the County holds on behalf of others that meet certain criteria.

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## **INDIVIDUAL FUND DESCRIPTIONS**

### **CUSTODIAL FUNDS:**

**Undistributed Taxes** – is used to account for property taxes collected before they are distributed to local municipalities.

**Jail Commissary** – is used to account for inmate’s money deposited with the County when an inmate is housed at the County detention center. The money can be used by inmate to purchase commissary items. Unused monies are returned to the inmate upon their release.

### **PENSION TRUST FUNDS**

**OPEB Trust Fund** – accounts for the County’s contributions for healthcare coverage provided to qualified retirees.



**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2023**

**SCHEDULE 14**

	<u>Undistributed Taxes</u>	<u>Jail Commissary</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,516,122	\$ 84,365	\$ 1,600,487
Taxes receivable for other governments, net	915,775	-	915,775
Total assets	<u>2,431,897</u>	<u>84,365</u>	<u>2,516,262</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	2,431,897	84,365	2,516,262
Total net position	<u>\$ 2,431,897</u>	<u>\$ 84,365</u>	<u>\$ 2,516,262</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 15**

	<u>Undistributed Taxes</u>	<u>Jail Commissary</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>			
Ad valorem taxes for other governments	\$ 126,470,557	\$ -	\$ 126,470,557
Collections on behalf of inmates	-	837,255	837,255
Total additions	<u>126,470,557</u>	<u>837,255</u>	<u>127,307,812</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	126,500,682	-	126,500,682
Payments on behalf of inmates	-	908,692	908,692
Total deductions	<u>126,500,682</u>	<u>908,692</u>	<u>127,409,374</u>
Net increase (decrease) in fiduciary net position	(30,125)	(71,437)	(101,562)
Net position, beginning,	<u>2,462,022</u>	<u>155,802</u>	<u>2,617,824</u>
Net position, ending	<u>\$ 2,431,897</u>	<u>\$ 84,365</u>	<u>\$ 2,516,262</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**OPEB TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 16**

	<u>OPEB Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,074,775	\$ 4,074,775
Total assets	<u>4,074,775</u>	<u>4,074,775</u>
<b>NET POSITION</b>		
Restricted for:		
Post employment benefits other than pensions	4,074,775	4,074,775
Total net position	<u>\$ 4,074,775</u>	<u>\$ 4,074,775</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**OPEB TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 17**

	<u>OPEB Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>		
Employer contributions	\$ 2,000,000	\$ 2,000,000
Investment income	72,097	72,097
Total additions	<u>2,072,097</u>	<u>2,072,097</u>
Net increase (decrease) in fiduciary net position	2,072,097	2,072,097
Net position, July 1	<u>2,002,678</u>	<u>2,002,678</u>
Net position, June 30	<u>\$ 4,074,775</u>	<u>\$ 4,074,775</u>

# INTERNAL SERVICE FUNDS

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

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**Workers' Compensation | Property Liability** was established to accumulate premiums and pay all claims and related expenses for workers' compensation and property liability activities.

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



**CABARRUS COUNTY, NORTH CAROLINA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023**

**SCHEDULE 18**

	<b>Workers' Compensation and Property Liability Fund</b>	<b>Medical Dental Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,539,201	\$ 5,657,255	\$ 14,196,456
Accounts receivable		17,826	17,826
Prepaid expenses	8,918	201,683	210,601
Total current assets	<u>8,548,119</u>	<u>5,876,764</u>	<u>14,424,883</u>
Capital assets:			
Vehicles and equipment	29,664	-	29,664
Less: Accumulated depreciation	<u>(29,664)</u>	<u>-</u>	<u>(29,664)</u>
Total assets	<u>8,548,119</u>	<u>5,876,764</u>	<u>14,424,883</u>
<b>LIABILITIES</b>			
Accounts payable	3,757	47,837	51,594
Amounts payable for future claims	<u>430,803</u>	<u>1,064,000</u>	<u>1,494,803</u>
Total liabilities	<u>434,560</u>	<u>1,111,837</u>	<u>1,546,397</u>
<b>NET POSITION</b>			
Unrestricted	<u>8,113,559</u>	<u>4,764,927</u>	<u>12,878,486</u>
<b>Total Net Position</b>	<u>\$ 8,113,559</u>	<u>\$ 4,764,927</u>	<u>\$ 12,878,486</u>

**CABARRUS COUNTY, NORTH CAROLINA  
INTERNAL SERVICE FUNDS**

**SCHEDULE 19**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Workers' Compensation and Property Liability Fund</b>	<b>Medical Dental Fund</b>	<b>Total</b>
<b>Operating revenues:</b>			
Insurance premiums	\$ 3,073,433	\$ 16,607,168	\$ 19,680,601
Program fees	-	33,645	33,645
Insurance refunds	1,000	1,090,329	1,091,329
Total operating revenues	<u>3,074,433</u>	<u>17,731,142</u>	<u>20,805,575</u>
<b>Operating expenses:</b>			
Depreciation	3,955	-	3,955
General administrative and other	1,135,097	2,717,834	3,852,931
Claims	826,683	13,533,673	14,360,356
Total operating expenses	<u>1,965,735</u>	<u>16,251,507</u>	<u>18,217,242</u>
Operating income (loss)	<u>1,108,698</u>	<u>1,479,635</u>	<u>2,588,333</u>
<b>Nonoperating revenues:</b>			
Investment earnings	173,462	78,145	251,607
Total nonoperating revenues	<u>173,462</u>	<u>78,145</u>	<u>251,607</u>
Income (loss) before contributions	<u>1,282,160</u>	<u>1,557,780</u>	<u>2,839,940</u>
Change in net position	1,282,160	1,557,780	2,839,940
Net position, July 1	<u>6,831,399</u>	<u>3,207,147</u>	<u>10,038,546</u>
Net position, June 30	<u>\$ 8,113,559</u>	<u>\$ 4,764,927</u>	<u>\$ 12,878,486</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SELF-INSURED WORKERS' COMPENSATION AND LIABILITY INTERNAL SERVICES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 20**  
**PAGE 1 OF 2**

	<b>2023</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Financial Plan</b>	<b>Actual</b>	
<b>Revenues:</b>			
<b>Property Liability:</b>			
Operating revenues:			
Insurance premiums	\$ 1,224,025	\$ 1,347,500	\$ 123,475
Insurance refunds	20,000	1,000	(19,000)
Total operating revenues	<u>1,244,025</u>	<u>1,348,500</u>	<u>104,475</u>
Nonoperating revenues:			
Investment earnings	<u>6,000</u>	<u>173,462</u>	<u>167,462</u>
Total nonoperating revenues	<u>6,000</u>	<u>173,462</u>	<u>167,462</u>
<b>Workers Compensation</b>			
Operating revenues:			
Insurance premiums	<u>1,617,305</u>	<u>1,725,934</u>	<u>108,629</u>
Total operating revenues	<u>1,617,305</u>	<u>1,725,934</u>	<u>108,629</u>
Total revenues	<u>2,867,330</u>	<u>3,247,896</u>	<u>380,566</u>
<b>Expenditures:</b>			
<b>Property Liability:</b>			
General and administrative - Premiums	1,040,000	856,353	183,647
Capital outlay	75,000	-	75,000
Claims	550,000	463,889	86,111
Consultants	<u>20,000</u>	<u>18,500</u>	<u>1,500</u>
Total property liability	<u>1,685,000</u>	<u>1,338,742</u>	<u>346,258</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SELF-INSURED WORKERS' COMPENSATION AND LIABILITY INTERNAL SERVICES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 20**  
**PAGE 2 OF 2**

	<b>2023</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Financial Plan</b>	<b>Actual</b>	
<b>Workers Compensation</b>			
General and administrative - premiums	256,605	224,049	32,556
Purchased services	9,000	8,696	304
Claims	1,321,700	362,794	958,906
Consultant	30,000	27,500	2,500
Total workers compensation	<u>1,617,305</u>	<u>623,039</u>	<u>994,266</u>
Total expenditures	<u>3,302,305</u>	<u>1,961,781</u>	<u>1,340,524</u>
Revenues over (under) expenditures	<u>(434,975)</u>	<u>1,286,115</u>	<u>1,721,090</u>
Fund balance appropriated	<u>434,975</u>	<u>-</u>	<u>(434,975)</u>
Revenues and transfers over (under) expenditures	<u>\$ -</u>	<u>1,286,115</u>	<u>\$ 1,286,115</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Depreciation		<u>(3,955)</u>	
Total reconciling items		<u>(3,955)</u>	
Change in net position		<u>\$ 1,282,160</u>	



**CABARRUS COUNTY, NORTH CAROLINA**  
**SELF-INSURED MEDICAL AND DENTAL INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 21**

	2023		Variance Favorable (Unfavorable)
	Financial Plan	Actual	
<b>MEDICAL</b>			
Operating revenues:			
Insurance premiums	\$ 16,031,122	\$ 16,129,817	\$ 98,695
Insurance refunds	1,122,014	1,090,329	(31,685)
Program fees	31,941	33,647	1,706
Total operating revenues	<u>17,185,077</u>	<u>17,253,793</u>	<u>68,716</u>
<b>DENTAL</b>			
Operating revenues:			
Insurance premiums	<u>455,000</u>	<u>477,349</u>	<u>22,349</u>
Total operating revenues	<u>17,640,077</u>	<u>17,731,142</u>	<u>91,065</u>
Nonoperating revenues:			
Investment earnings	<u>5,000</u>	<u>78,145</u>	<u>73,145</u>
Total revenues	<u>17,645,077</u>	<u>17,809,287</u>	<u>164,210</u>
<b>MEDICAL</b>			
General and administrative	2,960,526	2,652,250	308,276
Claims	<u>14,571,792</u>	<u>13,001,528</u>	<u>1,570,264</u>
Total hospitalization	<u>17,532,318</u>	<u>15,653,778</u>	<u>1,878,540</u>
<b>DENTAL</b>			
General and administrative	67,000	65,584	1,416
Claims	<u>535,000</u>	<u>532,145</u>	<u>2,855</u>
Total dental	<u>602,000</u>	<u>597,729</u>	<u>4,271</u>
Total expenditures	<u>18,134,318</u>	<u>16,251,507</u>	<u>1,882,811</u>
Income (loss) before contributions	<u>(489,241)</u>	<u>1,557,780</u>	<u>2,047,021</u>
Revenues and transfers over (under) expenditures	<u>(489,241)</u>	<u>1,557,780</u>	<u>2,047,021</u>
Fund balance appropriated	<u>489,241</u>	<u>-</u>	<u>489,241</u>
Change in net position	<u>\$ -</u>	<u>\$ 1,557,780</u>	<u>\$ 1,557,780</u>

**CABARRUS COUNTY, NORTH CAROLINA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 22**

	<b>Workers' Compensation and Property Liability Fund</b>	<b>Medical Dental Fund</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ -	\$ 6,660	\$ 6,660
Cash received from departments	3,065,516	17,508,597	20,574,113
Cash paid to suppliers for goods and services	(2,126,506)	(16,358,825)	(18,485,331)
Net cash provided (used) for operating activities	<u>939,010</u>	<u>1,156,432</u>	<u>2,095,442</u>
<b>Cash flows from investing activities:</b>			
Interest received on investments	<u>173,462</u>	<u>78,145</u>	<u>251,607</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,112,472	1,234,577	2,347,049
Cash and cash equivalents, July 1	<u>7,426,729</u>	<u>4,422,678</u>	<u>11,849,407</u>
Cash and cash equivalents, June 30	<u>\$ 8,539,201</u>	<u>\$ 5,657,255</u>	<u>\$ 14,196,456</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 1,108,698</u>	<u>\$ 1,479,635</u>	<u>\$ 2,588,333</u>
Depreciation expense	3,955	-	3,955
(Increase) decrease in accounts receivable and prepaid expenses	(8,918)	(215,886)	(224,804)
Increase (decrease) in accounts payable and accrued liabilities	(164,725)	(107,317)	(272,042)
Total adjustments	<u>(169,688)</u>	<u>(323,203)</u>	<u>(492,891)</u>
Net cash provided by (used for) operating activities	<u>\$ 939,010</u>	<u>\$ 1,156,432</u>	<u>\$ 2,095,442</u>

# OTHER SCHEDULES

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

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

**Community Investment Fund** – sub fund of the general fund and accounts for sales tax | lottery revenue dedicated to school capital and property tax revenues for debt | capital projects. This fund also accounts for debt service expenditures and transfers to Capital Projects Funds.

**County Capital Projects Fund** – accounts for construction, renovations, and larger Capital projects for the County using debt and non-debt sources.

**CARES Act Relief Fund** - accounts for funding received from the federal government to cover COVID-19 expenditures for public health emergencies.

**Opioid Settlement** – accounts for the receipt of funds as part of nationwide settlement related to multiple opioid lawsuits and disbursement of funds for opioid abatement and remediation activities.

**Landfill Fund** - accounts for the operations that are financed and operated in a manner like private business or where the board has decided that the determination of revenues earned, costs incurred and | or net income is necessary for management accountability. The schedule presents the results of operation for the Landfill on the modified accrual basis for comparison to the legally adopted budget. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows the schedule.



**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2023**

**SCHEDULE 23**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2023	\$ -	\$ 231,772,382	\$ 230,226,400	\$ 1,545,982
2022	1,377,852	-	1,051,715	326,137
2021	433,913	-	208,205	225,708
2020	380,335	-	61,092	319,243
2019	163,846	-	45,928	117,918
2018	533,072	-	20,480	512,592
2017	71,164	-	12,660	58,504
2016	101,690	-	9,854	91,836
2015	111,794	-	9,227	102,567
2014	108,420	-	5,835	102,585
2013	195,332	-	195,332	-
Total	<u>\$ 3,477,418</u>	<u>\$ 231,772,382</u>	<u>\$ 231,846,728</u>	<u>3,403,072</u>
Less: Allowance for uncollectible accounts:				
General Fund				<u>(1,705,148)</u>
Ad valorem taxes receivable (net):				
General Fund				<u>\$ 1,697,924</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 231,483,637
Penalties collected on ad valorem taxes - Custodial Fund				498,733
Total ad valorem taxes and penalties				<u>231,982,370</u>
Reconciling items:				
Deferred taxes				209,201
Interest collected				(723,517)
Taxes written-off				176,747
Abatement of prior year taxes				109,318
Collection of tax previously written-off				(15,412)
NCVTS refunds				108,021
Total reconciling items				<u>(135,642)</u>
Total collections and credits				<u>\$ 231,846,728</u>

**CABARRUS COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 24  
PAGE 1 OF 2**

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 31,123,554,673	\$ 0.7400	\$ 230,306,708	\$ 209,340,196	\$ 20,966,513
Penalties	-		214,603	214,603	-
Total	<u>31,123,554,673</u>		<u>230,521,312</u>	<u>209,554,799</u>	<u>20,966,513</u>
Discoveries:					
Current year taxes	247,477,032	0.7400	779,202	778,903	299
Prior year taxes	-		972,918	972,918	-
Penalties	-		205,144	205,144	-
Total	<u>247,477,032</u>		<u>1,957,263</u>	<u>1,956,965</u>	<u>299</u>
Releases	<u>(107,451,705)</u>		<u>(706,193)</u>	<u>(706,193)</u>	<u>-</u>
Total property valuation	<u>\$ 31,263,580,000</u>				
Net levy			231,772,382	210,805,590	20,966,812
Uncollected taxes at June 30, 2023			<u>1,545,982</u>	<u>1,545,982</u>	<u>-</u>
Current year's taxes collected			<u>\$ 230,226,400</u>	<u>\$ 209,259,608</u>	<u>\$ 20,966,812</u>
Current levy collection percentage			<u>99.33%</u>	<u>99.27%</u>	<u>100.00%</u>

**CABARRUS COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Secondary market disclosures:**

Assessed valuation:

Assessment ratio <sup>1</sup>	100%
Real property	\$ 25,284,715,521
Personal property	5,471,809,275
Public service companies <sup>2</sup>	<u>507,055,204</u>
Total assessed valuation	\$ 31,263,580,000
Tax rate per \$100	<u>0.7400</u>
Levy (includes discoveries, releases and abatements) <sup>3</sup>	<u><u>\$ 231,772,382</u></u>

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

Fire protection districts <sup>4</sup>	<u><u>\$ 6,007,078</u></u>
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<sup>1</sup> Percentage of appraised value has been established by statute.

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

<sup>3</sup> Levy includes penalties.

<sup>4</sup> Levy excludes motor vehicle taxes.

**CABARRUS COUNTY, NORTH CAROLINA  
TEN LARGEST TAXPAYERS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SCHEDULE 25**

**Secondary market disclosures (continued):**

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Corning, Incorporated	Manufacturing	\$ 458,132,154	1.47%
Mall at Concord Mills LP	Retail Center	228,600,161	0.73%
Duke Energy Corp	Public Service Co	202,508,879	0.65%
Charlotte Motor Speedway Inc	Sports - Racing	200,059,981	0.64%
Castle & Cooke NC LLC / David H Murdock	Real Estate	181,022,103	0.58%
Celgard LLC	Manufacturing	163,111,602	0.52%
Hendricks Motorsports Inc	Sports - Racing	158,502,661	0.51%
Weinstein Properties	Real Estate - Residential	134,484,530	0.43%
Exeter	Real Estate - Commercial	128,420,770	0.41%
The Silverman Group	Real Estate - Commercial	127,012,070	0.41%
Totals		<u>\$ 1,981,854,911</u>	<u>6.34%</u>

<sup>1</sup>More information about principal property taxpayers can be found on Table 7.



**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 1 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
<b>Ad Valorem Taxes:</b>			
Taxes - current	\$ 224,523,987	\$ 229,546,154	\$ 5,022,167
Taxes - delinquent	1,500,000	1,213,966	(286,034)
Interest	540,000	723,517	183,517
Total	<u>226,563,987</u>	<u>231,483,637</u>	<u>4,919,650</u>
<b>Local Option Sales Taxes:</b>			
Sales tax - one cent	23,700,000	27,708,205	4,008,205
Sales tax - half cent (40)	10,100,000	12,296,059	2,196,059
Sales tax - half cent (42)	6,200,000	7,317,662	1,117,662
Sales tax - half cent (44)	-	4	4
Sales tax fire districts	1,400,000	1,588,191	188,191
Total	<u>41,400,000</u>	<u>48,910,121</u>	<u>7,510,121</u>
<b>Other Taxes:</b>			
Franchise fees	528,000	422,747	(105,253)
Gross receipts tax	275,000	346,973	71,973
Heavy equipment tax	90,000	291,615	201,615
Total	<u>893,000</u>	<u>1,061,335</u>	<u>168,335</u>
<b>Intergovernmental Revenues:</b>			
Federal and state grants	25,658,768	22,238,143	(3,420,625)
Court facilities fees	350,000	287,399	(62,601)
ABC profit distribution	120,000	242,721	122,721
Other intergovernmental	8,208,169	9,864,609	1,656,440
Total	<u>34,336,937</u>	<u>32,632,872</u>	<u>(1,704,065)</u>
<b>Permits and Fees:</b>			
Inspection fees	5,200,000	5,657,957	457,957
Register of Deeds	4,330,000	3,313,868	(1,016,132)
Other permits	401,343	348,738	(52,605)
Total	<u>9,931,343</u>	<u>9,320,563</u>	<u>(610,780)</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 2 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Sales and Services:</b>			
Ambulance fees	7,040,000	9,392,696	2,352,696
Recreation fees	609,170	502,499	(106,671)
Transportation	1,031,000	685,296	(345,704)
Other sales and services	5,015,483	4,751,057	(264,426)
Total	<u>13,695,653</u>	<u>15,331,548</u>	<u>1,635,895</u>
<b>Investment Earnings:</b>			
Interest on investments	200,000	7,067,637	6,867,637
Total	<u>200,000</u>	<u>7,067,637</u>	<u>6,867,637</u>
<b>Miscellaneous:</b>			
Private contributions and donations	100,100	116,191	16,091
Sale of materials and capital assets	35,000	100,837	65,837
Gain (loss) on foreclosures	-	3,826	3,826
Other	136,800	163,581	26,781
Total	<u>271,900</u>	<u>384,435</u>	<u>112,535</u>
<b>Total revenues</b>	<u>327,292,820</u>	<u>346,192,148</u>	<u>18,899,328</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Board of Commissioners			
Personnel services	422,865	414,738	8,127
Operations	204,229	167,667	36,562
Total	<u>627,094</u>	<u>582,405</u>	<u>44,689</u>
Legal Department			
Personnel services	275,778	266,639	9,139
Operations	956,319	958,473	(2,154)
Total	<u>1,232,097</u>	<u>1,225,112</u>	<u>6,985</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 3 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
County Manager			
Personnel services	2,683,475	2,392,208	291,267
Operations	276,205	72,480	203,725
Capital outlay	93,750	88,282	5,468
Total	<u>3,053,430</u>	<u>2,552,970</u>	<u>500,460</u>
Communications & Outreach			
Personnel services	607,117	503,902	103,215
Operations	266,126	141,246	124,880
Total	<u>873,243</u>	<u>645,148</u>	<u>228,095</u>
Human Resources			
Personnel services	1,121,682	1,027,110	94,572
Operations	318,808	203,847	114,961
Capital outlay	46,752	18,634	28,118
Total	<u>1,487,242</u>	<u>1,249,591</u>	<u>237,651</u>
Tax Collector			
Personnel services	662,207	616,596	45,611
Operations	647,745	658,880	(11,135)
Total	<u>1,309,952</u>	<u>1,275,476</u>	<u>34,476</u>
Tax Administration			
Personnel services	2,668,161	2,659,479	8,682
Operations	230,549	202,512	28,037
Total	<u>2,898,710</u>	<u>2,861,991</u>	<u>36,719</u>
Board of Elections			
Personnel services	971,332	609,202	362,130
Operations	553,722	386,102	167,620
Total	<u>1,525,054</u>	<u>995,304</u>	<u>529,750</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 4 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Register of Deeds			
Personnel services	643,210	640,925	2,285
Operations	106,186	102,117	4,069
Total	<u>749,396</u>	<u>743,042</u>	<u>6,354</u>
Finance			
Personnel services	1,419,882	1,417,894	1,988
Operations	274,936	250,605	24,331
Total	<u>1,694,818</u>	<u>1,668,499</u>	<u>26,319</u>
Information Technology Services			
Personnel services	4,151,170	3,783,711	367,459
Operations	7,123,199	4,317,287	2,805,912
Capital outlay	145,756	65,656	80,100
Total	<u>11,420,125</u>	<u>8,166,654</u>	<u>3,253,471</u>
Non-Departmental			
Personnel services	1,636,718	704,359	932,359
Operations	3,477,258	2,021,017	1,456,241
Capital outlay	465,000	465,000	-
Total	<u>5,578,976</u>	<u>3,190,376</u>	<u>2,388,600</u>
Covid - BroadBand			
Operations	2,000,000	-	2,000,000
Total	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Grounds Maintenance			
Personnel services	807,202	705,433	101,769
Operations	1,351,416	995,137	356,279
Capital outlay	18,483	18,483	-
Total	<u>2,177,101</u>	<u>1,719,053</u>	<u>458,048</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 5 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Infrastructure and Asset Management			
Personnel services	766,578	695,262	71,316
Operations	<u>1,724,610</u>	<u>1,783,409</u>	<u>(58,799)</u>
Total	<u>2,491,188</u>	<u>2,478,671</u>	<u>12,517</u>
Street Sign Maintenance			
Personnel services	141,953	139,450	2,503
Operations	86,994	72,850	14,144
Capital outlay	50,000	49,818	182
Total	<u>278,947</u>	<u>262,118</u>	<u>16,829</u>
Building Maintenance			
Personnel services	1,185,254	998,792	186,462
Operations	1,975,089	1,286,984	688,105
Operations	520,253	54,503	465,750
Total	<u>3,680,596</u>	<u>2,340,279</u>	<u>1,340,317</u>
Facility Services			
Personnel services	2,272,350	1,954,391	317,959
Operations	446,437	355,005	91,432
Capital Operations	28,500	23,406	5,094
Total	<u>2,747,287</u>	<u>2,332,802</u>	<u>414,485</u>
Fleet Maintenance			
Personnel services	618,095	559,413	58,682
Operations	38,786	55,495	(16,709)
Capital outlay	1,258,436	930,430	328,006
Total	<u>1,915,317</u>	<u>1,545,338</u>	<u>369,979</u>
<b>Total General Government</b>	<u>47,740,573</u>	<u>35,834,829</u>	<u>11,905,744</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Public Safety</b>			
County Sheriff			
Personnel services	21,632,217	20,868,346	763,871
Operations	4,131,037	3,884,092	246,945
Capital outlay	5,284,707	1,805,346	3,479,361
Total	<u>31,047,961</u>	<u>26,557,784</u>	<u>4,490,177</u>
Detention Center			
Personnel services	11,944,012	11,007,812	936,200
Operations	2,749,139	2,516,189	232,950
Capital outlay	214,735	-	214,735
Total	<u>14,907,886</u>	<u>13,524,001</u>	<u>1,383,885</u>
Animal Control			
Personnel services	888,395	893,473	(5,078)
Operations	94,364	100,700	(6,336)
Capital outlay	210,314	90,599	119,715
Total	<u>1,193,073</u>	<u>1,084,772</u>	<u>108,301</u>
Animal Shelter			
Personnel services	589,086	536,996	52,090
Operations	177,388	156,130	21,258
Capital outlay	89,637	73,203	16,434
Total	<u>856,111</u>	<u>766,329</u>	<u>89,782</u>
Courts			
Personnel services	1,107	955	152
Operations	1,404,267	321,566	1,082,701
Total	<u>1,405,374</u>	<u>322,521</u>	<u>1,082,853</u>
Personnel services	3,656,500	3,218,708	437,792
Operations	1,867,301	1,251,831	615,470
Capital outlay	59,000	-	59,000
Total	<u>5,582,801</u>	<u>4,470,539</u>	<u>1,112,262</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 7 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Emergency Management			
Personnel services	307,787	250,171	57,616
Operations	146,721	87,015	59,706
Capital outlay	90,000	-	90,000
Total	<u>544,508</u>	<u>337,186</u>	<u>207,322</u>
Fire Services			
Personnel services	1,322,369	1,280,414	41,955
Operations	407,745	399,892	7,853
Total	<u>1,730,114</u>	<u>1,680,306</u>	<u>49,808</u>
Fire Districts			
Operations	1,400,000	1,588,191	(188,191)
Total	<u>1,400,000</u>	<u>1,588,191</u>	<u>(188,191)</u>
Emergency Medical Services			
Personnel services	11,010,472	11,604,846	(594,374)
Operations	2,013,948	2,007,286	6,662
Capital outlay	1,199,630	362,035	837,595
Total	<u>14,224,050</u>	<u>13,974,167</u>	<u>249,883</u>
Emergency Telephone			
Operations	299,021	23,625	275,396
Total	<u>299,021</u>	<u>23,625</u>	<u>275,396</u>
Other Public Safety			
Personnel services	693,000	713,860	(20,860)
Operations	654,905	572,933	81,972
Total	<u>1,347,905</u>	<u>1,286,793</u>	<u>61,112</u>
<b>Total Public Safety</b>	<u>74,538,804</u>	<u>65,616,214</u>	<u>8,922,590</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 8 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Economic and Physical Development</b>			
Planning and Development Services			
Personnel services	676,865	524,957	151,908
Operations	84,347	41,705	42,642
Total	<u>761,212</u>	<u>566,662</u>	<u>194,550</u>
Community Development			
Personnel services	345,076	311,036	34,040
Operations	667,174	532,616	134,558
Total	<u>1,012,250</u>	<u>843,652</u>	<u>168,598</u>
Soil & Water Conservation			
Personnel services	323,128	305,042	18,086
Operations	62,729	30,912	31,817
Total	<u>385,857</u>	<u>335,954</u>	<u>49,903</u>
Zoning Administration			
Personnel services	254,137	247,115	7,022
Operations	17,580	11,822	5,758
Total	<u>271,717</u>	<u>258,937</u>	<u>12,780</u>
Economic Development Corp			
Personnel services	400,982	365,117	35,865
Operations	454,962	454,557	405
Total	<u>855,944</u>	<u>819,674</u>	<u>36,270</u>
Economic Development Incentives			
Operations	1,750,000	485,644	1,264,356
Total	<u>1,750,000</u>	<u>485,644</u>	<u>1,264,356</u>
Other Economic and Physical Development			
Operations	1,589,433	1,494,759	94,674
Total	<u>1,589,433</u>	<u>1,494,759</u>	<u>94,674</u>
<b>Total Economic and Physical Development</b>	<u>6,626,413</u>	<u>4,805,282</u>	<u>1,821,131</u>



**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 9 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Human Services</b>			
Veterans Services			
Personnel services	415,344	355,036	60,308
Operations	18,455	11,794	6,661
Total	<u>433,799</u>	<u>366,830</u>	<u>66,969</u>
Transportation			
Personnel services	2,114,679	1,658,436	456,243
Operations	801,805	692,598	109,207
Capital outlay	1,414,981	486,759	928,222
Total	<u>4,331,465</u>	<u>2,837,793</u>	<u>1,493,672</u>
Cooperative Extension			
Personnel services	408,622	341,957	66,665
Operations	88,345	74,782	13,563
Total	<u>496,967</u>	<u>416,739</u>	<u>80,228</u>
HS - Administration Operations			
Personnel services	3,331,413	3,375,998	(44,585)
Operations	2,674,251	1,680,913	993,338
Total	<u>6,005,664</u>	<u>5,056,911</u>	<u>948,753</u>
HS - Economic Family Support Services			
Personnel services	1,666,770	1,559,415	107,355
Operations	1,795,576	767,375	1,028,201
Total	<u>3,462,346</u>	<u>2,326,790</u>	<u>1,135,556</u>
HS - Child Welfare			
Personnel services	8,536,248	7,563,466	972,782
Operations	3,482,560	2,938,061	544,499
Total	<u>12,018,808</u>	<u>10,501,527</u>	<u>1,517,281</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
HS - Child Support Services			
Personnel services	1,899,428	1,868,463	30,965
Operations	268,528	237,621	30,907
Total	<u>2,167,956</u>	<u>2,106,084</u>	<u>61,872</u>
HS - Economic Services			
Personnel services	8,448,916	7,553,681	895,235
Operations	1,219,049	806,974	412,075
Total	<u>9,667,965</u>	<u>8,360,655</u>	<u>1,307,310</u>
HS - Adult and Family Services			
Personnel services	2,546,761	2,421,075	125,686
Operations	216,857	133,414	
Capital outlay	25,000	-	25,000
Total	<u>2,788,618</u>	<u>2,554,489</u>	<u>234,129</u>
HS - Behavioral Health			
Personnel services	273,214	219,204	54,010
Operations	4,461	2,309	2,152
Total	<u>277,675</u>	<u>221,513</u>	<u>56,162</u>
HS Aging - Nutrition Title III			
Personnel services	522,584	523,114	(530)
Operations	429,785	372,423	57,362
Total	<u>952,369</u>	<u>895,537</u>	<u>56,832</u>
HS Aging - Senior Services			
Personnel services	339,923	333,844	6,079
Operations	514,557	473,951	40,606
Total	<u>854,480</u>	<u>807,795</u>	<u>46,685</u>
Cabarrus Health Alliance			
Operations	10,975,869	10,640,608	335,261
Total	<u>10,975,869</u>	<u>10,640,608</u>	<u>335,261</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 11 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Human Services			
Operations	3,779,205	2,146,022	1,633,183
Total	<u>3,779,205</u>	<u>2,146,022</u>	<u>1,633,183</u>
<b>Total Human Services</b>	<u>58,213,186</u>	<u>49,239,293</u>	<u>8,973,893</u>
<b>Culture &amp; Recreation</b>			
Active Living and Parks - Operations			
Personnel services	1,812,703	1,591,921	220,782
Operations	713,052	398,560	314,492
Capital outlay	131,436	31,435	100,001
Total	<u>2,657,191</u>	<u>2,021,916</u>	<u>635,275</u>
Active Living and Parks - Senior Centers			
Personnel services	620,840	586,054	34,786
Operations	262,341	186,944	75,397
Total	<u>883,181</u>	<u>772,998</u>	<u>110,183</u>
Library System			
Personnel services	3,862,769	3,694,126	168,643
Operations	892,451	851,696	40,755
Total	<u>4,755,220</u>	<u>4,545,822</u>	<u>209,398</u>
Other Culture and Recreation			
Cabarrus Arts Council	26,000	26,000	-
Total	<u>26,000</u>	<u>26,000</u>	<u>-</u>
<b>Total Culture &amp; Recreation</b>	<u>8,321,592</u>	<u>7,366,736</u>	<u>954,856</u>
<b>Education</b>			
Schools - Current Expense			
Cabarrus County Schools	80,944,750	80,908,426	36,324
Kannapolis City Schools	9,787,542	9,778,710	8,832
Rowan Cabarrus Community College	3,951,954	3,951,954	-
Total	<u>94,684,246</u>	<u>94,639,090</u>	<u>45,156</u>

**CABARRUS COUNTY, NORTH CAROLINA  
GENERAL FUND**

**SCHEDULE 26  
PAGE 12 OF 12**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Schools - Capital Outlay			
School Site Development -CCS	75,000	75,000	-
Total	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Schools - Other			
Total	<u>134,405</u>	<u>134,405</u>	<u>-</u>
<b>Total Education</b>	<u>94,893,651</u>	<u>94,848,495</u>	<u>45,156</u>
<b>Total expenditures</b>	<u>290,334,219</u>	<u>257,710,849</u>	<u>32,623,370</u>
Excess of revenues over expenditures	<u>36,958,601</u>	<u>88,481,299</u>	<u>51,522,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in - CIF	1,175,694	1,175,694	-
Transfer out - CIF	(64,786,708)	(64,786,708)	-
Transfer (out) - Landfill	(621,872)	(621,872)	-
Transfer (out) - Schools Capital Projects Fund	(2,200,000)	(2,200,000)	-
Transfer (out) - Arena	(1,087,826)	(1,077,826)	-
Total other financing sources (uses)	<u>(67,520,712)</u>	<u>(67,510,712)</u>	<u>-</u>
Fund balance appropriated	<u>30,562,111</u>	<u>-</u>	<u>(30,562,111)</u>
Net change in fund balance	<u>\$ -</u>	<u>20,970,587</u>	<u>\$ 20,960,587</u>
Fund balance, June 1		<u>126,843,165</u>	
Fund balance, June 30		<u>\$ 147,813,752</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
COMMUNITY INVESTMENT FUND**

**SCHEDULE 27  
PAGE 1 OF 3**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
<b>Local Option Sales Taxes:</b>			
Sales tax - half cent (40)	\$ 4,400,000	\$ 5,269,740	\$ 869,740
Sales tax - half cent (42)	9,300,000	10,976,492	1,676,492
Sales tax - half cent (46)	11,200,000	13,201,607	2,001,607
Total	<u>24,900,000</u>	<u>29,447,839</u>	<u>4,547,839</u>
<b>Intergovernmental Revenues:</b>			
Other intergovernmental	720,000	729,988	9,988
<b>Other Taxes:</b>			
Occupancy tax	-	349,282	349,282
Interest on investments	-	1,073,312	1,073,312
Total revenues	<u>25,620,000</u>	<u>31,600,421</u>	<u>5,980,421</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Other General Government			
Other operations	21,094,043	-	21,094,043
Capital outlay - SBITA	1,215,000	1,167,916	47,084
Total	<u>22,309,043</u>	<u>1,167,916</u>	<u>21,141,127</u>
<b>Education</b>			
Schools - Capital Outlay			
Cabarrus County Schools	1,020,000	1,020,000	-
Kannapolis City Schools	100,000	100,000	-
Rowan Cabarrus Community College	100,000	100,000	-
Total	<u>1,220,000</u>	<u>1,220,000</u>	<u>-</u>

**CABARRUS COUNTY, NORTH CAROLINA  
COMMUNITY INVESTMENT FUND**

**SCHEDULE 27  
PAGE 2 OF 3**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Debt Service</b>			
<b>Leases</b>			
Principal	1,153,893	1,153,892	1
Interest and other charges	15,655	15,655	-
Total	<u>1,169,548</u>	<u>1,169,547</u>	<u>1</u>
<b>Subscriptions</b>			
Principal	350,500	350,289	211
Interest and other charges	8,500	8,114	386
Total	<u>359,000</u>	<u>358,403</u>	<u>597</u>
<b>Other</b>			
Principal	39,067,911	38,842,911	225,000
Interest and other charges	15,910,094	15,669,902	240,192
Total	<u>54,978,005</u>	<u>54,512,813</u>	<u>465,192</u>
Total expenditures	<u>80,035,596</u>	<u>58,428,679</u>	<u>21,606,917</u>
Revenues over (under) expenditures	<u>(54,415,596)</u>	<u>(26,828,258)</u>	<u>27,587,338</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in - General Fund	64,786,708	64,786,708	-
Transfer in - Other Funds (PSBCF)	2,300,000	2,300,000	-
Transfer in - Other Funds (School Capital Project Fund)	25,174	25,174	-
Subscription liabilities issued	1,215,000	1,167,916	47,084
Transfer out - General Fund	(1,175,694)	(1,175,694)	-
Transfer out - County Capital Projects Fund	(17,301,001)	(15,976,001)	(1,325,000)
Transfer out - School Capital Projects Fund	(16,145,611)	(16,145,611)	-
Transfer out- Special Revenue Fund (Arena)	(1,240,000)	(1,240,000)	-
Transfer out - Special Revenue Fund (911)	(756,964)	(756,964)	-
Total other financing sources (uses)	<u>31,707,612</u>	<u>32,985,528</u>	<u>(1,277,916)</u>

**CABARRUS COUNTY, NORTH CAROLINA  
COMMUNITY INVESTMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fund balance appropriated	22,707,984	-	(22,707,984)
Net change in fund balance	<u>\$ -</u>	6,157,270	<u>\$ 6,157,270</u>
Fund balance, July 1		<u>50,910,520</u>	
Fund balance, June 30		57,067,790	
Debt service payment made from sinking fund held by a trustee in the County's name		(7,200,000)	
A legally budgeted principal debt service payment was made to a sinking fund held by a trustee in the County's name		<u>1,330,000</u>	
Fund balance, June 30		<u>\$ 51,197,790</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
COUNTY CAPITAL PROJECTS FUND**

**SCHEDULE 28  
PAGE 1 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Interest on Investment	\$ -	\$ 44,205	\$ 1,466,884	\$ 1,511,089
State Grants	41,200,000	-	700,000	700,000
Total revenues	41,200,000	44,205	2,166,884	2,211,089
<b>EXPENDITURES</b>				
<b>Improvements</b>				
General Government	10,213,293	3,639,366	2,753,140	6,392,506
Public Safety	6,925,982	1,343,762	4,243,774	5,587,536
Parks	203,600	107,173	-	107,173
Legal fees	952,508	864,160	15,000	879,160
Total improvements	18,295,383	5,954,461	7,011,914	12,966,375
<b>Capital outlay</b>				
Land	7,132,203	3,118,579	1,084,500	4,203,079
Buildings	112,672,115	9,964,972	22,583,666	32,548,638
Equipment	341,467	92,213	249,254	341,467
Total capital outlay	120,145,785	13,175,764	23,917,420	37,093,184
<b>Construction in progress</b>				
Camp Spencer Improvement	536,998	312,277	-	312,277
Courthouse	40,325,633	80,680,241	-	80,680,241
Emergency Medical Services Headquarters	20,974,021	6,567,422	9,175,669	15,743,091
Fire Service Building	370,000	3,800	1,425	5,225
Frank Liske Park - Barn	7,033,844	991,838	4,239,438	5,231,276
Frank Liske Park - Upgrades/ADA/Parking Lot/Bathroom	7,810,803	19,227	195,107	214,334
Library, Active Living Center - Afton Ridge	30,400,000	-	1,030,998	1,030,998
Library, Active Living Center, Foil Park - Mt Pleasant	26,500,000	140,047	952,935	1,092,982
Mental Health Facility	35,597,554	-	505,039	505,039
New Animal Shelter	275,000	42,347	222,604	264,951
Operation Center Building	12,586,185	2,100,475	5,337,875	7,438,350
Radio Tower Project	2,194,189	4,921	1,887,183	1,892,104
RWP Phase 1	1,190,744	1,190,744	-	1,190,744



**CABARRUS COUNTY, NORTH CAROLINA  
COUNTY CAPITAL PROJECTS FUND**

**SCHEDULE 28  
PAGE 2 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Rob Wallace Park Phase 2	1,433,504	-	151,678	151,678
Senior Center Parking Lot	550,000	41,990	71,315	113,305
Sheriff Training & Firing Range Project	4,273,823	1,715,324	341,582	2,056,906
Turf fields	2,566,811	2,284,803	256,987	2,541,790
Total construction in progress	<u>194,619,109</u>	<u>96,095,456</u>	<u>24,369,835</u>	<u>120,465,291</u>
Total capital outlay	<u>314,764,894</u>	<u>109,271,220</u>	<u>48,287,255</u>	<u>157,558,475</u>
Total expenditures	<u>333,060,277</u>	<u>115,225,681</u>	<u>55,299,169</u>	<u>170,524,850</u>
Revenues (under) expenditures	<u>(291,860,277)</u>	<u>(115,181,476)</u>	<u>(53,132,285)</u>	<u>(168,313,761)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from LOBS 2020A	60,622,146	60,440,613	-	60,440,613
Proceeds from LOBS 2022B	104,740,275	10,270,937	38,628,774	48,899,711
Proceeds from 2024 Draw	33,154,664	-	-	-
Proceeds from 2026 Draw	10,500,000	-	-	-
Transfer in - Capital Projects	24,696,943	24,696,943	-	24,696,943
Transfer in - Capital Reserve	2,728,681	2,728,681	-	2,728,681
Transfer in - General Fund	40,091,315	33,292,707	2,200,000	35,492,707
Transfer in - Internal Service Fund	1,065,425	1,065,425	-	1,065,425
Transfer in - Community Investment Fund	16,393,328	5,307,327	15,976,001	21,283,328
Transfer (out) - General Fund	(47,500)	(47,500)	-	(47,500)
Transfer (out) - Capital Reserve	(2,085,000)	(2,085,000)	-	(2,085,000)
Total other financing sources (uses)	<u>291,860,277</u>	<u>135,670,133</u>	<u>56,804,775</u>	<u>192,474,908</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 20,488,657</u>	<u>3,672,490</u>	<u>\$ 24,161,147</u>
Fund balance, July 1			<u>20,488,657</u>	
Fund balance, June 30			<u>\$ 24,161,147</u>	

**CABARRUS COUNTY, NORTH CAROLINA**

**CARES Act Relief Fund**

**SCHEDULE OF OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
<b>Restricted intergovernmental:</b>				
Cares Act Relief Payment - ARP	\$ 42,043,458	\$ 15,674,687	\$ 8,569,453	\$ 24,244,140
US Treasury Emergency Asst	6,528,517	6,528,517	-	6,528,517
US Treasury Emergency Asst	3,073,598	-	3,065,868	3,065,868
US Treasury Emergency Asst (State)	4,965,552	3,628,070	1,337,483	4,965,553
Total revenues	<u>56,611,125</u>	<u>25,831,274</u>	<u>12,972,804</u>	<u>38,804,078</u>
<b>EXPENDITURES</b>				
Salaries and benefits	10,915,624	10,239,817	322,986	10,562,803
Other Public Health Emergency	45,695,501	15,591,457	12,649,818	28,241,275
Total expenditures	<u>56,611,125</u>	<u>25,831,274</u>	<u>12,972,804</u>	<u>38,804,078</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CABARRUS COUNTY, NORTH CAROLINA  
OPIOID SETTLEMENT FUND**

**SCHEDULE 30**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Actual		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Opioid Settlement Funds	\$ 1,321,587	\$ 1,393,979	\$ 72,392
Interest earnings	-	25,958	25,958
Total revenues	<u>1,321,587</u>	<u>1,419,937</u>	<u>98,350</u>
<b>EXPENDITURES</b>			
Human Services			
Public Health Authority	<u>1,321,587</u>	<u>70,000</u>	<u>1,251,587</u>
Net change in fund balance	<u>\$ -</u>	1,349,937	<u>\$ 1,349,937</u>
Fund balance, July 1		<u>-</u>	
Fund balance, June 30		<u>\$ 1,349,937</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
LANDFILL FUND**

**SCHEDULE OF OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 840,000	\$ 784,504	\$ (55,496)
Items for sale	110,000	83,538	(26,462)
Waste disposal fee	120,000	113,757	(6,243)
Recycling revenue	30,000	43,268	13,268
Total operating revenues	<u>1,100,000</u>	<u>1,025,067</u>	<u>(74,933)</u>
Nonoperating revenues:			
Landfill disposal tax	40,000	33,656	(6,344)
Landfill state tax distribution	54,000	55,787	1,787
Solid waste franchise fee	30,000	30,000	-
Tire disposal fees	310,000	436,299	126,299
Investment earnings	-	169,253	169,253
NC Electronics management	9,000	6,207	(2,793)
White Goods Disposal Tax	-	52,010	52,010
Miscellaneous revenue	-	23	23
Total nonoperating revenues	<u>443,000</u>	<u>783,235</u>	<u>340,235</u>
Total revenues	<u>1,543,000</u>	<u>1,808,302</u>	<u>265,302</u>
<b>EXPENDITURES</b>			
Salaries and benefits	807,944	792,711	15,233
Operations	1,404,021	939,759	464,262
Capital outlay	59,075	59,075	-
Total expenditures	<u>2,271,040</u>	<u>1,791,545</u>	<u>479,495</u>
Revenues over (under) expenditures	<u>(728,040)</u>	<u>16,757</u>	<u>744,797</u>

**CABARRUS COUNTY, NORTH CAROLINA  
LANDFILL FUND**

**SCHEDULE OF OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Appropriated net position	106,168	-	(106,168)
<b>OTHER FINANCING SOURCES (USES)</b>			
Contribution from General Fund	621,872	621,872	-
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>\$ 638,629</u>	<u>\$ 638,629</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Capital outlays		59,075	
Depreciation		(90,845)	
(Increase) in closure - post closure liability		(536,095)	
(Increase) in net pension liability		(137,660)	
Increase in deferred outflows of resources - pension		47,626	
Increase in deferred inflow - pension		68,746	
Increase in compensated absences payable		2,122	
(Decrease) in deferred outflow - OPEB		(1,044)	
(increase) in deferred inflow - OPEB		(7,509)	
Decrease in deferred inflow- OPEB		4,894	
Decrease in OPEB liability		<u>12,093</u>	
Total reconciling items		<u>(578,597)</u>	
Change in net position		<u>\$ 60,031</u>	



# STATISTICAL SECTION

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This part of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health

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

- Net position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity** – these tables contain information to help the reader assess the government's, most significant local revenue source, property taxes.

- Assessed Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

**Debt Capacity** – these tables contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- Ratios of General Bonded Debt Outstanding
- Ratios of Outstanding Debt by Type
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information

**Demographic and Economic Information** – these tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers

**Operating Information** – these tables contain information about the County's operations and resources to help the reader understand how the County's financial information related to the services the County provides and the activities it performs.

- Full-time Equivalent County Government Employees by Function | Program
- Operating Indicators by Function
- Capital Asset Statistics by Function | Program





**CABARRUS COUNTY, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 1**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 128,602,206	\$ 130,096,524	\$ 132,384,494	\$ 135,088,132	\$ 140,299,370	\$ 147,584,065	\$ 159,939,882	\$ 171,326,199	\$ 156,428,800	\$ 183,698,605
Restricted	17,269,347	15,952,068	20,309,397	22,230,970	32,255,525	34,418,834	30,339,063	123,192,871	110,468,295	145,776,324
Unrestricted	(163,966,006)	(131,914,054)	(119,878,979)	(160,670,777)	(222,703,931)	(250,738,117)	(255,163,508)	(316,869,749)	(218,982,098)	(212,647,422)
Total governmental activities net position	\$ (18,094,453)	\$ 14,134,538	\$ 32,814,912	\$ (3,351,675)	\$ (50,149,036)	\$ (68,735,218)	\$ (64,884,563)	\$ (22,350,679)	\$ 47,914,997	\$ 116,827,507
Business-type activities										
Net investment in capital assets	\$ 3,019,858	\$ 2,884,041	\$ 2,617,174	\$ 2,681,953	\$ 2,545,825	\$ 2,399,580	\$ 2,264,367	\$ 2,129,152	\$ 2,284,446	\$ 2,252,676
Unrestricted	724,114	1,005,864	694,368	832,692	1,385,260	2,043,617	2,825,277	3,275,894	3,328,112	3,419,913
Total business-type activities net position	\$ 3,743,972	\$ 3,889,905	\$ 3,311,542	\$ 3,514,645	\$ 3,931,085	\$ 4,443,197	\$ 5,089,644	\$ 5,405,046	\$ 5,612,558	\$ 5,672,589
Primary government										
Net investment in capital assets	\$ 131,622,064	\$ 132,980,565	\$ 135,001,668	\$ 137,770,085	\$ 142,845,195	\$ 149,983,645	\$ 162,204,249	\$ 173,455,351	\$ 158,713,246	\$ 185,951,281
Restricted	17,269,347	15,952,068	20,309,397	22,230,970	32,255,525	34,418,834	30,339,063	123,192,871	110,468,295	145,776,324
Unrestricted	(163,241,892)	(130,908,190)	(119,184,611)	(159,838,085)	(221,318,671)	(248,694,500)	(252,338,231)	(313,593,855)	(215,653,986)	(209,227,509)
Total primary government net position	\$ (14,350,481)	\$ 18,024,443	\$ 36,126,454	\$ 162,970	\$ (46,217,951)	\$ (64,292,021)	\$ (59,794,919)	\$ (16,945,633)	\$ 53,527,555	\$ 122,500,096
Component Unit										
Net investment in capital assets	\$ 771,532	\$ 698,177	\$ 591,994	\$ 415,038	\$ 454,265	\$ 332,666	\$ 621,966	\$ 481,291	\$ 748,536	\$ 1,159,138
Restricted	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129	2,250,238
Unrestricted	5,782,236	4,312,657	4,819,120	5,157,603	5,904,428	3,509,305	3,860,514	3,397,185	4,366,757	3,230,601
Total component unit net position	\$ 7,454,106	\$ 6,779,832	\$ 7,490,467	\$ 8,068,949	\$ 7,248,516	\$ 6,939,671	\$ 5,657,875	\$ 7,220,793	\$ 8,251,422	\$ 6,639,977

**CABARRUS COUNTY, NORTH CAROLINA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 2  
PAGE 1 OF 2**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 29,319,941	\$ 20,025,751	\$ 22,937,803	\$ 25,784,005	\$ 25,410,503	\$ 26,373,901	\$ 31,253,702	\$ 33,792,440	\$ 40,088,592	\$ 38,650,194
Public safety	42,377,716	41,286,464	44,488,831	47,282,589	48,772,340	53,570,795	60,955,287	69,942,162	75,020,454	82,186,124
Economic and physical development	4,132,476	4,056,316	4,657,763	4,556,125	6,448,102	4,765,182	4,693,056	6,495,322	4,797,206	4,977,516
Environmental protection	259,725	457,082	396,644	654,645	509,267	1,371,094	690,214	879,312	122,163	121,645
Human Services	37,786,315	35,979,796	36,753,034	38,136,558	36,361,691	38,699,195	41,391,469	45,911,170	55,574,511	64,264,463
Education	65,435,585	71,063,433	96,042,477	144,665,606	141,487,058	151,618,111	129,178,290	127,347,464	121,259,242	140,498,917
Cultural and recreation	7,370,579	6,526,629	7,593,910	8,177,430	8,474,373	8,013,339	9,265,753	9,484,202	9,956,155	10,308,138
Interest on long term debt	16,436,391	14,504,045	13,448,868	13,271,582	13,488,064	14,222,496	13,098,803	13,264,142	12,271,921	16,448,929
Total governmental activities	203,118,728	193,899,516	226,319,330	282,528,540	280,951,398	298,634,113	290,526,574	307,116,214	319,090,244	357,455,926
Business-type activities:										
Solid Waste	823,069	833,661	1,673,170	866,076	778,768	1,040,485	937,658	1,060,521	1,755,828	2,370,143
Total primary government expenses	\$ 203,941,797	\$ 194,733,177	\$ 227,992,500	\$ 283,394,616	\$ 281,730,166	\$ 299,674,598	\$ 291,464,232	\$ 308,176,735	\$ 320,846,072	\$ 359,826,069
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,834,998	\$ 2,908,433	\$ 3,850,542	\$ 3,650,774	\$ 3,914,304	\$ 4,129,231	\$ 4,724,834	\$ 5,885,165	\$ 6,038,781	\$ 4,007,426
Public safety	10,662,877	11,294,592	12,018,879	12,642,192	14,337,385	14,464,132	16,337,716	17,983,682	18,374,612	19,647,444
Economic and physical development	76,791	53,589	137,487	458,680	500,476	555,219	560,492	557,613	429,493	438,181
Environmental protection	63,757	54,978	28,143	45,345	56,403	37,958	27,775	41,027	-	-
Human Services	2,612,401	2,237,069	1,383,584	1,344,764	1,423,955	1,352,953	1,242,731	1,296,637	1,203,123	281,427
Education	-	-	-	-	-	-	-	1,233,590	1,725,446	1,765,536
Cultural and recreation	1,423,298	1,192,236	1,411,083	1,387,169	1,301,067	1,042,956	969,726	276,209	801,829	1,438,785
Operating grants and contributions:										
General government	796,903	1,400,995	5,538,601	1,956,333	2,482,082	6,310,981	5,478,549	7,142,816	15,680,687	8,694,960
Public safety	1,039,695	1,990,379	1,735,870	1,669,713	1,902,528	1,823,435	2,417,516	1,562,779	1,445,842	2,350,919
Economic and physical development	483,393	671,151	671,661	689,873	1,148,056	577,179	386,740	559,246	390,972	676,855
Environmental protection	7,373	8,808	11,054	12,263	9,690	13,414	14,062	7,532	-	-
Human Services	15,598,848	17,249,740	18,652,890	18,155,349	15,725,089	15,184,450	16,473,584	23,809,777	36,543,413	50,953,051
Education	786,774	714,643	847,822	717,727	718,883	721,581	724,279	730,239	726,977	729,988
Cultural and recreation	1,183,120	1,050,281	1,125,669	1,352,324	1,176,367	1,145,331	1,011,083	617,610	326,911	1,262,072
Capital grants and contributions:										
Public safety	-	-	-	38,619	29,504	-	-	-	-	-
Human Services	357,278	352,184	423,803	305,137	112,585	222,423	-	-	-	-
Education	4,911,790	2,200,000	2,000,000	3,600,000	2,050,000	2,500,000	2,300,000	2,300,000	5,514,430	2,895,148
Cultural and recreation	-	-	150,000	-	-	-	-	-	-	-
Total governmental activities program revenues	42,839,296	43,379,078	49,987,088	48,026,262	46,888,374	50,081,243	52,669,087	64,003,922	89,202,516	95,141,792
Business-type activities:										
Charges for Services - Solid Waste	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832	934,000	908,296	1,025,067
Operating grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832	934,000	908,296	1,025,067
Total primary government program revenues	\$ 43,530,914	\$ 44,061,343	\$ 50,728,732	\$ 48,702,557	\$ 47,700,781	\$ 51,088,818	\$ 53,734,919	\$ 64,937,922	\$ 90,110,812	\$ 96,166,859
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (160,279,432)	\$ (150,520,438)	\$ (176,332,242)	\$ (234,502,278)	\$ (234,063,024)	\$ (248,552,870)	\$ (237,857,487)	\$ (243,112,292)	\$ (229,887,728)	\$ (262,314,134)
Business-type activities	(131,451)	(151,396)	(931,526)	(189,781)	33,639	(32,910)	128,174	(126,521)	(847,532)	(1,345,076)
Total primary government net (expense)/revenue	\$ (160,410,883)	\$ (150,671,834)	\$ (177,263,768)	\$ (234,692,059)	\$ (234,029,385)	\$ (248,585,780)	\$ (237,729,313)	\$ (243,238,813)	\$ (230,735,260)	\$ (263,659,210)

**CABARRUS COUNTY, NORTH CAROLINA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 142,079,572	\$ 139,956,060	\$ 145,851,203	\$ 154,541,579	\$ 161,470,648	\$ 173,109,015	\$ 185,141,095	\$ 221,375,407	\$ 229,030,987	\$ 238,498,719
Local option sales tax	36,209,579	42,572,756	44,145,980	47,584,589	47,725,592	51,750,607	52,970,080	62,507,935	72,616,470	78,357,960
ABC revenues	155,755	90,185	99,766	128,382	122,995	147,027	130,203	220,443	227,863	242,721
Other taxes and licenses	754,194	796,167	844,478	897,888	950,776	903,350	824,515	810,546	1,194,229	1,410,618
Investment earnings	2,224,727	4,930,583	2,494,713	1,043,249	2,042,086	4,056,689	2,642,249	259,485	(1,762,381)	9,817,567
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	312,545	1,399,291	3,520,931
Transfers In/Out	-	-	-	-	-	-	-	-	(2,553,055)	(621,872)
Total governmental activities:	<u>181,423,827</u>	<u>188,345,751</u>	<u>193,436,140</u>	<u>204,195,687</u>	<u>212,312,097</u>	<u>229,966,688</u>	<u>241,708,142</u>	<u>285,486,361</u>	<u>300,153,404</u>	<u>331,226,644</u>
Business-type activities:										
Other taxes and licenses	300,666	315,597	338,457	360,626	375,397	404,695	409,159	425,883	493,499	607,752
Unrestricted investment earnings	11,298	4,909	14,706	32,258	55,092	140,327	109,114	16,040	8,374	169,253
Miscellaneous	-	-	-	-	-	-	-	-	116	6,230
Transfers In/Out	-	-	-	-	-	-	-	-	553,055	621,872
Total business-type activities	<u>311,964</u>	<u>320,506</u>	<u>353,163</u>	<u>392,884</u>	<u>430,489</u>	<u>545,022</u>	<u>518,273</u>	<u>441,923</u>	<u>1,055,044</u>	<u>1,405,107</u>
Total primary government	<u>\$ 181,735,791</u>	<u>\$ 188,666,257</u>	<u>\$ 193,789,303</u>	<u>\$ 204,588,571</u>	<u>\$ 212,742,586</u>	<u>\$ 230,511,710</u>	<u>\$ 242,226,415</u>	<u>\$ 285,928,284</u>	<u>\$ 301,208,448</u>	<u>\$ 332,631,751</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 21,144,395	\$ 37,825,313	\$ 17,103,898	\$ (30,306,591)	\$ (21,750,927)	\$ (18,586,182)	\$ 3,850,655	\$ 42,374,069	\$ 70,265,676	\$ 68,912,510
Business-type activities	180,513	169,110	(578,363)	203,103	464,128	512,112	646,447	315,402	207,512	60,031
Total primary government	<u>\$ 21,324,908</u>	<u>\$ 37,994,423</u>	<u>\$ 16,525,535</u>	<u>\$ (30,103,488)</u>	<u>\$ (21,286,799)</u>	<u>\$ (18,074,070)</u>	<u>\$ 4,497,102</u>	<u>\$ 42,689,471</u>	<u>\$ 70,473,188</u>	<u>\$ 68,972,541</u>
<b>Expenses</b>										
Component Unit:										
Cabarrus Health Alliance	\$ 17,848,876	\$ 18,276,621	\$ 19,906,309	\$ 23,208,662	\$ 23,680,278	\$ 23,680,278	\$ 23,702,637	\$ 24,084,142	\$ 28,601,445	\$ 35,401,437
<b>Program Revenues</b>										
Component Unit:										
Charges for Services	\$ 6,745,631	\$ 8,450,064	\$ 9,860,172	\$ 11,397,891	\$ 12,134,585	\$ 12,134,585	\$ 8,458,809	\$ 9,915,841	\$ 9,513,438	\$ 8,836,463
Operating grants and contributions	10,491,677	10,219,352	10,690,727	12,294,538	11,448,897	11,448,897	12,867,721	15,707,492	20,060,871	24,818,871
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total component unit	<u>\$ 17,237,308</u>	<u>\$ 18,669,416</u>	<u>\$ 20,550,899</u>	<u>\$ 23,692,429</u>	<u>\$ 23,583,482</u>	<u>\$ 23,583,482</u>	<u>\$ 21,326,530</u>	<u>\$ 25,623,333</u>	<u>\$ 29,574,309</u>	<u>\$ 33,655,334</u>
<b>Net (Expense)   Revenue</b>										
Component Unit:										
Total component unit	<u>\$ (611,568)</u>	<u>\$ 392,795</u>	<u>\$ 644,590</u>	<u>\$ 483,767</u>	<u>\$ (96,796)</u>	<u>\$ (96,796)</u>	<u>\$ (2,376,107)</u>	<u>\$ 1,539,191</u>	<u>\$ 972,864</u>	<u>\$ (1,946,103)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Component Unit:										
General Revenues										
Unrestricted investment earnings	\$ 2,033	\$ 6,283	\$ 18,393	\$ 34,710	\$ 95,743	\$ 95,743	\$ 104,186	\$ 4,223	\$ 15,223	\$ 298,825
Special Item	-	-	-	-	-	-	1,000,000	-	-	-
Miscellaneous	816,247	21,333	47,652	60,005	55,723	55,723	(9,875)	19,504	42,542	35,833
Total General Revenues	<u>818,280</u>	<u>27,616</u>	<u>66,045</u>	<u>94,715</u>	<u>151,466</u>	<u>151,466</u>	<u>1,094,311</u>	<u>23,727</u>	<u>57,765</u>	<u>334,658</u>
Special Item	-	-	-	-	-	-	-	-	-	-
Total component unit	<u>\$ 818,280</u>	<u>\$ 27,616</u>	<u>\$ 66,045</u>	<u>\$ 94,715</u>	<u>\$ 151,466</u>	<u>\$ 151,466</u>	<u>\$ 1,094,311</u>	<u>\$ 23,727</u>	<u>\$ 57,765</u>	<u>\$ 334,658</u>
<b>Change in Net Position</b>										
Component Unit:										
Total component unit	<u>\$ 206,712</u>	<u>\$ 420,411</u>	<u>\$ 710,635</u>	<u>\$ 578,482</u>	<u>\$ 54,670</u>	<u>\$ 54,670</u>	<u>\$ (1,281,796)</u>	<u>\$ 1,562,918</u>	<u>\$ 1,030,629</u>	<u>\$ (1,611,445)</u>

**CABARRUS COUNTY, NORTH CAROLINA  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 3**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 231,522	\$ 244,553	\$ 359,001	\$ 383,345	\$ 557,448	\$ 261,337	\$ 354,585	\$ 178,548	\$ 258,860	\$ 649,087
Restricted	14,863,874	14,059,301	17,002,983	20,017,459	21,468,197	24,251,535	26,117,071	39,257,660	49,091,774	47,171,964
Committed	-	172,493	4,912,643	7,975,354	4,175,361	4,484,945	5,944,972	15,502,497	49,541,798	55,562,456
Assigned	16,089,311	11,210,329	7,295,961	7,525,893	6,239,540	6,006,806	6,652,997	6,271,912	6,258,482	6,158,727
Unassigned	37,717,055	53,746,977	50,718,395	49,627,559	51,601,102	52,881,018	58,554,655	61,185,503	72,602,771	89,469,308
Total General Fund	<u>\$ 68,901,762</u>	<u>\$ 79,433,653</u>	<u>\$ 80,288,983</u>	<u>\$ 85,529,610</u>	<u>\$ 84,041,648</u>	<u>\$ 87,885,641</u>	<u>\$ 97,624,280</u>	<u>\$ 122,396,120</u>	<u>\$ 177,753,685</u>	<u>\$ 199,011,542</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 510,000	\$ -	\$ -	\$ -	\$ 17,812	\$ 8,971	\$ 15,193	\$ 13,220	\$ 23,722
Restricted	3,355,247	2,564,488	84,402,426	33,179,505	121,713,619	47,098,773	12,909,487	83,445,742	60,955,879	96,907,357
Committed	39,301,702	38,332,485	31,648,792	21,643,756	22,823,801	24,657,983	17,790,229	6,595,594	9,917,453	10,095,432
Assigned	758,630	797,361	3,202,731	6,411,469	1,446,067	1,655,365	4,043,024	1,506,451	2,019,537	3,409,448
Unassigned	(34,772)	(55,116)	(287,944)	(57,671)	(5,167,699)	(43,414)	(246,357)	(43,733,796)	(38,175,378)	(68,733,252)
Total all other governmental funds	<u>\$ 43,380,807</u>	<u>\$ 42,149,218</u>	<u>\$ 118,966,005</u>	<u>\$ 61,177,059</u>	<u>\$ 140,815,788</u>	<u>\$ 73,386,519</u>	<u>\$ 34,505,354</u>	<u>\$ 47,829,184</u>	<u>\$ 34,730,711</u>	<u>\$ 41,702,707</u>

**Note:**

The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011

**CABARRUS COUNTY, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 4**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad valorem taxes	\$ 140,937,468	\$ 139,912,235	\$ 146,665,438	\$ 157,805,766	\$ 161,348,060	\$ 173,272,386	\$ 184,477,467	\$ 221,315,376	\$ 229,781,677	\$ 238,446,693
Other taxes and licenses	36,939,920	43,368,922	44,990,458	48,482,477	48,676,368	52,653,957	53,794,595	63,462,569	73,810,699	79,768,578
Intergovernmental	24,403,824	24,935,222	26,718,675	28,531,275	25,033,587	28,435,191	28,933,554	38,025,479	62,458,252	52,627,846
Permits and fees	5,949,742	6,610,335	6,187,633	5,966,475	7,371,875	6,840,659	8,625,692	10,712,602	10,813,501	9,320,563
Sales and services	11,364,724	10,882,609	11,813,400	12,695,122	13,552,117	13,892,819	14,316,244	14,166,150	15,820,511	17,734,830
Investment earnings	277,771	211,522	476,243	976,381	1,933,054	3,790,853	2,451,326	221,507	(1,764,744)	9,832,726
Donations	649,853	506,259	696,118	559,896	571,705	602,438	415,049	373,042	10,426	1,895,587
Miscellaneous	487,090	444,037	1,078,357	386,890	1,099,121	1,162,952	699,466	368,219	1,387,731	397,183
<b>Total Revenues</b>	<b>221,010,392</b>	<b>226,871,141</b>	<b>238,626,322</b>	<b>255,404,282</b>	<b>259,585,887</b>	<b>280,651,255</b>	<b>293,713,393</b>	<b>348,644,944</b>	<b>392,318,053</b>	<b>410,024,006</b>
<b>Expenditures</b>										
General Government	28,338,931	19,636,478	21,462,463	21,664,835	24,150,818	24,833,675	28,855,817	32,201,956	40,143,798	40,148,533
Public Safety	36,406,706	36,187,257	39,466,706	41,058,868	43,217,050	47,306,560	53,137,616	61,746,314	68,662,875	76,848,412
Economic & Phy Dev	4,084,616	4,407,764	4,660,358	4,500,973	6,405,953	4,739,493	4,569,919	6,376,847	4,690,346	4,903,357
Environmental Prot.	222,128	399,128	377,117	610,380	438,565	1,332,525	637,270	855,939	19,639	64,527
Human Services	37,018,148	36,126,712	36,356,523	37,003,442	35,573,296	37,390,443	39,276,647	44,507,630	59,503,565	62,322,641
Education	65,435,585	71,063,433	96,042,477	144,665,606	141,487,058	151,618,111	129,247,085	7,729,279	121,259,242	140,498,917
Culture and recreation	6,144,326	5,415,569	6,276,076	6,569,071	6,822,720	6,902,789	7,394,923	127,347,464	8,496,111	9,292,264
Capital Outlay	5,012,301	3,056,097	3,454,088	7,782,211	9,092,657	17,131,454	15,251,155	31,467,518	66,546,674	48,320,300
Debt Service:										
Principal	26,886,635	26,590,644	28,546,548	31,553,890	35,259,074	38,292,875	36,803,683	36,278,886	35,176,452	46,217,092
Interest	15,437,749	15,277,809	10,832,777	13,384,878	13,792,808	15,543,086	13,905,019	12,332,752	11,989,272	15,693,671
<b>Total Expenditures</b>	<b>224,987,125</b>	<b>218,160,891</b>	<b>247,475,133</b>	<b>308,794,154</b>	<b>316,239,999</b>	<b>345,091,011</b>	<b>329,079,134</b>	<b>360,844,585</b>	<b>416,487,974</b>	<b>444,309,714</b>
Excess of revenues over (under) expenditures	<u>(3,976,733)</u>	<u>8,710,250</u>	<u>(8,848,811)</u>	<u>(53,389,872)</u>	<u>(56,654,112)</u>	<u>(64,439,756)</u>	<u>(35,365,741)</u>	<u>(12,199,641)</u>	<u>(24,169,921)</u>	<u>(34,285,708)</u>
<b>Other Financing Sources (Uses)</b>										
Debt Proceeds	-	-	-	-	-	-	6,017,493	63,226,409	170,624,153	61,969,517
Lease Financing issue	-	-	-	-	-	652,796	-	-	5,881,913	-
Subscription Liabilities issued	-	-	-	-	-	-	-	-	-	1,167,916
Transfers in	63,488,791	18,047,562	42,964,933	45,408,477	24,803,710	46,946,432	59,829,310	59,318,739	86,835,829	39,721,576
Transfers out	(63,488,791)	(18,197,562)	(42,964,933)	(45,408,477)	(24,803,710)	(46,744,748)	(59,623,588)	(58,220,857)	(91,240,205)	(40,343,448)
Limited Obligation Bonds Issued	-	134,235,000	73,785,000	-	125,500,000	-	-	-	-	-
Premium from Limited Obligation Bonds	-	-	11,159,452	-	8,374,879	-	-	-	-	-
Issuance of Bonds	-	-	-	-	-	-	-	-	-	-
Disbursements for Debt Instruments	-	(133,494,948)	-	-	-	-	-	-	-	-
Disbursements to Escrow Agent	-	-	-	-	-	-	-	(14,188,795)	(105,672,677)	-
Issuance of Certificates of Participation	-	-	-	-	-	-	-	-	-	-
Issuance of Installment Financings	-	-	-	-	-	-	-	-	-	-
Issuance of lease	-	-	-	841,553	930,000	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>590,052</b>	<b>84,944,452</b>	<b>841,553</b>	<b>134,804,879</b>	<b>854,480</b>	<b>6,223,215</b>	<b>50,135,496</b>	<b>66,429,013</b>	<b>62,515,561</b>
<b>Net change in fund balances</b>	<b>\$ (3,976,733)</b>	<b>\$ 9,300,302</b>	<b>\$ 76,095,641</b>	<b>\$ (52,548,319)</b>	<b>\$ 78,150,767</b>	<b>\$ (63,585,276)</b>	<b>\$ (29,142,526)</b>	<b>\$ 37,935,855</b>	<b>\$ 42,259,092</b>	<b>\$ 28,229,853</b>
Debt service as a percentage of noncapital expenditures	19.24%	19.46%	16.14%	14.93%	15.97%	16.42%	16.16%	14.76%	13.48%	15.84%

**CABARRUS COUNTY, NORTH CAROLINA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**TABLE 5**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies <sup>(2)</sup></b>	<b>Total Assessed Valuation</b>	<b>County Total Direct Tax Rate <sup>(3)</sup></b>
2014	\$ 15,779,588,588	\$ 3,581,199,304	\$ 304,841,483	\$ 19,665,629,375	\$ 0.7000
2015	16,133,208,737	3,251,500,679	311,870,162	19,696,579,578	0.7000
2016	16,451,336,581	3,452,698,898	377,571,137	20,281,606,616	0.7000
2017 <sup>(1)</sup>	17,490,495,184	3,673,234,986	381,343,745	21,545,073,915	0.7000
2018	18,030,699,506	3,874,032,498	407,469,337	22,312,201,341	0.7000
2019	18,654,406,653	4,031,847,588	420,009,900	23,106,264,141	0.7200
2020	19,335,275,287	4,392,660,440	456,471,377	24,184,407,104	0.7400
2021 <sup>(1)</sup>	23,576,844,027	4,786,125,942	462,090,236	28,825,060,205	0.7400
2022	24,553,335,415	4,993,040,074	465,531,976	30,011,907,465	0.7400
2023	25,284,715,521	5,471,809,275	507,055,204	31,263,580,000	0.7400

Notes:

- <sup>(1)</sup> Cabarrus County typically reassesses property every four years. Increases or decreases in value are due to revaluation
- <sup>(2)</sup> Public service companies' valuations are provided to the County by the North Carolina Department of Revenue and include both real and personal property
- <sup>(3)</sup> The County total direct tax rate is per \$100 of assessed valuation include both real and personal property

**CABARRUS COUNTY, NORTH CAROLINA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

**TABLE 6**

	Fiscal Year									
	2014	2015	2016	2017 (1)	2018	2019	2020	2021 (1)	2022	2023
<b>County Total Direct Rate</b> <sup>(2)</sup>	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7200	\$ 0.7400	\$ 0.7400	\$ 0.7400	\$ 0.7400
<b>Fire Protection Districts</b> <sup>(3)</sup>	0.0651	0.0651	0.0722	0.0751	0.0848	0.0947	0.0975	0.0975	0.0988	0.1022
<b>Municipal Rates:</b> <sup>(4)</sup>										
Concord	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Kannapolis	0.5600	0.6000	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300
Harrisburg	0.1585	0.1585	0.1585	0.1585	0.1585	0.3550	0.3550	0.3550	0.3550	0.4350
Mt. Pleasant	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050
Midland	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2200	0.2200	0.2200	0.2200
Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Huntersville	*	*	*	*	*	*	*	*	0.2400	0.2400

\*No rate available

**Notes:**

<sup>(1)</sup> Real property was revalued on January 1

<sup>(2)</sup> All taxable property is subject to the County total direct rate. Cabarrus County has a unified tax rate; it has no components to display

<sup>(3)</sup> Most property in the unincorporated areas is subject to one of sixteen fire protection district taxes. The fire protection districts direct rate is a combined rate as the impact of each individual fire district is considered insignificant. The average tax rate for the districts is recorded above. The Cabarrus County Board of Commissioners set each fire district rate. This rate, combined with the County rate, is the totally overlapping tax rate

<sup>(4)</sup> Municipalities set their own direct rate. This rate, combined with the County rate, is the total overlapping tax rate

**CABARRUS COUNTY, NORTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

**TABLE 7**

Taxpayer	Type of Business	Fiscal Year 2023			Fiscal Year 2014		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Corning Inc	Manufacturing	\$ 458,132,154	1	1.64%	\$ 399,850,192	1	1.43%
Mall at Concord Mills LP	Retail Center	228,600,161	2	0.82%	251,489,430	4	0.90%
Duke Energy Corp	Public Service - Utilities	202,508,879	3	0.73%	104,945,092	7	0.38%
Charlotte Motor Speedway Inc	Sports - Racing	200,059,981	4	0.72%	283,614,127	3	1.02%
Castle & Cooke NC LLC / David H Murdock	Real Estate - Commercial	181,022,103	5	0.65%	331,093,914	2	1.19%
Celgard LLC	Manufacturing	163,111,602	6	0.58%	222,266,069	5	0.80%
Hendrick Motorsports Inc	Sports - Racing	158,502,661	7	0.57%	110,256,766	6	0.39%
Weinstein Properties	Real Estate - Residential	134,484,530	8	0.48%	-	-	0.00%
Exeter	Real Estate - Commercial	128,420,770	9	0.46%	-	-	0.00%
The Silverman Group	Real Estate - Commercial	127,012,070	10	0.45%	-	-	0.00%
Great Wolf Lodge of the Carolinas	Amusement Water Park	-	-	-	94,628,528	8	0.34%
Hendrick Automotive	Auto race team	-	-	-	69,547,332	10	0.25%
Phillip Morris, Incorporated	Cigarette manufacturer	-	-	-	93,008,387	9	0.33%
Totals		<u>\$ 1,981,854,911</u>		<u>7.10%</u>	<u>\$ 1,960,699,837</u>		<u>7.02%</u>

Source:  
Cabarrus County Tax Administration Department



**CABARRUS COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**TABLE 8**

Fiscal Year	Taxes Levied for the Fiscal Year			Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected
	(Original Levy)	Discoveries	Releases		Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy	
2014	\$ 138,496,852	\$ 1,624,863	\$ (673,856)	\$ 139,447,859	\$ 134,327,532	96.33%	\$ 5,017,742	\$ 139,345,274	99.93%	\$ 102,585
2015	137,821,405	1,364,427	(240,129)	138,945,703	135,223,699	97.32%	3,619,437	138,843,136	99.93%	102,567
2016	142,057,414	1,711,206	(261,433)	143,507,187	140,909,405	98.19%	2,505,946	143,415,351	99.94%	91,836
2017	151,766,267	2,984,909	(1,731,216)	153,019,960	151,567,896	99.05%	1,393,560	152,961,456	99.96%	58,504
2018	156,492,609	1,730,690	(720,773)	157,502,526	155,797,502	98.92%	1,192,431	156,989,933	99.67%	512,593
2019	166,041,841	2,611,618	(439,783)	168,213,676	167,031,329	99.30%	1,064,430	168,095,759	99.93%	117,917
2020	178,561,795	2,217,488	(333,442)	180,445,841	178,156,835	98.73%	1,969,763	180,126,598	99.82%	319,243
2021	213,614,252	2,754,382	(869,313)	215,499,321	213,522,265	99.08%	1,751,347	215,273,612	99.90%	225,709
2022	220,834,717	1,860,481	(389,941)	222,305,257	220,927,405	99.38%	1,051,715	221,979,120	99.85%	326,137
2023	230,521,312	1,957,263	(706,193)	231,772,382	230,226,400	99.33%	-	230,226,400	99.33%	1,545,982

Source:  
Cabarrus County Finance Department

**CABARRUS COUNTY, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

**TABLE 9**

<b>Fiscal Year</b>	<b>General Obligation Bonds <sup>(1)</sup></b>	<b>Percentage of Actual Taxable Value of Property <sup>(2)</sup></b>	<b>Per Capita <sup>(3)</sup></b>
2014	\$ 91,115,506	0.46%	487
2015	82,447,259	0.42%	429
2016	73,900,237	0.36%	376
2017	65,546,821	0.27%	287
2018	57,460,041	0.26%	278
2019	50,318,541	0.22%	238
2020	43,893,541	0.18%	203
2021	36,745,541	0.13%	162
2022	29,479,041	0.10%	127
2023	22,122,541	0.07%	94

Notes:

- <sup>(1)</sup> Details regarding the County's outstanding debt can be found in the notes to the financial statements
- <sup>(2)</sup> See Table 5 for total assessed value of property
- <sup>(3)</sup> See Table 13 for population data

**CABARRUS COUNTY, NORTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**TABLE 10**

Fiscal Year	Governmental Activities						Total Primary Government	Per Capita <sup>(2)</sup>	Percentage of Personal Income <sup>(2)</sup>
	General Obligation Bonds <sup>(1)</sup>	Certificates of Participation/Limited Obligation Bonds	Installment Financing	Notes Payable	Capital Leases	Leases			
2014	\$ 91,115,506	\$ 245,865,197	\$ 2,896,923	\$ -	\$ 259,514	\$ -	\$ 340,137,140	\$ 1,817	4.66%
2015	82,447,259	238,439,690	2,822,780	457,323	132,994	-	324,300,065	1,688	4.38%
2016	73,900,237	301,695,995	2,745,710	365,858	-	-	378,707,800	1,925	4.57%
2017	65,546,821	276,304,369	3,166,929	274,393	334,814	-	345,627,326	1,715	3.80%
2018	57,460,041	380,726,387	3,909,320	182,928	334,814	-	442,613,490	2,140	4.63%
2019	50,318,541	347,902,739	3,407,393	91,463	713,127	-	402,433,263	1,904	3.99%
2020	43,132,041	322,857,803	2,900,998	-	442,302	-	369,333,144	1,706	3.28%
2021	36,745,541	341,351,782	2,389,979	-	334,435	-	380,821,737	1,677	3.07%
2022	29,479,041	377,498,997	2,438,718	-	-	4,911,157	414,327,913	1,791	*
2023	22,122,541	399,840,531	2,225,806	-	-	3,757,265	427,946,143	1,815	*

**Notes:**

<sup>(1)</sup> Details regarding the County's outstanding debt can be found in the notes to the financial statements

<sup>(2)</sup> See Table 13 for personal income and population data. These ratios are calculated using data from the prior calendar year

\* Calendar year 2023 personal income is not yet available to calculate the percentage of personal income for fiscal year 2023

**CABARRUS COUNTY, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2023**

**TABLE 11**

<b>Governmental Unit <sup>(1)</sup></b>	<b>Outstanding Debt <sup>(2)</sup></b>	<b>Estimated Percentage Applicable <sup>(3)</sup></b>	<b>Amount Applicable to Primary Government</b>
City of Concord	\$ 20,675,283	44.83%	\$ 9,268,541
City of Kannapolis	170,333,436	18.32%	31,204,457
Town of Harrisburg	17,497,747	9.83%	1,720,455
Town of Mt. Pleasant	4,274,267	0.62%	26,639
City of Locust	-	0.29%	-
Town of Midland	474,270	2.14%	10,159
Subtotal, overlapping debt			42,230,252
Cabarrus County direct debt			427,946,143
Total direct and overlapping debt			<u>\$ 470,176,395</u>

**Notes:**

- <sup>(1)</sup> Overlapping governments are those that coincide, at least in part, with geographic boundaries within the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Cabarrus County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- <sup>(2)</sup> Total outstanding Governmental activities debt is provided by each governmental unit.
- <sup>(3)</sup> The percentage of the overlapping debt is calculated by dividing the governmental unit's assessed valuation by the County's assessed valuation (overlapping portion of the government's revenue base / total revenue base of the overlapping government).

**CABARRUS COUNTY, NORTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**TABLE 12**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$ 19,665,629,375	\$ 19,696,579,578	\$ 20,281,606,616	\$ 21,545,073,915	\$ 22,312,201,341	\$ 23,108,571,747	\$ 24,184,407,104	\$ 28,825,060,205	\$ 30,011,907,465	\$ 31,263,580,000
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,573,250,350	1,575,726,366	1,622,528,529	1,723,605,913	1,784,976,107	1,848,685,740	1,934,752,568	2,306,004,816	2,400,952,597	2,501,086,400
Debt applicable to debt limitations:										
Total Bonded Debt	80,395,000	82,447,259	73,900,237	65,546,821	57,460,041	50,318,541	43,132,041	36,745,541	29,479,041	22,122,541
Total Installment Payment Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Total Notes Payable	-	457,323	365,858	274,393	182,928	91,463	-	-	-	-
Total Capital Leases	259,514	133,013	-	334,814	334,814	713,127	442,302	334,435	-	-
Total Leases	-	-	-	-	-	-	-	-	4,911,157	4,574,892
Total Installment Financing	2,896,923	2,822,780	2,745,710	3,166,929	3,909,320	3,407,393	2,900,998	2,389,979	2,438,718	2,225,806
Total Certificates of Participation/ Limited Obligation Bonds	237,035,000	238,439,690	301,695,995	276,304,369	380,726,387	347,902,739	322,857,803	341,351,782	377,498,997	399,840,531
Total debt applicable to limitations	320,586,437	324,300,065	378,707,800	345,627,326	442,613,490	402,433,263	369,333,144	380,821,737	414,327,913	428,763,770
Legal debt limit	<u>\$ 1,252,663,913</u>	<u>\$ 1,251,426,301</u>	<u>\$ 1,243,820,729</u>	<u>\$ 1,377,978,587</u>	<u>\$ 1,342,362,617</u>	<u>\$ 1,446,252,477</u>	<u>\$ 1,565,419,424</u>	<u>\$ 1,925,183,079</u>	<u>\$ 1,986,624,684</u>	<u>\$ 2,072,322,630</u>
Total net debt applicable to the limit as a percentage of debt limit	\$ 1,252,663,913 20.38%	\$ 1,251,426,301 20.58%	\$ 1,243,820,729 23.34%	\$ 1,377,978,587 20.05%	\$ 1,342,362,617 24.80%	\$ 1,446,252,477 21.77%	\$ 1,565,419,424 19.09%	\$ 1,925,183,079 16.51%	\$ 1,986,624,684 17.26%	\$ 2,072,322,630 17.14%

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

**CABARRUS COUNTY, NORTH CAROLINA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**TABLE 13**

<u>Year</u>	<u>Population<sup>(1)</sup></u>	<u>Personal Income<sup>(2)</sup> (Dollars in Thousands)</u>	<u>Per Capita Personal Income<sup>(2)</sup></u>	<u>Public School Enrollment<sup>(3)</sup></u>	<u>Unemployment Rate<sup>(4)</sup></u>	<u>Number of Building Inspections Performed<sup>(5)</sup></u>
2014	187,226	\$ 7,301,723	\$ 39,000	34,763	6.1%	42,541
2015	192,103	7,399,908	38,521	34,609	5.5%	46,267
2016	196,762	8,286,025	41,103	35,376	4.8%	55,741
2017	201,590	9,085,784	43,920	36,669	4.1%	57,485
2018	206,872	9,556,853	45,220	33,877	3.9%	61,400
2019	211,342	10,089,975	46,415	32,955	3.8%	64,131
2020	216,453	11,260,526	49,592	33,579	7.6%	71,036
2021	227,065	12,407,280	53,647	32,555	4.4%	72,520
2022	231,726	*	*	33,565	3.4%	65,142
2023	235,797	*	*	34,674	3.3%	64,470

\* Information not yet available. Information for calendar year 2022 will be available November 16, 2023.

Notes:

<sup>(1)</sup> United States Census Bureau

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

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

<sup>(4)</sup> N.C. Department of Commerce Labor & Economic Analysis as of June 30th

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

**CABARRUS COUNTY, NORTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**TABLE 14**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium Health (formerly Carolinas HealthCare)	5,140	1	4.43%	4,500	1	4.86%
Cabarrus County Schools	4,410	2	3.80%	3,800	2	4.11%
Cabarrus County Government	1,345	3	1.16%	950	4	1.03%
Wal-Mart	1,225	4	1.06%	-		-
Amazon	1,175	5	1.01%	-		-
City of Concord	1,123	6	0.97%	901	5	0.97%
FedEx Ground and FedEx Smartpost	1,050	7	0.90%	-		-
Corning	956	8	0.82%	-		-
Shoe Show	811	9	0.70%	800	7	0.86%
Kannapolis City Schools	745	10	0.64%	750	9	0.81%
North Carolina Research Campus	-	-	-	1,000	3	1.08%
State of North Carolina	-	-	-	770	8	0.83%
S&D Coffee and Tea	-	-	-	625	106	0.68%
Connexions	-	-	-	900	5	0.97%
<b>Total</b>	<b>17,980</b>		<b>15.49%</b>	<b>14,996</b>		<b>16.20%</b>

Source:

NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2014 CAFR

**CABARRUS COUNTY, NORTH CAROLINA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**TABLE 15**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	161	168	171	176	180	190	192	205	220	237
Cultural and Recreation	62	68	69	71	74	76	78	81	82	86
Public Safety	445	453	472	496	505	514	524	582	597	609
Economic and Physical Development	16	15	18	19	19	19	19	19	20	21
Human Services	299	302	308	317	330	340	347	356	372	392
Environmental Protection	5	7	7	7	8	9	9	9	9	10
<b>Total</b>	<b>988</b>	<b>1,013</b>	<b>1,045</b>	<b>1,086</b>	<b>1,116</b>	<b>1,148</b>	<b>1,169</b>	<b>1,252</b>	<b>1,300</b>	<b>1,355</b>

**Note:**

Vacant positions are included in the above numbers. Full-time personnel work 2,080 hours per year (less vacation and sick leave)

**Source:**

Cabarrus County Finance Department



**CABARRUS COUNTY, NORTH CAROLINA  
OPERATING INDICATORS BY FUNCTIONAL AREA  
LAST TEN FISCAL YEARS**

**TABLE 16**

Functional Area	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Tax Collection Rate	96.33%	97.32%	98.19%	99.05%	98.92%	99.30%	98.73%	99.08%	99.38%	99.33%
Land Records Recorded <sup>(1)</sup>	28,397	32,188	33,207 *	35,324 *	32,719 *	32,668 *	44,916 *	55,845 *	40,375 *	27,600
Culture & Recreation										
Circulation of Library Materials-All Branches	699,884	668,249	675,234	771,850	812,539	848,068	758,135	716,997	800,130	958,987
Acres of Park Land-Developed/Undeveloped <sup>(4)</sup>	381/310	381/310	356/257	356/257	356/27	356/270	553/100	553/715	507/668	507/668
Public Safety										
Sheriff Average Response Time (includes Fire and EMS)	7:35	6:41	6:48	6:52	7:28	7:34	6:01	7:13	7:40	7:13
Detention Center Average Daily Population	369	326	285	336	347	351	303	202	276	321.31
Animals Picked Up (Animal Shelter)	2,817	2,865	2,955	2,596	2,685	3,414	2,815	2,585	2,698	3,274
Building Inspections Completed	42,541	46,267	55,966	57,167	62,516	64,129	71,036	72,520	65,142	64,470
EMS Average Response Time Countywide	7	7	7	7.2	7.5	7.4	7.42	8.2	8.0	8.12
Economic & Physical Development										
Construction Permits Issued	13,695	15,217	16,971	16,183	18,152	18,762	20,807	20,078	18,490	18,734
Zoning Permits Issued	367	450	444	536	538	406	544	652	599	553
Human Services										
Veteran /Dependent Contacts	9,312	9,477	9,610	9,852	10,241	9,142	8,506	9,807	9,506	10,291
Human Service Transportation Trips <sup>(2)</sup>	82,123	87,544	92,402	81,353	74,158	75,501	65,309	52,682	54,588	58,430
Family Medicaid Cases	17,553	9,805	18,662	17,197	17,197	19,050	22,401	22,276	25,480	30,122
Adult Medicaid Cases <sup>(3)</sup>	6,483	7,090	10,817	8,326	7,234	9,525	9,804	9,915	9,998	8,096
WFFA (formerly AFDC)	304	193	273	235	203	209	301	163	136	115
Child Protective Service Reports Investigated	1,224	1,217	1,748	1,185	1,953	2,066	2,043	1,380	1,678	1,802
Adoptions Completed	3	12	16	10	7	13	13	15	30	25
Food Stamp Cases	11,900	11,288	11,450	12,150	9,564	8,573	9,153	11,494	12,592	12,086
Adult Protective Services Reports	181	388	380	388	411	381	422	394	421	450
Environmental Protection										
Tons of MSW and C&D Waste Managed	17,756	16,511	16,126	15,327	16,845	19,097	21,089	19,952	17,347	18,404
Tons of Recyclable Materials Collected	3,507	3,114	3,461	3,774	3,700	3,200	4,787	4,659	4,268	4,827
Education										
Per Pupil Current Expense Funding	\$ 1,528.00	\$ 1,608.00	\$ 1,699.00	\$ 1,866.59	\$ 1,850.22	\$ 1,887.69	\$ 1,878.48	\$ 2,040.84	\$ 2,068.13	\$ 2,123.00
Per Pupil Capital Outlay Funding	\$ 90.93	\$ 58.27	\$ 137.18	\$ 182.14	\$ 129.36	\$ 29.73	\$ 26.71	\$ 27.21	\$ 27.22	\$ 26.80
Per Pupil Debt Service Funding	\$ 878.93	\$ 857.03	\$ 848.80	\$ 1,010.11	\$ 1,067.35	\$ 1,085.19	\$ 697.43	\$ 968.53	\$ 883.64	\$ 927.90
Per Pupil - Server Space	\$ 2.78	\$ 2.30	\$ 2.28	\$ 2.28	\$ 1.18	\$ 1.09	\$ 1.08	\$ 1.10	\$ 1.10	\$ 1.08
Per Pupil - Fines & Forfeitures	\$ 41.13	\$ 41.07	\$ 41.35	\$ 40.75	\$ 39.17	\$ 37.40	\$ 34.99	\$ 28.60	\$ 39.51	\$ 39.69
Per Pupil - School Nurses	\$ 48.66	\$ 55.33	\$ 64.59	\$ 68.87	\$ 71.93	\$ 69.38	\$ 72.81	\$ 86.48	\$ 98.20	\$ 108.21

**Source:** County Departments

- Notes:**
- <sup>(1)</sup> Data is Calendar Year from Register of Deeds Department
  - <sup>(2)</sup> County Department Starting in 2004, previously under DSS and private contractor
  - <sup>(3)</sup> Social Security began managing SSI Medicaid cases in 1998; Medicaid income limits
  - <sup>(4)</sup> Acreage reflects WW Flowe deeded to Concord, 13 additional acres at Wallace Park  
- Data Not Available, \* Estimate

**CABARRUS COUNTY, NORTH CAROLINA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**TABLE 17**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Parks</b> <sup>(1)</sup>										
Park facility <sup>(4)</sup>	5	5	5	6	6	6	6	7	6	6
Tennis courts	6	6	6	6	6	6	6	6	6	2
Picnic shelters <sup>(3)</sup>	24	28	28	29	29	29	25	25	25	12
Softball fields	8	8	8	8	8	4	4	4	4	25
Playgrounds	10	10	10	11	11	13	13	13	13	4
Soccer Fields	11	11	11	11	11	11	11	11	11	13
Camping cabins	6	6	6	6	6	6	6	6	6	11
Tent sites	7	7	7	7	7	7	7	7	7	6
Bathhouse for campgrounds	1	1	1	1	1	1	1	1	1	7
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Pool Bathhouse	1	1	1	1	1	1	1	1	1	1
<b>Fire protection</b> <sup>(1)</sup>										
Fire Departments <sup>(2)</sup>	11	11	11	11	11	11	11	11	11	12
<b>Sheriff</b> <sup>(1)</sup>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	5	5	5	5	5	5	5	5	5	5
Patrol units	145	181	170	173	202	214	192	213	242	243

Notes:

<sup>(1)</sup> Data obtained from the County Departments of Parks, Emergency

Management, and Sheriff

<sup>(2)</sup> Three stations (Concord, Kannapolis, Harrisburg) have become municipal departments and are not under the control of the County

<sup>(3)</sup> 25 shelters reflects a decrease of 4 due to the Barn at FLP being burned down

<sup>(4)</sup> 6 Park facilities reflects WW Flowe has been deeded to City of Concord, St Stephens Property has been added to the inventory, Pharr Mill Road Park which is operated by Town of Harrisburg

# COMPLIANCE SECTION

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

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

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Public Health Authority of Cabarrus County (Cabarrus Health Alliance), as described in our report on Cabarrus County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cabarrus County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cabarrus County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cabarrus County's internal control.

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2023

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

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

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

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

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

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

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

We have audited Cabarrus County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Cabarrus County's major federal programs for the year ended June 30, 2023. Cabarrus County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Cabarrus County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cabarrus County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cabarrus County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cabarrus County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cabarrus County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cabarrus County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cabarrus County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- obtain an understanding of Cabarrus County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Cabarrus County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2023



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

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

## **Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

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

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

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

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

We have audited Cabarrus County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Cabarrus County's major state programs for the year ended June 30, 2023. Cabarrus County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Cabarrus County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cabarrus County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Cabarrus County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cabarrus County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cabarrus County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cabarrus County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cabarrus County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- obtain an understanding of Cabarrus County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Cabarrus County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2023

# CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

### 1. Summary of Auditor's Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

• Material weakness identified?

No

• Significant deficiency identified?

None reported

Non-compliance material to financial statements noted?

No

#### Federal Awards

Internal control over major federal programs:

• Material weakness identified?

No

• Significant deficiency identified?

None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. Summary of Auditor’s Results (continued)**

Identification of major federal programs:

<u><b>Program Name</b></u>	<u><b>AL#</b></u>
COVID-19 -Coronavirus State and Local Fiscal Recovery Funds	21.027
COVID-19-Emergency Rental Assistance Program	21.023
Medicaid Cluster	93.778
Aging Cluster	93.045, 93.044, 93.053
Child Care Development Fund Cluster	93.596

Dollar threshold used to distinguish between Type A and Type B programs	\$903,549
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Auditee qualified as low-risk auditee?	Yes
--	-----

**State Awards**

Internal control over major state programs:

- |                                      |               |
|--------------------------------------|---------------|
| • Material weakness identified?      | No            |
| • Significant deficiency identified? | None reported |

Type of auditor’s report issued on compliance for major state programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	No
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**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. Summary of Auditor's Results (continued)**

Identification of major state programs:

**Program Name**  
Medicaid Cluster  
State Capital Infrastructure Fund (SCIF)  
Aging Cluster  
State Foster Home/State Foster Home Maximization  
Public School Building Capital Fund

Auditee qualified as low-risk auditee? Yes

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

None reported.

**3. Findings and Questioned Costs Related to the Audit of Federal Awards**

None reported.

**4. Findings and Questioned Costs Related to the Audit of State Awards**

None reported.



**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

None

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Fiscal Year Ended June 30, 2023

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>FEDERAL AWARDS</b>						
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program (SNAP) Cluster:						
State Administrative Matching Grants						
for the Supplemental Nutrition Assistance Program	10.561	WC302	\$ 1,904,446	\$ -	\$ -	\$ 1,904,446
COVID-19 -State Administrative Non-Matching Grants						
for the Supplemental Nutrition Assistance Program (ARP & CAA)	10.561	WC302	246,230	-	-	-
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			<u>2,150,676</u>	-	-	<u>1,904,446</u>
Total U.S. Department of Agriculture			<u>2,150,676</u>	-	-	<u>1,904,446</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>						
Passed-through the City of Concord						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	FY 2023	4,685	-	-	-
Total U.S. Dept. of Justice			<u>4,685</u>	-	-	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Rural Areas and Tribal Transit Program - Administrative						
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	23-CT-042	346,140	43,267	-	97,352
	20.509	23-CT-042	<u>129,850</u>	<u>8,115</u>	-	<u>24,360</u>
Federal Transit Cluster						
COVID-19 - Federal Transit Formula Grants -Transportation 5307	20.507	22-LU-042	32,759	-	-	8,190
Total Federal Transit Cluster			<u>32,759</u>	-	-	-
Highway Safety Cluster						
State and Community Highway Safety Program - TRAFU	20.600	PT-20-06.28	130,247	-	-	42,347
National Priority Safety Programs - GHSP	20.616	M9MT-2021-16-03	5,001	-	-	-
Total Highway Safety Cluster			<u>135,248</u>	-	-	<u>42,347</u>
Passed-through Toxcel LLC						
National Highway Traffic Safety Administration Grant (NHTSA)						
Discretionary Safety Grants and Cooperative Agreements	20.614	DTNH2217000040/693JJ921F000183	10,865	-	-	-
Total Passed-through Toxcel LLC			<u>10,865</u>	-	-	-
Passed-through the City of Concord						
Enhanced Mobility of Seniors and Individuals with Disabilities (Elderly & Handicapped Transportation)	20.513	NC 2022-044-01	202,039	-	-	202,039
Enhanced Mobility of Seniors and Individuals with Disabilities -5310 CRRSAA	20.513	NC-2022-041-00	35,018	-	-	-
Total U.S. Department of Transportation			<u>891,919</u>	<u>51,382</u>	-	<u>374,288</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>						
Direct Program:						
COVID- 19-Emergency Rental Assistance Program	21.023		3,065,868	-	500,000	-
COVID 19- Coronavirus State & Local Fiscal Recovery Funds (ARP)	21.027		<u>8,569,453</u>	-	<u>8,480,950</u>	-
Passed-through the NC Office of State Budget and Management:						
COVID-19- Emergency Rental Assistance Program	21.023	ERA-1-2021-0001	<u>1,337,483</u>	-	-	-
Passed-through the NC Department of Natural and Cultural Resources						
COVID 19- Coronavirus State & Local Fiscal Recovery Funds (ARP) - State Aid to Library Grant (SFRF)	21.027		<u>126,545</u>	-	-	-
Total U.S. Department of Treasury			<u>13,099,349</u>	-	<u>8,980,950</u>	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
Passed-through N.C. Department of Public Safety:						
Division of Emergency Management						
Emergency Management Performance Grants	97.042	EMA-2020-EP-00009	<u>80,907</u>	-	-	-
Total U.S. Department of Homeland Security			<u>80,907</u>	-	-	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Division of Aging and Adult Services						
Passed-through Centralina Council of Governments:						
National Family Caregiver Support, Title III, Part E	93.052	FY23 Region F County 013	<u>55,257</u>	<u>3,684</u>	-	<u>6,549</u>
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	FY23 Region F County 013	<u>8,500</u>	<u>500</u>	-	<u>1,000</u>
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III, Part C						
Nutrition Services	93.045	FY23 Region F County 013	143,765	48,055	-	21,313
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	FY23 Region F County 013	85,208	15,037	-	11,138
Special Programs for the Aging - Title III, Part B						
Grants for Supportive Services and Senior Centers:						
Transportation Grant	93.044	FY23 Region F County 013	100,453	78,987	-	19,938
Adult Day Services	93.044	FY23 Region F County 013	20,317	160,632	-	20,105
In-Home Aide I&II	93.044	FY23 Region F County 013	20,741	163,982	-	20,525
Housing   Housing Improvement	93.044	FY23 Region F County 013	5,706	45,117	-	5,647
Senior Center Operations Grant	93.044	FY23 Region F County 013	11,333	89,604	-	11,215
Nutrition Services Incentive Program	93.053	FY23 Region F County 013	<u>39,073</u>	-	-	-
Total Aging Cluster			<u>426,596</u>	<u>601,414</u>	-	<u>109,881</u>
Total Division of Aging and Adult Services			<u>490,353</u>	<u>605,598</u>	-	<u>117,430</u>
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families (TANF)						
Temporary Assistance for Needy Families (TANF) State Programs Administration:						
Temporary Assistance Needy Families (TANF) Services:	93.558	G2001NCTANF + G2101NCTANF	217,386	-	-	432,312
Temporary Assistance Needy Families (TANF)	93.558	G2001NCTANF + G2101NCTANF	<u>1,199,146</u>	-	-	<u>1,580,704</u>
Total TANF			<u>1,416,532</u>	-	-	<u>2,013,016</u>
Child Support Services	93.563	WC302	<u>1,738,344</u>	-	-	<u>896,319</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>						
Low-Income Home Energy Assistance:						
Administration	93.568	G20B1NCLIEA & G21B1NCLIEA	90,562	-	-	-
Energy Assistance	93.568	G20B1NCLIEA & G21B1NCLIEA	39,590	-	-	-
Crisis Intervention Program	93.568	G20B1NCLIEA & G21B1NCLIEA	392,314	-	-	-
Low-Income Home Energy Assistance LIHWAP Admin	93.568	2101NCLWC5	5,812	-	-	-
Low-Income Home Energy Assistance CAA (LIHWAP)	93.568	2101NCLWC5	151,639	-	-	-
COVID-19 - Cares Act Funding - LIEAP ARPA Admin	93.568	2101NCE5C6	37,980	-	-	-
COVID-19 - Cares Act Funding - LIEAP ARPA	93.568	2001NCE5C3	66,289	-	-	-
COVID-19 - Cares Act Funding - LIHWAP ARPA	93.568	2001NCE5C3	111,688	-	-	-
Total Low-Income Energy Assistance			<u>895,874</u>	-	-	-
Passed through NCDHHS/ NC Department of Environmental Quality						
Low-Income Home Energy Assistance:						
Weatherization Assistance for Low Income Persons	93.568	21B1NCLIEA	184,809	-	-	-
Heating Air Repair Replacement Program-ARP	93.568	2101NCLWC6	47,957	-	-	-
Heating and Air Repair and Replacement Program	93.568	21B1NCLIEA	152,602	-	-	-
Total Dept of Environmental Quality			<u>385,368</u>	-	-	-
Total Low-Income Energy Assistance			<u>1,281,242</u>	-	-	-
Special Children Adoption Fund Cluster (note 4)						
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1901NCCWSS & G2001NCCWSS	37,095	-	-	11,237
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	G2001NCFPSS	27,522	-	-	-
Total Special Children Adoption Fund Cluster (note 4)			<u>64,617</u>	-	-	<u>11,237</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood						
Administration	93.674	G1901NC1420 & G2001NC1420	17,124	4,281	-	-
Direct Benefit Payment	93.674	G1901NC1420 & G2001NC1420	13,106	-	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood Program			<u>30,230</u>	<u>4,281</u>	-	-
Social Service Block Grant (SSGB) - In Home Services						
Adult Day Care (Division of Adult and Aging Services)	93.667	G2001NCSOSR	25,994	24,301	-	7,185
In-Home Services	93.667	G2001NCSOSR	59,605	-	-	8,515
Adult Protective Services	93.667	G2001NCSOSR	24,863	-	-	5,686
Child Protective Services - TANF to SSBG	93.667	G2001NCSOSR	342,658	-	-	-
Adult Protective Services Essential Services ARPA Fund	93.667	G2001NCSOSR	17,589	-	-	-
Social Services Block Grant Administration	93.667	G2001NCSOSR	428,413	-	-	142,804
Total Social Services Block Grant (SSBG) In Home Services			<u>899,122</u>	<u>24,301</u>	-	<u>164,190</u>
Total Division of Social Services - Other Programs			<u>5,430,087</u>	<u>28,582</u>	-	<u>3,084,762</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4):						
Admin:						
Foster Care Title IV - E Administration	93.658	2001NCFOST	25,092	-	-	25,092
Foster Care Title IV - E Child Protective Services	93.658	2001NCFOST	229,296	72,579	-	156,717
Foster Care Title IV - E Foster Care and Training	93.658	2001NCFOST	7,106	-	-	2,369
Foster Care Title IV - E Foster Care and Off Training	93.658	2001NCFOST	573,684	-	-	573,684
Adoption Assistance- Training	93.659	WC302	12,690	-	-	12,690
Adoption Assistance- Optional Training	93.659	WC302	910	-	-	910
Adoption Assistance	93.659	WC302	142,795	-	-	348,444
Direct Benefits:						
Foster Care - Title IV-E	93.658	2001NCFOST	<u>600,257</u>	<u>167,121</u>	-	<u>161,269</u>
Total Foster Care, Adoption and Guardianship Assistance Program Cluster (Note 4)			<u>1,591,830</u>	<u>239,700</u>	-	<u>1,281,175</u>
Passed Through N.C. Department of Health and Human Services:						
Subsidized Child Care Cluster:						
Child Care Development Fund Cluster(Note 4):						
Division of Social Services:						
Child Care Development Mandatory and Matching Funds of the Childcare Development Fund - Administration <sup>4</sup>						
Total Subsidized Child Care Cluster /Child Care Development Fund Cluster (Note 4)	93.596	WC302	<u>324,923</u>	-	-	-
			<u>324,923</u>	-	-	-
Division of Social Services:						
Medicaid Cluster:						
Medical Assistance Program	93.778	WC302	5,665,257	982,904	-	1,727,330
Medical Assistance Program	93.778	WC302	70,687	19,461	-	51,225
Total Medicaid Cluster			<u>5,735,944</u>	<u>1,002,365</u>	-	<u>1,778,555</u>
Division of Social Services:						
Administration						
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP	211,048	11,246	-	37,580
Total Children's Insurance Program - N.C. Health Choice			<u>211,048</u>	<u>11,246</u>	-	<u>37,580</u>
National Institutes of Health						
National Heart, Lung, & Blood Institute						
Passed-through Duke University (RACE CARS)						
Cardiovascular Diseases Research	93.837	1UG3HL146935-01A1	29,775	-	-	-
Total U.S. Department of Health and Human Services			<u>13,813,960</u>	<u>1,887,491</u>	-	<u>6,299,502</u>
<b>U.S. DEPARTMENT OF ENERGY</b>						
Passed Through N.C. Department of Environmental Quality						
Weatherization Assistance for Low-Income Persons	81.042	DEEE0007939	75,756	-	-	-
Total U.S. Department of Energy			<u>75,756</u>	-	-	-

CABARRUS COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 For the Fiscal Year Ended June 30, 2023

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>U.S. Department of Housing and Urban Development</b>						
Passed through N.C. Department of Commerce						
Division of Community Planning and Development						
HOME Investment Partnership Program	14.239	M-20-DC-37-0209	1,054	-	-	-
Total Housing and Urban Development			<u>1,054</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>30,118,306</u>	<u>1,938,873</u>	<u>8,980,950</u>	<u>8,578,236</u>
<b>STATE AWARDS</b>						
<b>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Division of Social Services:						
Foster Care At-Risk Maximization		XXXX	-	4,168	-	-
State Foster Home		XXXX	-	177,215	-	-
SFHF Maximization		XXXX	-	495,988	-	-
AFDC Incentives		XXXX	-	15	-	-
Child Welfare/CPS/CS		XXXX	-	91,411	-	-
County Funded Programs		XXXX	-	-	-	5,577,825
Non-Allocating County Cost		XXXX	-	-	-	729,210
DCD Smart Start		XXXX	-	1,118	-	-
Work First Non Reimbursement		XXXX	-	-	-	1,347,059
Total Division of Social Services			<u>-</u>	<u>769,915</u>	<u>-</u>	<u>7,654,094</u>
Division of Aging and Adult Services						
Passed through Centralina Council of Governments						
Fan /Heat Program			-	1,063	-	-
Senior Center Operations Grant   General Purpose			<u>-</u>	<u>7,351</u>	<u>-</u>	<u>-</u>
State Directed Grant - Substance Use Network						
		Fund Code 1110	<u>-</u>	<u>368,455</u>	<u>-</u>	<u>-</u>
Total N. C. Department of Health and Human Services			<u>-</u>	<u>1,146,784</u>	<u>-</u>	<u>7,654,094</u>
Division of Waste Management:						
Electronics Recycling Management Funds		XXXX	<u>-</u>	<u>4,684</u>	<u>-</u>	<u>-</u>
Total Division of Waste Management			<u>-</u>	<u>4,684</u>	<u>-</u>	<u>-</u>
Division of Environmental Assistance and Customer Service						
Soil and Water Conservation		XXXX	-	3,600	-	-
Soil and Water Conservation - Water Quality Cost Share Grant		XXXX	<u>-</u>	<u>23,185</u>	<u>-</u>	<u>-</u>
Total NC Department of Environmental Quality and Natural Resources			<u>-</u>	<u>26,785</u>	<u>-</u>	<u>-</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>N.C. DEPARTMENT OF PUBLIC SAFETY</b>						
Division of Juvenile Justice and Delinquency Prevention:						
Juvenile Crime Prevention Programs:						
Shift Mentoring		XXXX	-	57,700	57,700	-
JCPC Admin		XXXX	-	15,058	15,058	-
Fostering Solutions		XXXX	-	8,220	8,220	-
Get Hired-Youth Employability		XXXX	-	48,315	48,315	-
Kids at Work		XXXX	-	62,367	62,367	-
Sex Offender		XXXX	-	7,525	7,525	-
Teen Court		XXXX	-	63,000	63,000	-
Teen Court Resolve Program		XXXX	-	68,490	68,490	-
YDI Afterschool Academy		XXXX	-	57,750	57,750	-
YDI Family Life Skills Academy		XXXX	-	52,693	52,693	-
State Directed Grant (Human Trafficking)		NC APPROPRIATIONS ACT OF 2022, HOUSE Bill 103, SECTION 5.3(a)-(c) & SECTION 5.4.(a)-(b))	-	159,442	-	-
Total N.C. Department of Public Safety			-	600,560	441,118	-
<b>N.C. DEPARTMENT OF INSURANCE</b>						
Division of Seniors Health Insurance Information Program						
SHIIP Grant		XXXX	-	18,090	-	-
Total N.C. Department of Insurance			-	18,090	-	-
<b>N.C. OFFICE OF STATE BUDGET AND MANAGEMENT (OSBM)</b>						
State Capital Infrastructure Fund (SCIF)						
SCIF - BARN		20091	-	700,000	-	-
Total N.C. Office of State Budget and Management (OSBM)			-	700,000	-	-
<b>N.C. PARKS AND RECREATION</b>						
N.C. Parks and Recreation Trust Fund (PARTF)- Rob Wallace						
Total N.C. Parks & Recreation			-	100,000	-	-
<b>N.C. DEPARTMENT OF CULTURAL AND NATURAL RESOURCES</b>						
Division of State Library						
State Aid to Libraries		DCR-4	-	221,239	-	4,137,965
Total N.C. Department of Cultural and Natural Resources			-	221,239	-	4,137,965
<b>N.C. DEPARTMENT OF ADMINISTRATION</b>						
Veterans Service Grant						
Total N.C. Department of Administration			-	2,083	-	-
<b>N.C. DEPARTMENT OF TRANSPORTATION</b>						
Rural Operating Assistance Program (ROAP) Cluster:						
ROAP Elderly and Disabled Transportation Assistance Program (E&DTAP)		DOT-16CL	-	65,518	-	-
ROAP Rural General Public Program (RGP)		DOT-16CL	-	7,897	-	-
Total ROAP Cluster			-	73,415	-	-
Total N.C. Department of Transportation			-	73,415	-	-

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Fiscal Year Ended June 30, 2023

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>N.C. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>						
DSWC District Matching & Technical Assistance Agreement						
Streamflow Rehabilitation Assistance Program		22-080-4056	-	62,530	-	-
Total N.C. Department of Agriculture and Consumer Services			-	62,530	-	-
<b>N.C. DEPARTMENT OF PUBLIC INSTRUCTION</b>						
Public School Building Capital Fund						
Lottery proceeds			-	2,895,148	-	-
Total N.C. Department of Public Instruction			-	2,895,148	-	-
Other Financial Assistance:						
<b>N.C. DEPARTMENT OF JUSTICE</b>						
Opioid Settlement Fund (Note 5)			-	70,000	-	-
<b>TOTAL STATE AWARDS</b>			-	5,921,318	441,118	11,792,059
<b>TOTAL FEDERAL AND STATE AWARDS</b>			<u>\$ 30,118,306</u>	<u>\$ 7,860,191</u>	<u>\$ 9,422,068</u>	<u>\$ 20,370,295</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS:**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Cabarrus County under the programs of the federal government and the state of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Cabarrus County, it is not intended to and does not present the financial position, changes in net position or cash flows of Cabarrus County.

**2. Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

Cabarrus County has elected not to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

**4. Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption and Guardianship Assistance, Special Children Adoption Fund, and Subsidized Child Care Program.

**5. Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.