

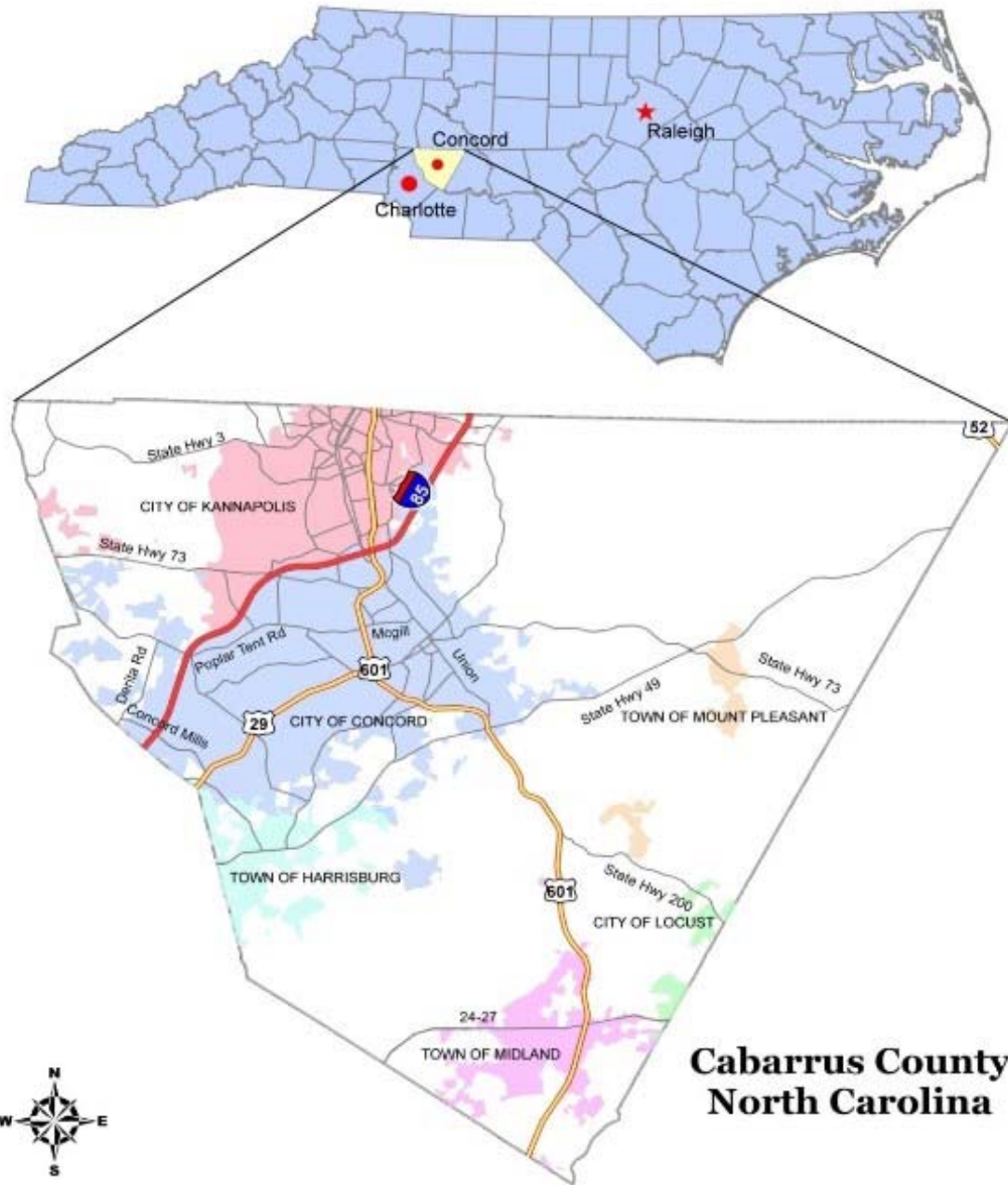
CABARRUS COUNTY

NORTH CAROLINA

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2020



CABARRUS COUNTY
America Thrives Here



Prepared by Cabarrus County GIS

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Cabarrus County

North Carolina

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

**Prepared by
Cabarrus County Finance**

**Susan B. Fearington
Finance Director**



Cabarrus County, North Carolina

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Introductory Section



Finance Department

December 16, 2020

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

State law requires that all general-purpose local governments publish by October 31 of 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 comprehensive annual financial report (CAFR) for the County of Cabarrus (the County) for the fiscal year ended June 30, 2020.

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.

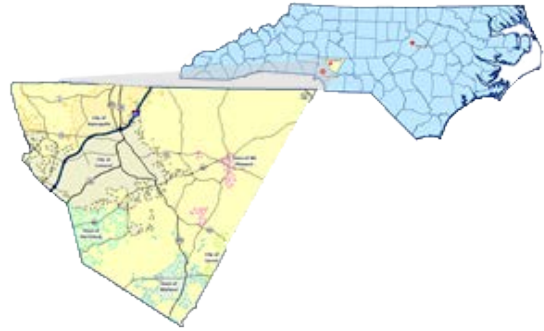
The licensed certified public accountants of Martin Starnes & Associates, CPA's, P.A., audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year that ended June 30, 2020, are free of 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, 2020 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 CAFR. 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, 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 population of 216,453 as of July 2019. 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 five member Board of Commissioners has policy-making and legislative authority including adopting ordinances, appointing committees and hiring the county manager, clerk to the board, tax administrator and county attorney. Every two years citizens elect commissioners on a partisan basis to serve four-year terms.

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 heads of the various departments.

Local Economy

The County is one of 10 counties located in the Charlotte-Gastonia-Concord, NCSC Metropolitan Statistical Area (the "Charlotte MSA"). According to the U.S. Census Bureau, as of July 1, 2019, 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, 2020:

Company	Employees
Atrium Health	4,269
Amazon	2,500
Walmart	1,200
Shoe Show	1,000
Food Lion	750

The County's rapid growth, largely attributable to the County's position in the Charlotte MSA, has continued over the past year. One of the largest industrial/manufacturing parcels in the state of North Carolina, The Grounds at Concord at more than 2,100 acres, saw two major project announcements in the past year. In September 2019, Carvana, a leading e-commerce platform for buying and selling used cars, committed to creating 304 jobs to operate a vehicle inspection and reconditioning facility with a capital investment of more than \$30 million. In April 2020, GoldenHome International, one of the world's leading residential cabinetmakers, announced plans to establish its North American Headquarters at The Grounds creating 257 jobs over five years with a capital investment of \$86 million. Even with these two projects, The Grounds has significant acreage available for future development.

Investment continued at the North Carolina Research Campus in Kannapolis, which is a unique public/private partnership involving eight North Carolina universities, numerous companies and community partners with a focus on researching and developing safer, more nutritious crops, healthier foods and precision nutrition. In November 2019, the NC Food Innovation Lab (NCFIL) opened its 16,000 square foot plant-based food processing and product development facility.

Outside of the Research Campus, Kannapolis also received a commitment from Prime Beverage Group, a beverage co-packing company that mixes and packages canned drinks, to create 231 jobs over five years with a capital investment of \$68 million to operate a 300,000 square foot facility. The revitalization of downtown Kannapolis, approximately 50 acres and eight blocks of buildings, also continued over the past year. In October 2020, the city opened their new streetscape and construction concluded in April 2020 for the new home for the Kannapolis Cannon Ballers Minor League Baseball team.

In addition to new businesses, several existing businesses also committed to new investments over the past year. Reynolds Group Holdings, a consumer products and packaging company, leased a 360,000 square foot flex building in Kannapolis. In January 2020, General Motors announced plans to open a new technical center focused on performance and racing capabilities in Concord.

As of June 2020, the local economy had proved resilient amidst the devastating effects of COVID-19. The unemployment rate rose from 3.4% in February 2020 to 12.3% by April 2020; however, the rate improved to 7.6% in June 2020 with cautious optimism the rate will continue to decrease in the months ahead. The County has looked to support resiliency through innovation and entrepreneurship. The Cabarrus Economic Development Corporation (EDC) announced a partnership with Flywheel Co-working to open an innovation center in downtown Concord later in 2020. The site will support the creation of new businesses and growth of existing small businesses through mentor networks, education, capital access and programming. Finally, even amid an economic downturn the EDC received nine new requests for information related to potential economic development projects in June 2020.

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 residents.

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) and/or Capital Reserve Fund, to reduce reliance

on debt financing; or to the Self-Funded Hospitalization Fund, the Self-Funded Liability Fund or the Self-Funded Workers' Compensation Fund as required to maintain the integrity of those funds.

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:

- Completed issuance of \$130 million in Limited Obligation Bonds (LOB) for a two-year draw program for the construction of a courthouse, middle school, land for two schools, governmental center skylight and roof replacement and athletic turf fields.
- Completed the 2020 revaluation to establish current market values for 91,784 real estate parcels as of January 1, 2020. Successfully defended assessment valuations through the appeals process, maintaining fair and equitable values while addressing the concerns of taxpayers.
- Coordinated the Census 2020 Cabarrus County Complete Count Committee.
- Continued collaboration with City of Concord, City of Kannapolis and Town of Harrisburg Development Services with County to develop and implement online plan submittal and central permitting process, which will allow us to work together with other municipalities and County zoning to stream line the building processes.
- Increased utilization of E-recording by patrons to 68% of all land records recorded in the 2019 calendar year. E-recording is the process of accepting presentation of land records for recordation online as well as receiving all recording fees and excise taxes associated therewith electronically.
- Collected more than \$12 million in child support on behalf of children in Cabarrus County.
- Provided over \$1 million of heating and cooling assistance to eligible households.
- Served more than 30,000 meals to senior adults at Lunch Plus sites.
- Continued the work of the Mental Health Advisory Board to monitor and address the opioid crisis.
- Awarded the Explore Archery Grant to promote the implementation of target archery programs. Grant provided program materials, range posters and equipment necessary to implement a beginner to intermediate archery program for county residents.
- Held the First ever Cabarrus Touch-A-Truck event in October 2019 with approximately 4,500 attendees, 114 vehicles/pieces of equipment and 72 participating organizations.
- Entered a partnership with Kannapolis City Schools to provide all students access to digital library materials with their student ID numbers, increasing access to academic and literacy resources.
- With the growing population of the County, the courthouse facilities require expansion to meet the needs of the judicial system and the community. In March 2018, Cabarrus County contracted with an architect for programming and design of a new courthouse facility and renovations of the existing courthouse building. Construction of the facility, which will be located on the current site in downtown Concord, is currently underway. A construction manager at-risk (a partnership of Messer Construction and Liles Construction) is managing the project for the County.

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 CAFR for the fiscal year ended June 30, 2019. This was the 35th consecutive year the County received this prestigious award.
- **Popular Annual Financial Report** – the Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. This was the first year the County received this prestigious award.
- **Digital Counties Award** – the Center for Digital Government (CDG) and the National Association of Counties (NACo) awarded the 2019 First Place Digital Counties Survey award to the county for using technology to improve services and boost efficiencies.
- **Distinguished Budget Presentation Award** – the GFOA awarded to the county for its annual budget document for the fiscal year ended June 30, 2019. This was the 21st year the County received this prestigious award.
- **NACo 2020 Achievement Awards** – the National Association of Counties (NACo) awarded the county for its Summer Reading Program 2019, Elections IT Mobilization, Performance Review chatbot and Tax Abstracts Reconciliation initiatives.
- **2019 International Awards** – the International Association of Agricultural Fairs and Expos (IAFE) awarded the county thirteen awards. Since 2015, the county has received over 100 recognitions.

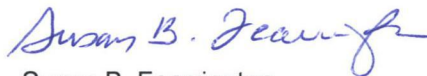
Acknowledgements

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



Susan B. Fearrington
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cabarrus County
North Carolina**

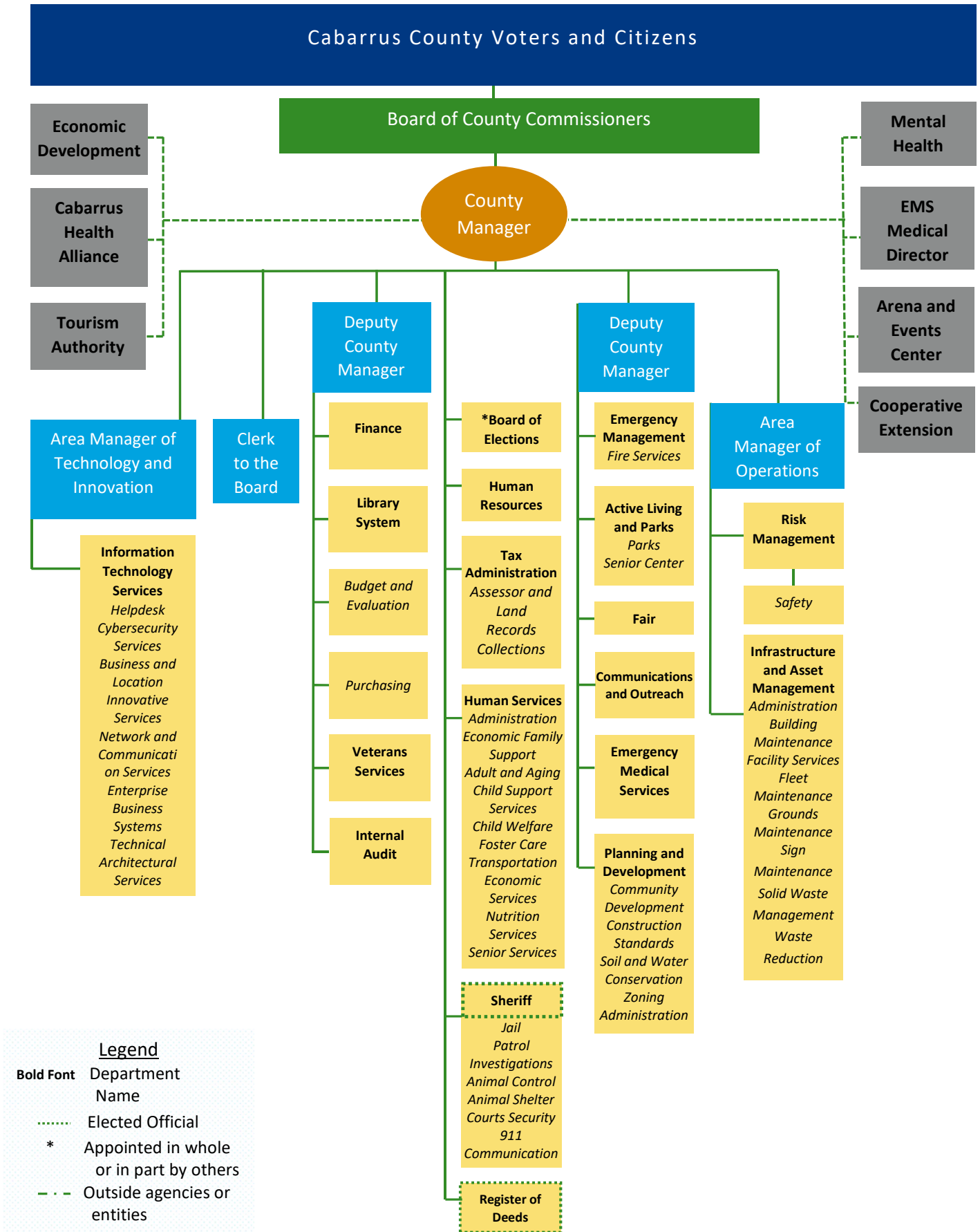
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CABARRUS COUNTY ORGANIZATION CHART



Board of County Commissioners

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

Other Elected Officials

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

County Manager Michael K. Downs
Deputy County Manager Rodney D. Harris
Deputy County Manager Jonathan B. Marshall
Area Manager Kyle D. Bilafer
Area Manager Deborah A. Brannan

Clerk to the Board Lauren E. Linker

County Department Heads

Planning and Development Kelly F. Sifford
Cooperative Extension Robert B. Furr
Elections Director Carol L. Soles
Emergency Management Robert S. Smith
Emergency Medical Services James W. Lentz
Fair Kathleen P. Sharpe
Finance Director Susan B. Fearrington
Infrastructure and Asset Services Michael A. Miller
Human Resources Lundee L. Covington
Information Technology Services Todd M. Shanley
Libraries Emery M. Ortiz
Parks Londa A. Strong
Social Services Karen B. Calhoun
Solid Waste Management Kevin P. Grant
Tax Administration M. David Thrift
Transportation Robert W. Bushey
Veterans' Service Tony R. Miller

Financial Section

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

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

Independent Auditor's Report

To the Board of Commissioners
Cabarrus County
Concord, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cabarrus County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Health Authority of Cabarrus County (Cabarrus Health Alliance). Those financial 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, and the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cabarrus County's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, other schedules, and statistical section as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) 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.

The combining and individual fund financial statements, budget and actual schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budget and actual schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 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 prepared in accordance with *Government Auditing Standards* in considering the Cabarrus County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 16, 2020



Management's Discussion and Analysis

Cabarrus County Management's Discussion and Analysis

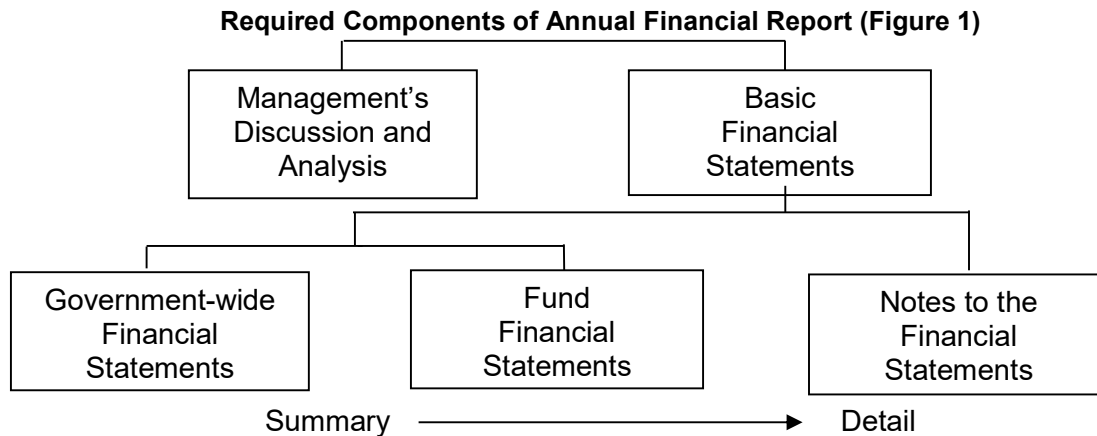
As management of Cabarrus County, we offer readers of Cabarrus County's financial statements this narrative overview and analysis of the financial activities of Cabarrus County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional 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 liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by (\$59.8) 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 \$312.1 million.
- The County's total net position increased by \$4.5 million, due to an increase in governmental activities of \$3.9 million and an increase in business-type activities of \$.6 million (Exhibit 1).
- As of the close of the 2020 fiscal year, the County's governmental funds reported combined ending fund balances of \$132.1 million after a net decrease in fund balance of \$29.1 million. Approximately 29.8% of this total amount or \$39.4 million is restricted or non-spendable.
- At the end of the 2020 fiscal year, unassigned fund balance for the General Fund was \$58.6 million or 21.3% of total general fund expenditures and transfers out for the fiscal year.
- Cabarrus County's total debt decreased by \$36.4 million or 7.6% during the current fiscal year. Due to normal debt service payments, COPS and LOBS debt decreased by \$29.5 million, General Obligation Bond Debt decreased by \$6.4 million, Capital leases by \$270,825, Notes Payable by \$91,463 and installment financing by \$506,395. A draw direct borrowing finance agreement was established during the current year, the current liability is \$6 million.
- Cabarrus County has installment bond ratings of AA / Aa2 / AA and general obligation bond ratings of AA+ / Aa1 / AA+.

Overview of the Financial Statements

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



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

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

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

Government-Wide Financial Statements

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

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

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

residents of the County. The Chairperson of the Board of Commissioners for Cabarrus County appoints the members of the board of the Health Alliance.

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

Fund Financial Statements

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$59.8 million as of June 30, 2020. The County's net position increased by \$4.5 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 \$149.9 million in the prior year to \$162.2 at June 30, 2020. The increase is mainly attributable to the courthouse and other Construction in Progress projects.

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 \$30.3 million at June 30, 2020, a \$ 4.1 million decrease from prior year. This decrease is primarily due to the reduction in the stabilization by state statute which represents the County's receivables.

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, 2020, the County reported an unrestricted net position deficit of \$252.4 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, 2020, \$312.1 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 \$59.7 million.

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

Cabarrus County's Net Position
Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 166,028,311	\$ 190,946,952	\$ 6,865,107	\$ 6,158,731	\$ 172,893,418	\$ 197,105,683
Capital assets	213,471,842	207,303,364	2,264,367	2,399,580	215,736,209	209,702,944
Total assets	379,500,153	398,250,316	9,129,474	8,558,311	388,629,627	406,808,627
Deferred outflows of resources	30,013,765	31,517,577	57,634	59,582	30,071,399	31,577,159
Long-term liabilities outstanding	438,292,492	474,596,697	3,861,202	3,956,238	442,153,694	478,552,935
Other liabilities	22,014,742	18,744,021	186,895	204,225	22,201,637	18,948,246
Total liabilities	460,307,234	493,340,718	4,048,097	4,160,463	464,355,331	497,501,181
Deferred inflows of resources	14,091,247	5,162,393	49,367	14,233	14,140,614	5,176,626
Net Position						
Net investment in						
capital assets	159,939,882	147,584,065	2,264,367	2,399,580	162,204,249	149,983,645
Restricted	30,339,063	34,418,834	-	-	30,339,063	34,418,834
Unrestricted	(255,163,508)	(250,738,117)	2,825,277	2,043,617	(252,338,231)	(248,694,500)
Total net position	\$ (64,884,563)	\$ (68,735,218)	\$ 5,089,644	\$ 4,443,197	\$ (59,794,919)	\$ (64,292,021)

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 98.0 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 budget practices which resulted in over collection of sales tax and property tax.
- The main area of under budget expenses were in the area of County salary and fringe which were \$2.2 million under budget, due to unfilled positions and turnover.
- The Landfill Enterprise Fund FY2020 operating expenses were \$665,086 under budget. The variance primarily resulted from a reduction in heavy equipment maintenance, tire disposal and mulch purchased services related to normal project operations.

Cabarrus County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 23,863,274	\$ 21,582,449	\$ 1,065,832	\$ 1,007,575	\$ 24,929,106	\$ 22,590,024
Operating grants and contributions	26,505,813	25,776,371	-	-	26,505,813	25,776,371
Capital grants and contributions	2,300,000	2,722,423	-	-	2,300,000	2,722,423
General revenues:						
Property taxes	185,141,095	173,109,015	-	-	185,141,095	173,109,015
Local option sales tax	52,970,080	51,750,607	-	-	52,970,080	51,750,607
ABC revenues	130,203	147,027	-	-	130,203	147,027
Other taxes and licenses	824,515	903,350	409,159	404,695	1,233,674	1,308,045
Investment earnings	2,642,249	4,056,689	109,114	140,327	2,751,363	4,197,016
Total revenues	<u>294,377,229</u>	<u>280,047,931</u>	<u>1,584,105</u>	<u>1,552,597</u>	<u>295,961,334</u>	<u>281,600,528</u>
Expenses:						
General government	31,253,702	26,373,901	-	-	31,253,702	26,373,901
Public safety	60,955,287	53,570,795	-	-	60,955,287	53,570,795
Economic and physical development	4,693,056	4,765,182	-	-	4,693,056	4,765,182
Environmental protection	690,214	1,371,094	-	-	690,214	1,371,094
Human services	41,391,469	38,699,195	-	-	41,391,469	38,699,195
Education	129,178,290	151,618,111	-	-	129,178,290	151,618,111
Cultural and recreation	9,265,753	8,013,339	-	-	9,265,753	8,013,339
Interest on long-term debt	13,098,803	14,222,496	-	-	13,098,803	14,222,496
Landfill	-	-	937,658	1,040,485	937,658	1,040,485
Total expenses	<u>290,526,574</u>	<u>298,634,113</u>	<u>937,658</u>	<u>1,040,485</u>	<u>291,464,232</u>	<u>299,674,598</u>
Increase (decrease) in net position before transfers	<u>3,850,655</u>	<u>(18,586,182)</u>	<u>646,447</u>	<u>512,112</u>	<u>4,497,102</u>	<u>(18,074,070)</u>
Increase (decrease) in net position	<u>3,850,655</u>	<u>(18,586,182)</u>	<u>646,447</u>	<u>512,112</u>	<u>4,497,102</u>	<u>(18,074,070)</u>
Net position, beginning	<u>(68,735,218)</u>	<u>(50,149,036)</u>	<u>4,443,197</u>	<u>3,931,085</u>	<u>(64,292,021)</u>	<u>(46,217,951)</u>
Net position ending	<u>\$ (64,884,563)</u>	<u>\$ (68,735,218)</u>	<u>\$ 5,089,644</u>	<u>\$ 4,443,197</u>	<u>\$ (59,794,919)</u>	<u>\$ (64,292,021)</u>

Governmental activities

For the fiscal year ended June 30, 2020, governmental activities increased the County's net position by \$3.9 million and business-type activities increased net position by \$.6 million. As indicated on the previous page, the majority of the County's expenses were related to education (\$129.2 million, 44.3 percent), public safety (\$61.2 million, 21.0 percent) and human services (\$41.5 million, 14.3 percent).

Business-type activities

The County's Business-type activity, the Landfill, experienced a \$646,447, 25 percent increase in net position. Tipping fees increased by \$86,642 due to an increase in materials received at the landfill. An increase of \$80,502 in investment earnings was realized in FY2020 due to increased cash balance and additional focus on time on investing.

Total expenses decreased \$99,660 from FY2019. There was a decrease in vehicle maintenance, fuel cost and mulch purchased services.

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, 2020, were the *General Fund*, the *Limited Obligation Bonds 2017 Fund*, and the *Cares Act Relief 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 \$97.6 million of which \$71.2 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 28.8% of general fund expenditures, while total fund balance represents 35.5% of that same amount. Of the \$79.2 million available fund balance, the County has restricted \$8.1 million (10.2%), committed \$5.9 million (7.5%) and assigned \$6.7 million (8.4%) for specific projects and obligations. Following the fund balance policy, \$42.3 million (53.4%) of the available fund balance has been set aside for working capital. This leaves \$16.3 million (20.5%) of fund balance remaining for appropriation, commitment or assignment.

General Fund fund balance at June 30, 2020 increased \$9.7 million from the prior year. This net increase was primarily due to three factors:

- Ad valorem property taxes exceeded budgeted expectations by \$1.9 million (1.1 percent)
- Local option sales taxes exceeded budgeted expectations by \$1.1 million (2.1 percent)
- Operational efficiencies resulted in 3.9 percent of unspent budgeted expenditures

Major and Non-Major Funds. The *Limited Obligation Bonds 2017 Capital Projects Fund* (Major Fund) was created in FY2017 for the construction of debt financed county and school projects. The \$70,820,000 Limited Obligation Bonds were issued in November 2017. A new High School, Performance Learning Center and a downtown parking deck are being built with debt and *Capital Reserve Fund* (Non-Major Fund) funding. During FY2020 \$11.8 million was spent towards the construction and financing of the projects.

The *Cares Act Relief Fund* (Major Fund) was created in FY 2020 to record the funding received from the federal government to cover COVID19 expenditures for the public health emergency. Of the \$3.8 million received, \$1.3 million was expended by June 30, 2020.

The *Limited Obligation Bonds 2018 Capital Projects Fund* (Non-Major Fund) was created in FY2018 for the construction of debt financed school projects. The \$54,680,000 Limited Obligation Bonds were issued in May 2018. A new Elementary School, Community College Advanced Technology Center, Community College Land, School Mobile Units and HVAC units for two schools. The projects are being built with debt and *Capital Reserve Fund* (Non-Major Fund) funding. During FY2020 \$18.4 million was spent towards the construction and financing of the projects.

The *County Capital Projects Fund* (Non-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. Actual draws for FY 2020 was \$.9 million. Some of the major projects under construction are the Courthouse and Governmental Center Skylight/Roof replacement. *General Fund, Construction and Renovation* (Non-Major Fund) and *Capital Reserve Fund* (Non-Major Fund) funding are also being used to fund the projects. During FY2020 \$10.9 million was spent towards the construction of these projects.

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 FY 2020 was \$5.1 million. Some of the major projects under construction are a new Middle School and land for a future High School. *General Fund, School Construction Fund* (Non-Major Fund) and *Capital Reserve Fund* (Non-Major Fund) funding are also being used to fund the projects. During FY2020 \$9.7 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 \$11.3 million with \$7.1 million related to fund balance appropriated for land acquisition and a vendor payment made in error.

At year-end, *actual* general fund revenues and transfers in fell short of the *final amended budget* numbers by \$2.3 million (-0.81%). Actual general fund expenditures and transfers out were less than *final budgetary* figures by \$12.0 million (4.38%).

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 \$646,447 during the fiscal year ended June 30, 2020. The increase primarily relates to an increase in revenues and a decrease in other operating expenditures

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, 2020, totals \$215.7 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 one vehicle for County Managers' office, one for Risk Management, three for the Facility Services, one for the Service Garage, thirty-three for the Sherriff's Department, two for Animal Control, two for Emergency Management, four ambulances and five vehicles for Emergency Medical Services, two for Zoning Administration and a recycling truck for Waste Reduction/Recycling.

- Two major land improvements for JM Robinson High School turf field and Cox Mill High School turf field.
- Construction projects in progress at the end of the year were the Sheriff Department firing range improvements, design for a new Courthouse, Public Safety Training Center, Rob Wallace Park Phase II, Frank Liske restroom for lower lot, Arena Light System Control replacement, IT Fiber Infrastructure Improvements, design for a new EMS Headquarters, Radio Ethernet Backhaul and Edge Project, Enterprise Physical Security Project, Operations Center Upfit, Camp Spencer Park Overlook, Government Center Skylight Repair, and West Cabarrus High School Turf Field.

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 21,533,301	\$ 21,533,301	\$ 490,447	\$ 490,447	\$ 22,023,748	\$ 22,023,748
Land Improvements	6,278,851	4,976,094	930,053	1,023,353	7,208,904	5,999,447
Buildings	128,046,528	132,382,406	817,092	848,502	128,863,620	133,230,908
Building Improvements	15,090,119	15,563,607	-	-	15,090,119	15,563,607
Equipment	3,554,595	4,994,110	26,775	37,278	3,581,370	5,031,388
Furniture and Fixtures	162,930	90,935	-	-	162,930	90,935
Vehicles	4,892,112	3,951,037	-	-	4,892,112	3,951,037
Reservoir	21,221,358	21,243,124	-	-	21,221,358	21,243,124
Construction in progress	12,692,048	2,568,750	-	-	12,692,048	2,568,750
Total	<u>\$ 213,471,842</u>	<u>\$ 207,303,364</u>	<u>\$ 2,264,367</u>	<u>\$ 2,399,580</u>	<u>\$ 215,736,209</u>	<u>\$ 209,702,944</u>

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

Long-term Debt. As of June 30, 2020, Cabarrus County had total debt outstanding of \$442,251,816 which includes General Obligation Bonds that are backed by the full faith and credit of the County and other debt that is covered by pledged collateral and is subject to appropriation.

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

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 43,132,041	\$ 50,318,541		\$ -	\$ 43,132,041	\$ 50,318,541
Certificates of participation/ Limited obligation bonds	322,857,803	347,902,739		-	322,857,803	347,902,739
Notes payable	-	91,463		-	-	91,463
Capital lease obligations	442,302	713,127		-	442,302	713,127
Installment financing	2,900,998	3,407,393		-	2,900,998	3,407,393
Accrued landfill closure and postclosure care costs		-	3,724,323	3,800,174	3,724,323	3,800,174
Compensated absences	4,488,562	4,313,629	21,405	19,303	4,509,967	4,332,932
Net pension liability (LGERS)	21,627,785	18,389,521	82,499	70,147	21,710,284	18,459,668
Net pension liability (LEOSSA)	8,474,799	7,374,262	-	-	8,474,799	7,374,262
Total OPEB Liability	34,368,202	42,086,022	131,097	160,537	34,499,299	42,246,559
Total	\$ 438,292,492	\$ 474,596,697	\$ 3,959,324	\$ 4,050,161	\$ 442,251,816	\$ 478,646,858

Cabarrus County's total long-term obligations decreased by \$36,395,042 (7.6%) during the past fiscal year. During FY2020 Pension and OPEB increased however the main factor for the net decrease was primarily due to \$39,117,612 for premium amortization and principal payments.

As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 10th consecutive year an Aa1 rating from Moody's and an AA+ rating from Fitch. For the 11th consecutive year, a rating of AA+ from Standard and Poor's has been maintained. These bond ratings are a clear indication of the sound financial condition of Cabarrus County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Cabarrus County is \$1,587,996,774 as of June 30, 2020. Additional information regarding Cabarrus County's long-term obligations can be found in the Notes to the Financial Statements.

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 7.6% for June 2020, compared to 3.8% at June 2019. Comparable rates for the State of North Carolina were 7.7% and 4.2% respectively. The unemployment rate increase can be attributable to Covid 19 pandemic.
- Population growth experienced an increase to approximately 216,453.
- A large diverse tax base with only 8.17% 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 2021 fiscal year.

Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2021

Governmental Activities: The FY2021 budget maintained the property tax rate of 74 cents per \$100 of assessed valuation for a total budget of \$361,591,566, which is an increase of 21.07% over the FY2020 adopted budget. There were two primary drivers for the increase. First, the county established the Community Investment Fund to maintain separate restricted revenues, expenses and fund balance for capital projects. Doing so created a large contribution from the general fund to the CIF reflected in the total budget. Second, the FY2021 budget reflects revaluation, which resulted in a 17% increase to commercial and residential real property. During the fiscal year, the state and nation were affected by the spread of a coronavirus. Cabarrus County's financial response to the coronavirus included delaying expenditures where possible and a temporary furlough of part-time staff.

The County directed new funding toward the following:

- **Schools and Educators** – the budget funded an additional 0.5% increase in County-paid supplements to educators; funds to open and operate a new elementary and high school; and additional funds to maintain school operations.
- **Quality-of-life Services** – the budget provided additional funding for operating and personnel expenses to operate an expanded courthouse beginning in January 2023; to expand hours at the Midland Branch of the library system; and to help build a new homeless shelter that will serve families and children.
- **Support County Team Members** – the budget funded cost-of-living and merit pay increases and 78 new positions.
- **Essential Building Projects** – the budget funded the planning and design of a new Emergency Medical Services Headquarters, upgrades to Frank Liske Park, future library expansion and new public education facilities.

Business-type Activities: The Landfill budget increased by \$43,000 or 3.1% from the FY2020 adopted budget. For FY2021, tipping fees are budgeted at \$819,000 as a part of the sales and services category for revenues.

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.



Basic Financial Statements

Cabarrus County, North Carolina
Statement of Net Position
June 30, 2020

Exhibit 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	\$ 120,708,902	\$ 6,756,781	\$ 127,465,683	\$ 7,937,333
Receivables (net of allowance for uncollectibles):				
Accounts receivable	4,652,151	26	4,652,177	1,058,012
Customers	918,694	16,221	934,915	371,644
Interest	538,056	16,077	554,133	-
Property taxes	2,296,590	-	2,296,590	-
Due from other governments	12,178,102	76,002	12,254,104	117,383
Inventories	280,927	-	280,927	-
Prepaid items	378,104	-	378,104	-
Restricted cash and cash equivalents	23,667,812	-	23,667,812	942,682
Net Register of Deeds				
Supplemental Retirement Asset	408,973	-	408,973	-
Notes receivable	-	-	-	800,000
Capital Assets not being depreciated:				
Land	21,533,301	490,447	22,023,748	-
Construction in Progress	12,692,048	-	12,692,048	-
Capital Assets net of accumulated depreciation:				
Land Improvements	6,278,851	930,053	7,208,904	10,980
Buildings and Building Improvements	143,136,647	817,092	143,953,739	-
Reservoir	21,221,358	-	21,221,358	-
Furniture and Fixtures	162,930	-	162,930	44,118
Equipment	3,554,595	26,775	3,581,370	387,871
Vehicles and Motorized Equipment	4,892,112	-	4,892,112	178,997
Total assets	379,500,153	9,129,474	388,629,627	11,849,020
DEFERRED OUTFLOWS OF RESOURCES	30,013,765	57,634	30,071,399	3,309,312
LIABILITIES				
Accounts payable and other current liabilities	12,833,461	88,773	12,922,234	749,167
Liabilities to be paid from restricted assets	-	-	-	942,682
Advance from grantor	2,493,332	-	2,493,332	-
Accrued interest payable	2,804,058	-	2,804,058	-
Retainage payable	3,883,891	-	3,883,891	-
Long-term liabilities:				
Due within one year	39,106,651	98,122	39,204,773	841,687
Due in more than one year	399,185,841	3,861,202	403,047,043	6,911,515
Total long-term liabilities	438,292,492	3,959,324	442,251,816	7,753,202
Total liabilities	460,307,234	4,048,097	464,355,331	9,445,051
DEFERRED INFLOWS OF RESOURCES	14,091,247	49,367	14,140,614	55,406
NET POSITION				
Net Investment in Capital Assets	159,939,882	2,264,367	162,204,249	621,966
Restricted for :				
Stabilization by State Statute	20,662,997	-	20,662,997	1,175,395
Register of Deeds	423,337	-	423,337	-
Jail Housing Unit/Sheriff Admin debt payments	623	-	623	-
Emergency Telephone 911	489,971	-	489,971	-
Sheriff & State Safety programs	312,041	-	312,041	-
Community Development Programs	6,299	-	6,299	-
Soil & Water programs	3,225	-	3,225	-
State White Goods program	335,724	-	335,724	-
State recycling programs	21,417	-	21,417	-
Social Services grants	114,508	-	114,508	-
School debt	7,442,074	-	7,442,074	-
Cabarrus Arena & Events Center	51,702	-	51,702	-
Library grants	20,164	-	20,164	-
Register of Deeds Pension Plan	454,981	-	454,981	-
Unrestricted	(255,163,508)	2,825,277	(252,338,231)	3,860,514
Total net position	\$ (64,884,563)	\$ 5,089,644	\$ (59,794,919)	\$ 5,657,875

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, 2020

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 31,253,702	\$ 4,724,834	\$ 5,478,549	\$ -
Public safety	60,955,287	16,337,716	2,417,516	-
Economic and physical development	4,693,056	560,492	386,740	-
Environmental protection	690,214	27,775	14,062	-
Human services	41,391,469	1,242,731	16,473,584	-
Education	129,178,290	-	724,279	2,300,000
Culture and recreation	9,265,753	969,726	1,011,083	-
Interest on long-term debt	13,098,803	-	-	-
Total governmental activities	<u>290,526,574</u>	<u>23,863,274</u>	<u>26,505,813</u>	<u>2,300,000</u>
Business-Type Activities:				
Solid Waste	<u>937,658</u>	<u>1,065,832</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>937,658</u>	<u>1,065,832</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 291,464,232</u>	<u>\$ 24,929,106</u>	<u>\$ 26,505,813</u>	<u>\$ 2,300,000</u>
Component Unit:				
Cabarrus Health Alliance	<u>\$ 23,702,637</u>	<u>\$ 8,458,809</u>	<u>\$ 12,867,721</u>	<u>\$ -</u>
General Revenues:				
Property taxes				
Local option sales tax				
ABC revenues				
Other taxes and licenses				
Investment earnings				
Special item				
Miscellaneous				
Total general revenues				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (21,050,319)	\$ -	\$ (21,050,319)	\$ -
(42,200,055)	-	(42,200,055)	-
(3,745,824)	-	(3,745,824)	-
(648,377)	-	(648,377)	-
(23,675,154)	-	(23,675,154)	-
(126,154,011)	-	(126,154,011)	-
(7,284,944)	-	(7,284,944)	-
(13,098,803)	-	(13,098,803)	-
<u>(237,857,487)</u>	<u>-</u>	<u>(237,857,487)</u>	<u>-</u>
-	128,174	128,174	-
-	128,174	128,174	-
<u>(237,857,487)</u>	<u>128,174</u>	<u>(237,729,313)</u>	<u>-</u>
-	-	-	<u>\$ (2,376,107)</u>
185,141,095	-	185,141,095	-
52,970,080	-	52,970,080	-
130,203	-	130,203	-
824,515	409,159	1,233,674	-
2,642,249	109,114	2,751,363	104,186
-	-	-	1,000,000
-	-	-	(9,875)
<u>241,708,142</u>	<u>518,273</u>	<u>242,226,415</u>	<u>1,094,311</u>
<u>3,850,655</u>	<u>646,447</u>	<u>4,497,102</u>	<u>(1,281,796)</u>
<u>(68,735,218)</u>	<u>4,443,197</u>	<u>(64,292,021)</u>	<u>6,939,671</u>
<u>\$ (64,884,563)</u>	<u>\$ 5,089,644</u>	<u>\$ (59,794,919)</u>	<u>\$ 5,657,875</u>

Cabarrus County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3
Page 1 of 2

		Major		Non-Major	
		Limited		Other	
		Obligation Bonds	Cares Act	Governmental	Total
	General	2017	Relief	Funds	Governmental
ASSETS					Funds
Cash, cash equivalents and investments	\$ 79,365,039	\$ 1,080,207	\$ -	\$ 28,050,068	\$ 108,495,314
Restricted cash	7,442,697	8,913,372	3,028,045	4,283,698	23,667,812
Receivables (net of allowance for uncollectible)					
Accounts receivable	4,577,900	-	-	74,251	4,652,151
Customers	918,694	-	-	-	918,694
Property taxes	2,296,590	-	-	-	2,296,590
Interest	290,620	-	-	30,587	321,207
Due from other governments	12,156,198	-	-	-	12,156,198
Prepaid items	73,658	-	-	8,971	82,629
Inventories	280,927	-	-	-	280,927
Total assets	<u>\$ 107,402,323</u>	<u>\$ 9,993,579</u>	<u>\$ 3,028,045</u>	<u>\$ 32,447,575</u>	<u>\$ 152,871,522</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,011,367	\$ 1,198,029	\$ 534,713	\$ 2,599,432	\$ 10,343,541
Advance from grantor	-	-	2,493,332	-	2,493,332
Contract retainages	-	3,039,211	-	844,680	3,883,891
Total liabilities	<u>6,011,367</u>	<u>4,237,240</u>	<u>3,028,045</u>	<u>3,444,112</u>	<u>16,720,764</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,766,676</u>	<u>-</u>	<u>-</u>	<u>254,448</u>	<u>4,021,124</u>
Fund Balances:					
Nonspendable:					
Inventories	280,927	-	-	-	280,927
Prepaid items	73,658	-	-	8,971	82,629
Restricted:					
Stabilization by State Statute	18,060,428	-	-	2,602,569	20,662,997
Register of Deeds Automation & Enhancement	-	-	-	423,337	423,337
Jail Housing Unit/Sheriff Admin debt payments	623	-	-	-	623
Emergency Telephone 911	-	-	-	489,971	489,971
Sheriff & State Safety Programs	142,297	-	-	169,744	312,041
Community Development programs	-	-	-	6,299	6,299
Soil & Water programs	-	-	-	3,225	3,225
State White Goods program	335,724	-	-	-	335,724
State recycling programs	21,417	-	-	-	21,417
Social Services grants	114,508	-	-	-	114,508
School debt & construction	7,442,074	5,756,339	-	3,386,137	16,584,550
Cabarrus Arena & Events Center	-	-	-	51,702	51,702
Library grants	-	-	-	20,164	20,164
Committed:					
General Government	675,582	-	-	2,645,150	3,320,732
Public Safety	1,580,739	-	-	4,724,417	6,305,156
Economic & Physical Development	3,688,651	-	-	1,656,711	5,345,362
Human Services	-	-	-	327,584	327,584
Education	-	-	-	2,933,614	2,933,614
Culture & Recreation	-	-	-	5,502,753	5,502,753
Assigned:					
General Government	6,174,000	-	-	-	6,174,000
Public Safety	304,935	-	-	2,343,342	2,648,277
Economic & Physical Development	2,854	-	-	-	2,854
Environmental Protection	1,549	-	-	-	1,549
Human Services	147,000	-	-	-	147,000
Culture & Recreation	22,659	-	-	1,699,682	1,722,341
Unassigned	58,554,655	-	-	(246,357)	58,308,298
Total fund balances	<u>97,624,280</u>	<u>5,756,339</u>	<u>-</u>	<u>28,749,015</u>	<u>132,129,634</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 107,402,323</u>	<u>\$ 9,993,579</u>	<u>\$ 3,028,045</u>	<u>\$ 32,447,575</u>	<u>\$ 152,871,522</u>

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

Total fund balances-total governmental funds		\$ 132,129,634
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	308,162,109	
Less accumulated depreciation	<u>(94,706,088)</u>	213,456,021
Charges related to advance refunding bond issue		13,188,642
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds		
Deferred Inflows of resources for taxes and ambulance receivables		3,215,283
Premium on Debt Issuance		<u>(22,577,351)</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		12,861,070
Register of Deeds Supplemental Retirement		65,730
Benefit payments and pension administration costs for LEOSSA		1,649,891
Contributions and administration costs for OPEB are deferred outflows of resources		2,248,432
Internal service funds are used by management to charge the costs of self-insured hospitalization dental, Workers Compensation and Liability Insurance to individual departments		
		10,062,245
Pension related deferred inflows		(471,058)
OPEB related deferred inflows		<u>(12,814,348)</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	(346,755,793)	
Accrued Interest	(2,614,490)	
Compensated Absences	(4,488,562)	
Net LEO Pension Liability	(8,474,799)	
Net LGERS liability	(21,627,785)	
Net Register of Deeds Supplemental Retirement asset	408,973	
Total OPEB Liability	<u>(34,368,202)</u>	<u>(417,920,658)</u>
Net position of governmental activities		<u>\$ (64,884,563)</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, 2020

Exhibit 4
Page 1 of 2

	General	Major Limited Obligation Bonds 2017	Cares Act Relief	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 178,908,429	\$ -	\$ -	\$ 5,569,038	\$ 184,477,467
Other taxes and licenses	53,794,595	-	-	-	53,794,595
Intergovernmental revenues	24,497,656	-	1,278,429	3,157,469	28,933,554
Permits and fees	8,625,692	-	-	-	8,625,692
Sales and services	13,617,193	-	-	699,051	14,316,244
Investment earnings	2,085,802	188,691	-	176,833	2,451,326
Donations	-	-	-	415,049	415,049
Miscellaneous	696,329	-	-	3,137	699,466
Total revenues	282,225,696	188,691	1,278,429	10,020,577	293,713,393
EXPENDITURES					
Current:					
General government	26,127,482	1,653,083	197,417	877,835	28,855,817
Public safety	46,261,638	-	1,081,012	5,794,966	53,137,616
Economic & physical development	4,486,859	-	-	83,060	4,569,919
Environmental protection	549,470	-	-	87,800	637,270
Human services	39,275,035	-	-	1,612	39,276,647
Education	84,234,181	10,099,427	-	34,913,477	129,247,085
Culture and recreation	5,726,295	-	-	1,668,628	7,394,923
Capital outlay:					
Land and land improvements	7,277	-	-	1,834,937	1,842,214
Building and building improvements	93,240	-	-	-	93,240
Equipment and furniture	331,510	-	-	161,152	492,662
Vehicles and motorized equipment	2,699,741	-	-	-	2,699,741
Construction in progress	-	-	-	10,123,298	10,123,298
Debt service:					
Principal retirement	36,746,470	-	-	57,213	36,803,683
Interest and fees	13,902,706	-	-	2,313	13,905,019
Total expenditures	260,441,904	11,752,510	1,278,429	55,606,291	329,079,134
Excess (deficiency) of revenues over (under) expenditures	21,783,792	(11,563,819)	-	(45,585,714)	(35,365,741)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	6,017,493	6,017,493
Transfers in	2,512,879	1,874,583	-	55,441,848	59,829,310
Transfers out	(14,558,032)	(545,725)	-	(44,519,831)	(59,623,588)
Total other financing sources (uses)	(12,045,153)	1,328,858	-	16,939,510	6,223,215
Net change in fund balances	9,738,639	(10,234,961)	-	(28,646,204)	(29,142,526)
Fund balance, July 1	87,885,641	15,991,300	-	57,395,219	161,272,160
Fund balance, June 30	\$ 97,624,280	\$ 5,756,339	\$ -	\$ 28,749,015	\$ 132,129,634

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

Cabarrus County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balance to the Statement of Activities of Governmental Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 4A
Page 2 of 2

Net change in fund balances-total governmental funds \$ (29,142,526)

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	15,251,155	
Less current year depreciation	<u>(8,937,477)</u>	6,313,678

Changes in contributions and other costs to the pension plan (1,527,098)

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

Ambulance	41,020	
Property Tax	<u>663,628</u>	704,648

The effect of various miscellaneous transactions involving capital assets

Donation of capital assets	33,800	
Disposal of capital assets, net book value	<u>(173,067)</u>	(139,267)

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	(6,017,493)	
Amortization of current year debt premium	2,313,929	
Principal payments	36,803,683	
Deferred charge on refunding	<u>(1,843,428)</u>	31,256,691

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	(174,933)	
Law Enforcement Officers Pension Liability	(102,068)	
Local Government Employees Retirement System	(3,047,515)	
Register of Deeds Supplemental Retirement	32,280	
Other Postemployment Benefit Liability	(718,698)	
Accrued Interest	<u>335,715</u>	(3,675,219)

Internal service funds are used by management to charge the cost of self-insured hospitalization dental, workers compensation and liability systems to individual departments.

59,748

Changes in net position of governmental activities

\$ 3,850,655

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, 2020

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Ad Valorem Taxes:				
Taxes	\$ 176,465,890	\$ 176,465,890	\$ 178,457,020	\$ 1,991,130
Interest	500,000	500,000	451,409	(48,591)
Other Taxes and Licenses	52,785,613	52,785,613	53,794,595	1,008,982
Intergovernmental Revenues	21,315,255	22,240,892	24,497,656	2,256,764
Permits and Fees	7,207,427	7,262,427	8,625,692	1,363,265
Sales and Services	13,730,184	13,908,055	13,617,193	(290,862)
Investment Earnings	1,000,000	1,000,000	2,085,802	1,085,802
Miscellaneous	486,165	672,722	696,329	23,607
Total revenues	273,490,534	274,835,599	282,225,696	7,390,097
EXPENDITURES				
Current:				
General Government	30,603,422	30,129,141	26,441,710	3,687,431
Public Safety	47,297,376	49,970,166	48,748,449	1,221,717
Economic & Physical Development	5,820,676	6,402,637	4,540,986	1,861,651
Environmental Protection	858,478	1,041,121	710,528	330,593
Human Services	41,089,725	41,598,258	39,368,963	2,229,295
Education	83,931,227	84,298,146	84,234,181	63,965
Culture and Recreation	6,134,931	6,254,621	5,747,911	506,710
Debt service:				
Principal retirement	39,316,475	38,636,713	38,076,470	560,243
Interest and fees	14,154,220	14,154,221	13,902,706	251,515
Total expenditures	269,206,530	272,485,024	261,771,904	10,713,120
Excess (deficiency) of revenues over (under) expenditures				
	4,284,004	2,350,575	20,453,792	18,103,217
OTHER FINANCING SOURCES (USES)				
Transfers in	2,300,000	2,505,722	2,512,879	7,157
Transfers out	(6,584,004)	(14,558,032)	(14,558,032)	-
Fund balance appropriated	-	9,701,735	-	(9,701,735)
Total other financing sources (uses)	(4,284,004)	(2,350,575)	(12,045,153)	(9,694,578)
Net change in fund balance	\$ -	\$ -	8,408,639	\$ 8,408,639
Fund Balance, July 1			\$ 87,885,641	
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	
Fund balance, June 30			\$ 97,624,280	

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

	Business-type Activities Landfill Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,756,781	\$ 12,213,588
Receivables (net):		
Accounts	26	20
Customers	16,221	-
Due from other governments	76,002	-
Interest	16,077	27,261
Prepaid expenses	-	295,475
Total current assets	<u>6,865,107</u>	<u>12,536,344</u>
Noncurrent assets:		
Land & land improvements	2,689,843	-
Buildings & improvements	1,256,544	-
Vehicles and equipment	2,184,637	29,664
Less: Accumulated depreciation	<u>(3,866,657)</u>	<u>(13,843)</u>
Total noncurrent assets (net)	<u>2,264,367</u>	<u>15,821</u>
Total assets	<u>9,129,474</u>	<u>12,552,165</u>
DEFERRED OUTFLOWS OF RESOURCES		
Contributions to pension plan in fiscal year	49,058	-
OPEB deferrals	<u>8,576</u>	<u>-</u>
Total deferred outflows of resources	<u>57,634</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	88,773	113,546
Landfill closure post closure costs	81,000	-
Compensated absences	<u>17,122</u>	<u>-</u>
Total current liabilities	<u>186,895</u>	<u>113,546</u>
Noncurrent liabilities:		
Net pension liability	82,499	-
Claims payable	-	2,376,374
Landfill closure post closure costs	3,643,323	-
Compensated absences	4,283	-
Total OPEB liability	<u>131,097</u>	<u>-</u>
Total noncurrent liabilities	<u>3,861,202</u>	<u>2,376,374</u>
Total liabilities	<u>4,048,097</u>	<u>2,489,920</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	487	-
OPEB deferrals	<u>48,880</u>	<u>-</u>
Total deferred inflows of resources	<u>49,367</u>	<u>-</u>
NET POSITION		
Net Investment in capital assets	2,264,367	15,821
Unrestricted	<u>2,825,277</u>	<u>10,046,424</u>
Total net position	<u>\$ 5,089,644</u>	<u>\$ 10,062,245</u>

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

	Business-type Activities Landfill Enterprise Fund	Governmental Activities Internal Service Funds
Operating revenues:		
Charges for sales and services:		
Tipping fees	\$ 866,642	\$ -
Items for sale	64,755	
Waste disposal fees	134,435	-
Insurance premiums refunds	-	14,844,613
Program fees	-	34,034
Total operating revenues	<u>1,065,832</u>	<u>14,878,647</u>
Operating expenses:		
Administration:		
Salaries and benefits		
Salary and wages	245,744	-
FICA	14,308	-
Medicare	3,346	-
Group hospital insurance	43,735	-
Vision care	106	-
Retirement	39,276	-
Life insurance	167	-
Workers' compensation	18,177	-
Deferred compensation - 401k	12,182	-
Insurance and bonds	4,264	-
Total salaries and benefits	<u>381,305</u>	<u>-</u>
Operations:		
General and administrative		
Administrative fees	-	2,509,897
Dues and subscriptions	532	-
Lights and power	6,070	2,197
Office supplies Medical supplies	2,812	106,766
Other operating costs	-	26,870
Telephone	1,044	-
Travel	1,419	-
Uniforms	5,470	-
Total general and administrative	<u>17,347</u>	<u>2,645,730</u>

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

Other operational expenses:		
Auto and truck maintenance	9,718	-
Building and ground maintenance	31,270	-
Building and equipment rentals	-	-
Claims	-	11,698,681
Consultant	-	44,500
Depreciation	135,213	5,933
Engineers	13,700	-
Fuel	22,194	-
Heavy equipment maintenance	26,300	-
Landfill disposal tax remittance	42,177	-
Minor equipment maintenance	1,109	-
Permitting fees	8,600	-
Service contracts	37,400	370,708
Tire disposal	126,322	-
Tools and minor equipment	2,803	38,548
Capital Outlay	8,585	-
Waste disposal charges	73,615	-
Total other operational expenses	<u>539,006</u>	<u>12,158,370</u>
 Total operating expenses	 <u>937,658</u>	 <u>14,804,100</u>
 Operating Income	 <u>128,174</u>	 <u>74,547</u>
 Nonoperating revenues:		
Landfill disposal tax	42,605	-
Landfill state tax distribution	52,138	-
Solid waste franchise fee	30,000	-
Tire disposal fees	284,416	-
Investment earnings	109,114	190,923
Total nonoperating revenues	<u>518,273</u>	<u>190,923</u>
 Income (loss) before contributions	 <u>646,447</u>	 <u>265,470</u>
 Transfers:		
Transfers out - General Fund	<u>-</u>	<u>(205,722)</u>
 Change in net position	 <u>646,447</u>	 <u>59,748</u>
 Total net position, July 1	 <u>4,443,197</u>	 <u>10,002,497</u>
 Total net position, June 30	 <u>\$ 5,089,644</u>	 <u>\$ 10,062,245</u>

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

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,078,193	\$ 4,320
Cash received from departments	-	14,842,824
Cash paid to employees	(356,308)	-
Cash paid to suppliers for goods and services	(521,421)	(14,766,597)
Net cash provided for operating activities	<u>200,464</u>	<u>80,547</u>
Cash flows from non-capital and related financing activities:		
Transfer Out	-	(205,722)
Non-capital grants and other subsidies	409,159	-
Net cash provided by non-capital financing activities	<u>409,159</u>	<u>(205,722)</u>
Cash flows from investing activities:		
Interest received on investments	96,301	169,867
Net cash provided by investing activities	<u>96,301</u>	<u>169,867</u>
Net increase in cash and cash equivalents	<u>705,924</u>	<u>44,692</u>
Cash and cash equivalents, July 1	<u>6,050,857</u>	<u>12,168,896</u>
Cash and cash equivalents, June 30	<u>\$ 6,756,781</u>	<u>\$ 12,213,588</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	<u>\$ 128,174</u>	<u>\$ 74,547</u>
Depreciation expense	135,213	5,933
Pension expense	17,253	-
Changes in operating assets and liabilities:		
Accounts receivable and prepaid expenses	962	(31,505)
Due from other governments	10,993	-
Customers receivable	406	-
Accounts payable and accrued liabilities	(21,529)	31,572
Deferred outflows of resources (OPEB)	(3,681)	-
Landfill closure post-closure care cost	(75,851)	-
OPEB liability	(29,440)	-
Deferred inflows of resources (OPEB)	35,862	-
Compensated absences payable	2,102	-
Total adjustments	<u>72,290</u>	<u>6,000</u>
Net cash provided by operating activities	<u>\$ 200,464</u>	<u>\$ 80,547</u>

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

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,349,231
Accounts receivable	<u>5,598</u>
Total assets	<u><u>\$ 1,354,829</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 29,700
Due to courts	47
Due to jail inmates	46,152
Due to municipalities	1,070,117
Due to program participants	166,196
Due to schools	<u>42,617</u>
Total liabilities	<u><u>\$ 1,354,829</u></u>

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



Notes to the Financial Statements

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.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Cabarrus Development Corporation	Blended	The Development Corporation is governed by a three-member board of directors who are established through the bylaws of the Articles of Incorporation. The Corporation exists to provide debt financing to the County.	None Issued
Cabarrus County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None Issued
Public Health Authority of Cabarrus County d.b.a. Cabarrus Health Alliance	Discrete	Cabarrus Health Alliance (the "Alliance" was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. On April 20 th , 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 \$7,526,369 or 31.58% of its total revenues for the fiscal year ended June 30, 2020. A financial benefit or burden relationship exists between the Alliance and the County.	Cabarrus Health Alliance 300 Mooresville Road Kannapolis, NC 28081

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.

Limited Obligation Bonds 2017 – This fund accounts for planning, design, construction and/or renovation of school and other capital projects that are funded by debt issued in 2017.

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

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.

Agency Funds. These funds are custodial in nature and do not involve the measurement of operating results. These funds are used to account for assets that the government holds for others in an agency capacity. The County maintains six agency funds: the Department of Social Services Agency Fund, the Charitable Campaign Agency Fund, the Undistributed Taxes Agency Fund, the Intergovernmental Agency Fund, the Sheriff Civil Records Agency Fund and the Jail Commissary Agency Fund. The Department of Social Services Agency Fund is used to account for money deposited with the County through the social services department under a program which manages the financial affairs of persons unable or incapable of managing them on their own. The Charitable Campaign Agency Fund is used to account for money contributed by County employees through annual one time giving and through payroll deductions for the purpose of distribution to charitable non-profit agencies in our area. One hundred percent of the money collected is distributed to the charitable non-profit agencies. The Undistributed Taxes Agency Fund is used to accumulate collected property taxes before they are distributed to local municipalities. The Intergovernmental Agency Fund is used to accumulate fines and forfeitures before they are distributed to the local School Boards; and accounts for the accumulation of Register of Deeds fees that the County is required to remit to the State of North Carolina. The Sheriff Civil Records Agency Fund is used to account for collections of civil writs from citizens prior to distribution to plaintiffs. The Jail Commissary Agency Fund is used to account for an inmate's money deposited with the County when an inmate is housed at the County Jail. The money can be used by the inmate to purchase commissary items. Any unused monies are returned to the inmate upon their release.

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

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

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

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

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

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.

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

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

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

Limited Obligation Bonds 2018 – This fund accounts for planning, design, construction and/or renovation of school and other capital projects that are funded by debt issued in 2018.

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

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

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

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

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

Measurement Focus – Basis of Accounting

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

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

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

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

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

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

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

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Landfill Enterprise Fund, the Cabarrus Arena and Events Center Special Revenue Fund, the Fire 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.

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

1. The Budget Director may transfer amounts between objects of expenditure within a function.
2. The County Manager may transfer amounts between objects of expenditures and revenues without limitation.
3. The County Manager may not transfer any amounts between funds or from any contingency appropriation within any fund without action of the Board of Commissioners, except as specified below for budget shortfalls and change orders.
4. The County Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.
5. The County Manager is authorized to transfer funds from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvement Plan for the current fiscal year.

6. Additional authority is granted to the Budget Director or designee to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance.
7. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the Manager or Designee may adjust budgets to match, including grants that require a County match for which funds are available.
8. The Manager, 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.
9. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
10. The County Manager may execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
11. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
12. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
13. The County Manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly.
14. The County Manager may assign fund balance for unpaid Economic Development Incentives until contractual obligations are met.

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, 2020.

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

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 fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalent

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

3. Restricted Assets

Debt payments held in escrow by agent, unexpended amounts of Limited Obligation Bonds, Cares Relief Funding, Automation and Enhancement Grant Funding and the Cabarrus Arena Marketing funds are classified as restricted cash and cash equivalents on the Statement of Net Position and the Governmental Balance Sheet. The amounts are considered restricted because their use is expressly prohibited except for the original purpose of which the funds were received.

Governmental Activities

General Fund	Debt payments held in escrow by agent	\$	7,442,697
Limited Obligation Bonds - 2017	Unspent debt proceeds		8,913,372
Cares Act Relief	Unspent relief funds		3,028,045
Limited Obligation Bonds - 2018	Unspent debt proceeds		3,805,434
Cabarrus Arena and Events Center Fund	Unspent escrow		51,702
Small Projects Fund	Unspent Register of Deeds Automation & Enhancement funding		423,337
Small Projects Fund	North Carolina Ecosystem Enhancement funding		3,225
Total Restricted Cash		\$	<u>23,667,812</u>

4. Ad Valorem Taxes Receivable

In accordance with G.S. 105-347 and G.S. 159-13(a), ad valorem taxes on property other than motor vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1; however, penalties and interest does not accrue until the following January 6. The taxes are based on the assessed values as of January 1, 2019. 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 2019-2020 fiscal year was \$0.74 per \$100 valuation.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid items

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, minimum individual cost of \$5,000 and an estimated useful life in excess of one year. Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets 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.

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

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

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

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

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

8. Deferred Outflows and Inflows of Resources

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

9. 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 statements of net position.

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

10. 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 (336 hours for emergency services personnel) being carried over to January 1. Vacation exceeding 240 hours (336 hours for emergency services personnel) is converted into sick leave after January 1st. Vacation leave is fully vested when earned. The County budgets and funds the current portion of accumulated vacation leave during each fiscal year. Vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County's and 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 actually taken, no liability is recorded for these non-vested benefits.

11. Net Position/Fund Balances

a. Net Position

Net position in government-wide and proprietary financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position 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.

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.

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 nonspendable. 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 the fiscal year ended June 30, 2020, \$18,060,428 was related to the General Fund and \$2,602,569 for other non-major funds.

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

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

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

Restricted for Sheriff and State Safety programs – portion of fund balance restricted by revenue source for unspent Federal Forfeiture funds, NC Substance Control funds, Emergency Management Operations, State Criminal Alien Assistance Program and Motorcycle Safety Grant

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 State White Goods program – portion of fund balance restricted by revenue source for disposal of household appliances.

Restricted for State recycling programs – portion of fund balance restricted by revenue source for unspent NC Electronic Management.

Restricted for Social Services – portion of fund balance restricted by revenue source for unspent for various 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 Library grants – portion of fund balance restricted by revenue source for unspent Cannon Grant funds to be used for future Library capital purchases.

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 as of June 30, 2020 by the amount of unspent debt proceeds of \$9,142,476 and Register of Deeds' Pension Plan of \$454,981, for a net amount of \$8,687,495.

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 General Government – portion of fund balance budgeted by the Board of County Commissioners for support services to County Departments.

Committed for Public Safety – portion of fund balance committed by the governing board by revenue source to pay for law enforcement and other emergency services.

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 and Aging projects.

Committed for Education – portion of fund balance committed by the governing board for planning, designing and construction of public schools.

Committed for Culture & Recreation – portion of fund balance committed by the governing board for library, recreation and park expenditures.

4. Assigned Fund Balance

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

Assigned for General Government – portion of fund balance that is intended to be used for 1) property tax appeals 2) extraordinary circumstances 3) 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 economic development projects.

Assigned for Environmental Protection – portion of fund balance intended to be used for hazard and electronic waste disposal.

Assigned for Human Services – portion of fund intended to be used for Department of Human Services uncompleted projects.

Assigned for Culture and Recreation – portion of fund balance intended to be used for Library, County Fair and Arena projects.

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.

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

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

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.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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	\$ 97,624,280
Less:	
Inventories	280,927
Prepaid items	73,658
Stabilization by state statute	18,060,428
Restricted for debt payments	7,442,697
Restricted for White Goods Program	335,724
Committed for unpaid tax incentives	3,688,651
Committed for future pension payments	1,576,476
Uncompleted FY20 projects	1,511,064
General Government assignments	6,100,000
Working Capital/Fund Balance Policy	42,291,870
	<hr/>
Fund Balance remaining for appropriation	\$ 16,262,785
	<hr/>

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2020 are as follows:

<u>Major</u>	<u>Non-Major</u>
<u>General</u>	<u>Governmental</u>
<u>Fund</u>	<u>Funds</u>
\$ 1,035,709	\$ 2,497,731
<hr/>	<hr/>

12. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF), (collectively the "state-administered defined benefit pension plans"). For purposes of measuring the net pension 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. Investments are reported at fair value.

E. Management Estimates

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

F. Other Resources

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

G. Comparative Data/Reclassifications

Comparative data for the prior years have been presented 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 non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, its component units or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County or its component units under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. Cabarrus County has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Cabarrus Health Alliance has no formal policy regarding custodial credit risk for deposits.

At June 30, 2020, the carrying amount of the County's bank deposits, including fiduciary funds, was \$677, and the bank balance was \$48,787,039. Of the bank balance, \$853,436 was covered by federal depository insurance, and \$47,933,603 was covered by collateral, held by authorized escrow agents in the name of the County, under the Pooling Method. At June 30, 2020, the County had \$8,964 cash on hand.

At June 30, 2020, the carrying amount of the Cabarrus Health Alliance's bank deposits was \$926,838 and the bank balance was \$1,120,454. 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, 2020, the Cabarrus Health Alliance had \$3,600 of cash on hand.

2. Investments

As of June 30, 2020, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method ^{2,3}	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years
US Government Agencies	Fair Value-Level 2	\$ 15,254,237	\$ -	\$ 10,079,000	\$ 5,175,237
Commercial Paper	Fair Value-Level 2	31,608,502	-	31,608,502	-
NC Capital Management Trust:		-			
Government Portfolio	Fair Value-Level 1	23,943,477	23,943,477	-	-
Term Portfolio ¹	Fair Value-Level 1	33,222,217	33,222,217	-	-
Total		<u>\$ 104,028,433</u>	<u>\$ 57,165,694</u>	<u>\$ 41,687,502</u>	<u>\$ 5,175,237</u>

¹ The NCCMT Term Portfolio has a duration of 0.15 years as of June 30, 2020. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

² Investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

³ Level of fair value hierarchy: Level 1 - debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 - debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based 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, 2020, 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 as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended. The County's investment in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Bank) are rated Aaa by Moody's Investors Service.

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

Concentration of Credit Risk. With the exception of U.S. Treasury securities, 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. Thirty percent of the County's investments are held in

commercial paper, fifteen percent in governmental agencies, fifty-five percent in North Carolina Capital Management Trust.

At June 30, 2020, the Cabarrus Health Alliance's investments consisted of \$7,949,577 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm 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. Property Tax-Use-Value Assessment on Certain Lands

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

Property Tax-Use-Value Assessment on Certain Lands

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,208,159	\$ 1,474,438	\$ 7,682,597
2018	6,364,388	938,747	7,303,135
2019	6,479,564	372,575	6,852,139
2020	7,043,962	-	7,043,962
Total	<u>\$ 26,096,073</u>	<u>\$ 2,785,760</u>	<u>\$ 28,881,833</u>

4. Receivables

a. Government-wide Receivables

Receivables at the government-wide level for the Primary Government at June 30, 2020, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
Governmental Activities:					
General	\$ 4,577,900	\$ 9,744,377	\$ 12,156,198	\$ 4,731,925	\$ 31,210,400
Other Governmental	74,251	-	21,904	247,436	343,591
Total Receivables	4,652,151	9,744,377	12,178,102	4,979,361	31,553,991
Allowance for doubtful accounts	-	(8,825,683)	-	(2,144,715)	(10,970,398)
Total-governmental activities	<u>\$ 4,652,151</u>	<u>\$ 918,694</u>	<u>\$ 12,178,102</u>	<u>\$ 2,834,646</u>	<u>\$ 20,583,593</u>
	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
Business-type activities:					
Landfill	\$ 26	\$ 16,221	\$ 76,002	\$ 16,077	\$ 108,326
Total-business-type activities	<u>\$ 26</u>	<u>\$ 16,221</u>	<u>\$ 76,002</u>	<u>\$ 16,077</u>	<u>\$ 108,326</u>

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

	Governmental Activities	Business Type Activities
Local option sales tax	\$ 9,895,127	\$ -
Motor Vehicle Tax	2,282,975	-
Solid waste disposal tax	-	12,452
Scrap tire tax	-	63,550
	<u>\$ 12,178,102</u>	<u>\$ 76,002</u>

Discretely presented component unit CHA

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2020, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,058,012	\$ 550,065	\$ 117,383	\$ 1,725,460
Allowance for doubtful accounts	-	(178,421)	-	(178,421)
Total Receivables	<u>1,058,012</u>	<u>371,644</u>	<u>117,383</u>	<u>1,547,039</u>
Total-governmental activities	<u>\$ 1,058,012</u>	<u>\$ 371,644</u>	<u>\$ 117,383</u>	<u>\$ 1,547,039</u>

5. Capital Assets

1. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital Assets not being depreciated:					
Land	\$ 21,533,301	\$ -	\$ -	\$ -	\$ 21,533,301
Construction in Progress	2,568,750	10,123,298	-	-	12,692,048
Total capital assets not being depreciated	<u>24,102,051</u>	<u>10,123,298</u>	<u>-</u>	<u>-</u>	<u>34,225,349</u>
Capital Assets being depreciated:					
Buildings	177,670,518	-	-	-	177,670,518
Building Improvements	22,498,502	93,240	-	-	22,591,742
Equipment	21,154,758	371,533	(126,824)	-	21,399,467
Furniture and Fixtures	1,356,686	121,129	-	-	1,477,815
Land Improvements	11,382,932	1,842,214	-	-	13,225,146
Vehicles	14,425,999	2,733,541	(1,301,534)	-	15,858,006
Reservoir	21,743,730	-	-	-	21,743,730
Total capital assets being depreciated	<u>270,233,125</u>	<u>5,161,657</u>	<u>(1,428,358)</u>	<u>-</u>	<u>273,966,424</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Less accumulated depreciation for:					
Buildings	45,288,112	4,335,878	-	-	49,623,990
Building Improvements	6,934,895	566,728	-	-	7,501,623
Equipment	16,160,648	1,818,616	(126,827)	(7,565)	17,844,872
Furniture and Fixtures	1,265,751	49,134	-	-	1,314,885
Land Improvements	6,406,838	539,457	-	-	6,946,295
Vehicles	10,474,962	1,611,831	(1,128,464)	7,565	10,965,894
Reservoir	500,606	21,766	-	-	522,372
Total accumulated depreciation	<u>87,031,812</u>	<u>8,943,410</u>	<u>(1,255,291)</u>	<u>-</u>	<u>94,719,931</u>
Total Capital Assets, being depreciated, net	<u>183,201,313</u>	<u>(3,781,753)</u>	<u>(173,067)</u>	<u>-</u>	<u>179,246,493</u>
Governmental and Internal Service Fund Capital Assets, net	<u>\$ 207,303,364</u>	<u>\$ 6,341,545</u>	<u>\$ (173,067)</u>	<u>\$ -</u>	<u>\$ 213,471,842</u>

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

Governmental activities:	
General Government	\$ 1,518,546
Public Safety	5,415,634
Economic & Physical Development	43,716
Environmental Protection Development	48,942
Human Services	332,248
Culture & Recreation	1,584,324
Total depreciation expense - governmental & internal services activities	<u><u>\$ 8,943,410</u></u>

Capital asset activity for the year ended June 30, 2020:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 490,447	\$ -	\$ -	\$ -	\$ 490,447
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	2,199,396	-	-	-	2,199,396
Vehicles	1,922,279	-	-	-	1,922,279
Equipment	262,358	-	-	-	262,358
Buildings	1,256,544	-	-	-	1,256,544
Total Capital assets, being depreciated:	<u>5,640,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,640,577</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Less accumulated depreciation for:					
Land Improvements	1,176,043	93,300	-	-	1,269,343
Vehicles	1,922,279	-	-	-	1,922,279
Equipment	225,083	10,500	-	-	235,583
Buildings	408,039	31,413	-	-	439,452
Total Accumulated Depreciation	<u>3,731,444</u>	<u>135,213</u>	<u>-</u>	<u>-</u>	<u>3,866,657</u>
Total Capital assets, being depreciated, net	<u>1,909,133</u>	<u>(135,213)</u>	<u>-</u>	<u>-</u>	<u>1,773,920</u>
Proprietary Capital assets, net	<u>\$ 2,399,580</u>	<u>\$ (135,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,264,367</u>

Construction commitments

The government has active construction projects as of June 30, 2020. The projects include New School Construction (West Cabarrus High School, Hickory Ridge Elementary School and New Middle School) and West Cabarrus School Turf Fields, Cabarrus County Courthouse and Governmental Center Skylight Repair. At year-end, the government's commitments with contractors are as follows:

	Spent-To-Date	Remaining Commitment
School New Construction	\$ 90,480,239	\$ 7,434,837
West Cabarrus School Turf Fields	161,000	1,838,862
Government Center Skylight Repair	403,992	1,577,492
Cabarrus County Courthouse	1,763,025	4,902,542
	<u>\$ 92,808,255</u>	<u>\$ 15,753,733</u>

Discretely presented component unit

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 383,760	\$ 7,527	\$ -	\$ 391,287
Vehicles	415,416	151,688	(30,651)	536,453
Equipment	1,081,322	351,795	(34,330)	1,398,787
Land Improvements	600,505	-	-	600,505
Total capital assets being depreciated	<u>2,481,003</u>	<u>511,010</u>	<u>(64,981)</u>	<u>2,927,032</u>

Cabarrus County, North Carolina
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For the Fiscal Year Ended June 30, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation:				
Furniture and fixtures	321,408	25,761	-	347,169
Vehicles	325,414	62,693	(30,651)	357,456
Equipment	925,528	85,388	-	1,010,916
Land Improvements	575,987	13,538	-	589,525
Total accumulated depreciation	<u>2,148,337</u>	<u>187,380</u>	<u>(30,651)</u>	<u>2,305,066</u>
Total governmental activities, being depreciated (net)	<u>\$ 332,666</u>	<u>\$ 323,630</u>	<u>\$ (34,330)</u>	<u>\$ 621,966</u>
Governmental Capital Assets, net	<u>\$ 332,666</u>	<u>\$ 323,630</u>	<u>\$ (34,330)</u>	<u>\$ 621,966</u>

B. Liabilities

1. Payables

Payables at the government-wide level for the Primary Government at June 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 2,812,089	\$ 2,330,342	\$ 868,936	\$ 6,011,367
Limited Obligation Bonds 2017	1,198,029	-	-	1,198,029
Cares Act Relief Fund	-	-	534,713	534,713
Other Governmental	2,659,916	3,062	2,426,374	5,089,352
Total-governmental activities	<u>\$ 6,670,034</u>	<u>\$ 2,333,404</u>	<u>\$ 3,830,023</u>	<u>\$ 12,833,461</u>
Business-type activities				
Landfill	<u>\$ 78,426</u>	<u>\$ 10,347</u>	<u>\$ -</u>	<u>\$ 88,773</u>

Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 229,396	\$ 519,771	\$ 749,167
Total-governmental activities	<u>\$ 229,396</u>	<u>\$ 519,771</u>	<u>\$ 749,167</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

State's CAFR includes financial statements and required supplementary information LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$5,088,523 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$21,710,284 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's 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, 2020 the County's proportion was 0.795% (measured as of June 30, 2019), which was an increase of 0.017% from its proportion as of June 30, 2019 (measured as of June 30, 2018.)

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

For the year ended June 30, 2020, the County recognized pension expense of \$9,628,808. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 3,717,350	\$ -
Changes of assumptions	3,538,416	-
Net difference between projected and actual earnings on pension plan investments	529,544	-
Changes in proportion and differences between County contributions and proportionate share of contributions	36,295	128,256
County Contributions subsequent to the measurement date	5,088,523	-
	<u>\$ 12,910,128</u>	<u>\$ 128,256</u>

\$5,088,523 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 ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 3,838,995
2022	1,152,979
2023	2,092,277
2024	609,098
2025	-
Thereafter	-
	<u>\$ 7,693,349</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 percent to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 49,655,389	\$ 21,710,284	\$ (1,517,760)

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

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Cabarrus County administers a public employee retirement system (the "Separation Allowance"); a single-employer defined benefit pension plan that provides retirement benefits to the County's

qualified sworn law enforcement officers 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	24
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	180
Total	<u>204</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, 2018 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	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.26 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, 2018 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, 2014.

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

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Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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 \$407,962 as benefits came due for the reporting period.

At June 30, 2020, the County reported a total pension liability of \$8,474,799. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$737,426.

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 809,441	\$ 74,559
Changes of assumptions	412,437	249,008
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	428,013	-
Total	<u>\$ 1,649,891</u>	<u>\$ 323,567</u>

The County paid \$426,723 in benefit payments and \$1,290 in administrative expenditures 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 193,721
2022	193,721
2023	207,189
2024	180,601
2025	123,079
Thereafter	-

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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate.

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 9,148,546	\$ 8,474,799	\$ 7,856,237

	Total Pension Liability
Beginning balance	\$ 7,374,262
Service cost at end of year	281,417
Interest on the total pension liability	260,998
Change of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	724,690
Changes of assumptions or other inputs	241,394
Benefit payments	(407,962)
Other changes	-
Ending balance of the total pension liability	<u>\$ 8,474,799</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 to 3.26 percent at June 30, 2019.

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan (401k)

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County has chosen to extend this benefit to all its full and part-time (who are eligible for North Carolina Local Governmental Employees' Retirement System) employees. Contributions by Cabarrus County for the year ended June 30, 2020 were \$4,109,313 which consisted of \$2,785,531 from the County and \$1,323,782 from the employees. Contributions for the year ended June 30, 2020 were \$468,881 from participating Alliance employees. The Alliance's Board reinstated the employer's contribution to this benefit. The Alliance matched up to 1% beginning July 1, 2018. The Alliance contributed \$90,987 to the plan for the year ended June 30, 2020.

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.

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

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Cabarrus County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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 \$23,488 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$408,973 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 2.072%, which was a decrease of 0.208% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$42,777. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 19,722
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,185	-
Changes in proportion and differences between County contributions and proportionate share of contributions	38,057	-
County Contributions subsequent to the measurement date	23,488	-
	<u>\$ 65,730</u>	<u>\$ 19,722</u>

\$23,488 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 9,871
2022	14,155
2023	6,573
2024	(8,079)
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income class. The best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.75 percent) or one percentage point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	(338,063)	(408,973)	(468,925)

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

e. Pension Liabilities, 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. 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:

	LGERS	ROD	LEOSSA	TOTAL
Proportionate Share of Net Pension Liability (Asset)	\$ 21,710,284	\$ (408,973)	\$ -	\$ 21,301,311
Proportion of the Net Pension Liability (Asset)	0.795%	2.072%	-	-
Total Pension Liability	-	-	8,474,799	8,474,799
Pension Expense	9,628,808	42,777	737,426	10,409,011

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Cabarrus County, North Carolina
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	LGERS	ROD	LEOSSA	TOTAL
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 3,717,350	\$ -	\$ 809,441	\$ 4,526,791
Change of assumptions	3,538,416	-	412,437	3,950,853
Net difference between projected and actual earnings on pension plan investments	529,544	4,185	-	533,729
Changes in proportion and differences between County contributions and proportionate share of contributions	36,295	38,057	-	74,352
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,088,523	23,488	428,013	5,540,024
	LGERS	ROD	LEOSSA	TOTAL
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	-	19,722	74,559	94,281
Changes of assumptions	-	-	249,008	249,008
Changes in proportion and differences between County contributions and proportionate share of contributions	128,256	-	-	128,256

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. No 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 as shown in the chart below. In addition, retirees must work the last five years at Cabarrus County.

Hire Rehire Date	Eligible for 100% coverage	Eligible for 50% coverage	Not Eligible
Prior to 07/01/1997	If employees signed vacation (schedule A) acceptance agreement	N/A	If employee signed vacation (schedule B) declination agreement for reduced vacation
07/01/1997-10/31/2003	10 years of creditable service	N/A	N/A
11/01/2003-10/31/2016	25 years of creditable service	10 years of creditable service	N/A
On or after 11/01/2016	25 years of creditable service	15 years of creditable service	N/A

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. 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, 2019 the date of the latest actuarial valuation:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	92
Inactive Members Entitled To But Not Yet	
Receiving Benefits	-
Active Employees	1,028
Total Membership	<u>1,120</u>

Total OPEB Liability

The County's total OPEB liability (TOL) of \$34,499,299 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions and other inputs. The County's total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following key actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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 tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board.

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The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2019	\$ 42,246,559
Changes for the year:	
Service Cost at the end of the year*	2,382,844
Interest on TOL and Cash Flows	1,622,016
Change in benefit terms	-
Difference between expected and actual experience	(11,265,223)
Changes of assumptions or other inputs	622,675
Benefits payments	(1,109,572)
Other	-
Net Changes	\$ (7,747,260)
Total OPEB Liability as of June 30, 2020	\$ 34,499,299

* The service cost includes interest for the year.

Sensitivity of the total OPEB liability to changes in the health care 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.

Health Care Cost Trend Rate Sensitivity

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 30,305,977	\$ 34,499,299	\$ 39,477,144

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 3.50%, 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:

Discount Rate Sensitivity

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 38,097,692	\$ 34,499,299	\$ 31,278,178

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

For the year ended June 30, 2020 the County recognized OPEB expense of \$2,280,333. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 100,849	\$ 10,160,545
Changes of assumptions or other inputs	548,459	2,702,683
Benefit payments and administrative costs made subsequent to the measurement date	1,607,700	-
Total	<u>\$ 2,257,008</u>	<u>\$ 12,863,228</u>

\$1,607,700 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows;

Measurement Period Ended
June 30:

2021	\$ (1,735,712)
2022	(1,735,712)
2023	(1,735,712)
2024	(1,735,712)
2025	(1,735,712)
Thereafter	(3,535,360)

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 (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 \$20,000, the Alliance has 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 and not the Alliance, the Alliance does not determine the number of eligible participants. For the years ended June 30, 2018, June 30, 2019 and June 30, 2020, the Alliance contributed .04% of annual covered payroll or \$5,163, \$5,320 and \$5,363 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 31st provided by the IRS. This amount is then added to the employee's taxable wages on a calendar year basis.

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

Federal and state laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs are typically paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an

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operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,724,323 reported as landfill closure and post closure care liability at June 30, 2020 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 77% of a (C&D) only cell. This amount is based on what it would cost to perform all closure and post closure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

- The Municipal Solid Waste (MSW) reached capacity in 1997 and was covered in 1998.
- An expansion area that sits on the top of the MSW site was added in 1998 to accept construction and demolition waste (C&D). This expansion area has reached capacity and is in the process of being closed.
- An additional C&D expansion area was opened in Fiscal Year 2006 and is expected to reach full capacity in FY 2022.

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

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 13,188,642	\$ -
(Pensions, OPEB) - difference between expected and actual experience	4,627,640	10,254,826
(Pensions, OPEB) - change of assumptions	4,499,312	2,951,691
(Pensions) - Net difference between projected and actual investment earnings	533,729	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	74,352	128,256
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	5,112,011	-
Benefit payment administrative costs paid subsequent to the measurement date (LEOSSA)	428,013	-
Benefit payment administrative costs paid subsequent to the measurement date (OPEB)	1,607,700	-
Prepaid taxes not yet earned	-	677,841
Cannon Library Grant	-	128,000
Government-wide deferred outflows and inflows of resources	30,071,399	14,140,614
Taxes receivable, net (General)	-	2,296,590
Ambulance receivable, net (General)	-	918,694
Total	\$ 30,071,399	\$ 17,355,898

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 \$2,500,000 per occurrence and \$5,000,000 aggregate.

The property insurance program is financed using a combination of self-funding and insurance purchased through Travelers 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 food, 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, 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 also purchased Cyber Liability coverage through Arthur J. Gallagher (National Union Fire Insurance Company of Pittsburgh, PA) with a \$7,000,000 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 and Tax Collector are each individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$200,000.

The County carries commercial coverage for all other risks of loss including flood loss. Flood coverage 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 three fiscal years.

Insurance coverage for the Alliance is through McGriff 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 to1is; 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 2017, 2018 and 2019.

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 \$100,000.

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, 2020 is shown.

	6/30/2019	6/30/2020
Unpaid claims, beginning of fiscal year	\$ 801,179	\$ 682,767
Incurred claims	2,450,534	2,252,885
Claims payments	(2,568,946)	(2,264,322)
Unpaid claims, end of fiscal year	<u>\$ 682,767</u>	<u>\$ 671,330</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, 2020 is shown.

	6/30/2019	6/30/2020
Unpaid claims, beginning of fiscal year	\$ 1,546,798	\$ 1,665,864
Incurred claims	9,218,871	11,276,462
Claims payments	(9,099,805)	(11,237,282)
Unpaid claims, end of fiscal year	<u>\$ 1,665,864</u>	<u>\$ 1,705,044</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, 2020, 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.

7. Long-Term Obligations

a. Capital Leases

The County has entered into agreements to lease property and equipment. The lease agreements qualify as capital leases for account purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

On October 28, 2016, the County, lessee, financed the acquisition of Sheriff's Department equipment at an effective interest rate of 3.27%. The last payment of \$164,715 was made this fiscal year.

The equipment was pledged as collateral for the 2016 lease. The Lease has events of default specified therein. An occurrence of an event of default could result in an acceleration of the then outstanding amount of the 2016 Lease. After an event of default, the collateral securing the 2016 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 2016 Lease. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2016 Lease. The remedies afforded to the owners of the 2016 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 2016 Lease.

On August 15, 2018, the County, lessee, 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 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.

The assets acquired through capital leases are as follows:

	Governmental Activities
County owned Asset:	
Equipment	\$ 965,660
Less: Accumulated depreciation	(444,203)
Total	<u>\$ 521,457</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

Year Ending, June 30	Governmental Activities
2021	115,190
2022	115,191
2023	115,191
2024	115,190
Total Minimum lease payments	460,762
Less: amount representing interest	(18,460)
Present value of minimum lease payments	<u>\$ 442,302</u>

b. Operating Leases

The County leases building, equipment and office facilities under non-cancelable operating leases. Total costs for the leases were \$898,176 for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

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Year Ending June 30,	Amount
2021	793,711
2022	761,034
2023	768,965
2024	736,441
2025	736,909
longer than 5 years	772,942
Total	<u>\$ 4,570,002</u>

c. Notes Payable

On September 9, 2015 the County entered into a Memorandum of Understanding with the North Carolina Department of Public Safety for the payment of a \$457,323 Note for inmate safekeeping services provided by the State prior to June 30, 2015. The last payment of \$91,463 was made this fiscal year.

d. General Obligation Indebtedness

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

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.

The County's general obligation bonds payable at June 30, 2020 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.

\$	37,865,000
<u>\$</u>	<u>37,865,000</u>

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2020, for the County's general obligation bonds are as follows:

Year Ending, June 30	Governmental Activities	
	Principal	Interest
2021	6,380,000	1,644,100
2022	6,410,000	1,325,100
2023	6,450,000	1,004,600
2024	6,475,000	682,100
2025	6,105,000	455,475
2026-2030	6,045,000	354,200
	<u>\$ 37,865,000</u>	<u>\$ 5,465,575</u>

e. Certificates of Participation/Limited Obligation Bonds

1. Public Offered Debt

On September 22, 2010, the Cabarrus County Development Corporation issued \$18,920,000 (2010A) Certificates of Participation (COPS) contracts to refund the 2001 COPS issued for the construction of Cox Mill Elementary School, Harris Road Middle School, C.C. Griffin Middle School and equipping of two middle schools and one elementary school. These 11-year COPS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over an 11-year period will be \$23,666,150. Total remaining payments of principal and interest due is \$1,780,000 and \$85,250. The total principal balance due at June 30, 2020 is \$1,780,000.

The sites of the Cox Mill Elementary School, the Harris Road Middle School and the C.C. Griffin Middle School are pledged as collateral for the 2010A COPS. The Installment Financing Contract (the "2010A Contract") and the Trust Indenture relating to the 2010A 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 2010A COPS. After an event of default, the collateral securing the 2010A 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 2010A COPS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2010A Contract. The remedies afforded to the owners of the 2010A 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 2010A COPS.

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, will mature in 2023, with an interest rate of 5.10%, and the second bullet, for \$7,435,000, will mature in 2026 with an interest rate of 5.50%. The Federal subsidy rate 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 range from approximately \$1,743,925 to \$2,106,125. 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, 2020, the County's trustee held principal payments of \$7,985,000 in a sinking fund; the total principal balance due at June 30, 2020 is \$14,635,000.

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.

On August 31, 2011, the Cabarrus County Development Corporation issued \$11,735,000 (2011B) Limited Obligation Bonds (LOBS) contracts to refund \$11,970,000 of the 2002 COPS issued for the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the County owned Cabarrus Arena & Events Center. These 11-year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over an 11-year period will be \$14,988,756. Total remaining annual payments of principal and interest range from approximately \$1,309,150 to \$1,375,900. The total principal balance due at June 30, 2020 is \$2,505,000.

The sites of Concord High School, JN Fries Middle School, Mt. Pleasant High School, Northwest Middle School, Central Cabarrus High School, and the Cabarrus Arena and Events Center were pledged as collateral for the 2011B LOBS. The Installment Financing Contract (the "2011B Contract") and the Trust Indenture relating to the 2011B 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 2011B LOBS. After an event of default, the collateral securing the 2011B 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 2011B LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2011B Contract. The remedies afforded to the owners of the 2011B 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 2011B LOBS.

On August 31, 2011, the Cabarrus County Development Corporation issued \$21,780,000 (2011C) Limited Obligation Bonds (LOBS) contracts to refund \$22,425,000 of the 2003 COPS issued for the cost of acquiring real property, construction and equipping of Bethel Elementary School, Pitts Road Elementary, Kannapolis Middle School, expansion of two existing elementary school facilities and various real and personal property improvements. These 13-year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 13-year period will be \$29,779,084. Total remaining annual payments of principal and interest range from approximately \$2,047,500 to \$2,361,000. The total principal balance due at June 30, 2020 is \$7,820,000.

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 2011C LOBS. The Installment Financing Contract (the "2011C Contract") and the Trust Indenture relating to the 2011C 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 2011C LOBS. After an event of default, the collateral securing the 2011C 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 2011C LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2011C Contract. The remedies afforded to the owners of the 2011C 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 2011C LOBS.

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 \$6,429,663. The total principal balance due at June 30, 2020 is \$59,035,000.

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 \$6,452,625. The total principal balance due at June 30, 2020 is \$59,290,000.

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.

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2021	12,545,000	6,715,563
2022	10,745,000	6,093,063
2023	16,680,000	5,559,163
2024	9,485,000	4,717,963
2025	7,070,000	4,318,713
2026-2030	42,780,000	14,655,363
2031-2035	35,325,000	6,159,238
2036-2040	10,435,000	448,825
	<u>\$ 145,065,000</u>	<u>\$ 48,667,891</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 \$2,098,815. The total principal balance due at June 30, 2020 is \$11,925,000.

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 \$3,092,667. The total principal balance due at June 30, 2020 is \$19,585,000.

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 \$4,280,932. The total principal balance due at June 30, 2020 is \$29,320,000.

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 \$6,592,482. The total principal balance due at June 30, 2020 is \$45,535,000.

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.

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 \$4,757,050. The total principal balance due at June 30, 2020 is \$48,100,000.

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 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. As of June 30, 2020, the County has an outstanding liability of \$6,017,493.

In FY 2023, 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, 2020, for the County's Certificates of Participation/Limited Obligation Bonds are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2021	16,700,000	4,121,946
2022	16,465,000	3,687,346
2023	22,252,493	3,258,611
2024	15,985,000	2,835,600
2025	15,725,000	2,418,808
2026-2030	55,935,000	6,275,198
2031-2035	10,895,000	1,991,650
2036-2040	6,525,000	398,026
	<u>\$ 160,482,493</u>	<u>\$ 24,987,185</u>

f. 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, 2020 was \$2,405,266.

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 July 20, 2016, the County entered into an installment contract to finance the purchase of E-911 equipment. The County was advanced funds totaling \$283,642. Annual installment payments range from \$27,253 to \$58,230 over five years with an effective interest rate of 1.77%. The County's outstanding liability at June 30, 2020 was \$87,732.

The equipment was pledged as collateral for the 2016 Agreement. The Financing Agreement for the 2016 financing has numerous events of default specified therein. An occurrence of an event of default under either could result in an acceleration of the then outstanding amount of the 2016 Agreement. After an event of default, the collateral securing the 2016 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 2016 Agreement. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2016 Agreement. The remedies afforded to the owners of the 2016 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 2016 Agreement.

On February 28, 2017, the County, financed the acquisition of additional land for the Rob Wallace Park with a down payment of \$260,000 with no effective interest rate. Annual payments of \$49,000 will be made on this lease through June 2021. The County's outstanding liability at June 30, 2020 was \$98,000.

The property was pledged as collateral for the 2017 Contract. The Purchase and sale contract for the 2017 Contract 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 2017 Contract. After an event of default, the collateral securing the 2017 Contract 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 Contract. 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 Contract 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 Contract.

On May 1, 2018, the County financed the acquisition of additional land for the Rowan Cabarrus Community College with a down payment of \$310,800 with an effective interest rate of 2%. Annual payments of \$310,000 will be made on this lease through May 2021. The County's outstanding liability at June 30, 2020 was \$310,000.

The property was pledged as collateral for the 2018 Contract. The Purchase contract and seller financing agreement for the 2018 Contract 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 amount of the 2018 Contract. After an event of default, the collateral securing the 2018 Contract 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 Contract. 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 Contract 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 Contract.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2020, for the County's installment financing are as follows:

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Year Ending, June 30	Governmental Activities	
	Principal	Interest
2021	511,019	103,707
2022	176,043	92,720
2023	101,443	88,557
2024	105,500	84,500
2025	109,720	80,280
2026 - 2030	618,050	331,948
2031 - 2035	751,954	198,046
2036 - 2040	527,269	42,735
	<u>\$ 2,900,998</u>	<u>\$ 1,022,493</u>

Debt related to Capital Activities – Of the total Governmental Activities debt listed, only \$57,160,396 relates to assets for which the County holds title. Restricted cash related to this debt amounts to \$74,336.

g. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 44,290,000	\$ -	\$ 6,425,000	\$ 37,865,000	\$ 6,380,000
Plus: Premiums on issuance	6,028,541	-	761,500	5,267,041	-
Total General obligation bonds	<u>50,318,541</u>	<u>-</u>	<u>7,186,500</u>	<u>43,132,041</u>	<u>6,380,000</u>
Certificates of Participation/ Limited Obligation Bonds	157,645,000	-	12,580,000	145,065,000	12,545,000
Direct borrowings and direct placements	171,395,000	6,017,493	16,930,000	160,482,493	16,700,000
Plus: Premiums on issuance	<u>18,862,739</u>	<u>-</u>	<u>1,552,429</u>	<u>17,310,310</u>	<u>-</u>
Total Certificates of Participation/ Limited Obligation Bonds	<u>347,902,739</u>	<u>6,017,493</u>	<u>31,062,429</u>	<u>322,857,803</u>	<u>29,245,000</u>
Notes payable	91,463	-	91,463	-	-
Capital leases	713,127	-	270,825	442,302	107,867
Installment financing	3,407,393	-	506,395	2,900,998	511,019
Compensated absences	4,313,629	2,926,127	2,751,194	4,488,562	2,862,765
Net Pension liability (LGERS)	18,389,521	3,238,264	-	21,627,785	-
Total Pension liability (LEOSSA)	<u>7,374,262</u>	<u>1,100,537</u>	<u>-</u>	<u>8,474,799</u>	<u>-</u>
Total OPEB liability	<u>42,086,022</u>	<u>-</u>	<u>7,717,820</u>	<u>34,368,202</u>	<u>-</u>
Total governmental activities	<u>\$ 474,596,697</u>	<u>\$ 13,282,421</u>	<u>\$ 49,586,626</u>	<u>\$ 438,292,492</u>	<u>\$ 39,106,651</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Business-type activities					
Compensated absences	\$ 19,303	\$ 13,184	\$ 11,082	\$ 21,405	\$ 17,122
Total pension liability (LERS)	70,147	12,352	-	82,499	-
Total OPEB Liability	160,537	-	29,440	131,097	-
Landfill Closure/Post-Closure	3,800,174	-	75,851	3,724,323	81,000
Total business-type activities	<u>\$ 4,050,161</u>	<u>\$ 25,536</u>	<u>\$ 116,373</u>	<u>\$ 3,959,324</u>	<u>\$ 98,122</u>

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Discretely presented component unit:					
Compensated absences	\$ 538,673	\$ 958,758	\$ 638,567	\$ 858,864	\$ 841,687
Total OPEB Liability	1,749,260	260,247	97,736	1,911,771	-
Total discretely presented component unit	<u>\$ 2,287,933</u>	<u>\$ 1,219,005</u>	<u>\$ 736,303</u>	<u>\$ 2,770,635</u>	<u>\$ 841,687</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.

h. Conduit Debt Obligations

Cabarrus County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transactions between funds are accounted for as follows:

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

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The composition of interfund balances as of June, 30, 2020 is as follows:

Transfers to/from other funds at June 30, 2020 consists of the following:

From the General Fund to the LOBS 2017 Fund for vendor settlement	1,653,083
From the General Fund to the Small Projects Fund for DUKE rebate	54,901
From the General Fund to the County Capital Projects Fund for Phase II of Turf Fields	263,966
From the General Fund to the Construction and Renovation Fund for skylight roof project, Sheriff radio communication tower, and operations center	1,467,722
From the General Fund to the School Construction Fund for new high school and middle school land purchases, school gym, activity bus and various other school non-facility and maintenance projects	10,315,115
From the General Fund to the Cabarrus Arena and Events Center Special Revenue Fund for the operations of the facility	803,245
From the Public School Building Capital Projects Fund to the General Fund for debt service payments	2,300,000
From the Construction and Renovation Fund to the County Capital Projects fund for the Government Center skylight and roof project, turf fields and new courthouse project	15,555,346
From the School Construction Capital Projects Fund to the Capital Reserve Fund to return funds for the middle school land purchase costing less than original transfer	378,707
From the School Construction Capital Projects Fund to the County Capital Projects Fund for turf fields	147,968
From the School Construction Fund to the School Capital Projects Fund for new middle and high schools	9,383,614
From the School Construction Debt Capital Projects Fund to the LOBS 2018 Capital Projects Fund for elementary school road construction	150,836
From the LOBS 2017 Capital Projects Fund to the County Capital Projects Fund for turf fields	148,544
From the LOBS 2017 Fund to the Construction and Renovations Capital Projects Fund for the General Government skylight and roof project	393,106
From the LOBS 2017 Fund to the General Fund for debt service payments	4,075
From the County Capital Projects Fund to the Capital Reserve Capital Projects Fund for the 2020A LOBS Debt reimbursement for skylight and roof projects	2,085,000
From the LOBS 2018 Fund to the General Fund for debt service payments	3,082
From the School Capital Projects Fund to the Capital Reserve Capital Projects Fund for the 2020A LOBS Debt reimbursement for high school and middle school land purchases	5,001,114
From the Cabarrus Arena and Events Special Revenue Fund to the Construction and Renovation Capital Projects Fund for the arena security vestibule	41,438
From the Capital Reserve Capital Projects Fund to the LOBS 2018 Fund for RCCC Advanced Technology Center and elementary school road construction	654,449

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

From the Capital Reserve Capital Projects Fund to the LOBS 2017 Fund for Weddington Road improvements	221,500
From the Capital Reserve Capital Projects Fund to the Construction and Renovations Fund for turf field, firing range, operations center, arena kitchen goods storage building replacement, security cameras, Governmental Center skylight and roof repair and EMS headquarters	6,675,831
From the Capital Reserve Capital Projects Fund to the School Construction Fund for RCCC CBTC AC unit replacement phase III, RCCC South Campus alarm replacement, two activity buses, replace electrical service at Mount Pleasant Elementary School, and security cameras for Cabarrus County Schools	1,420,946
From the Capital Reserve Capital Projects Fund to the County Capital Projects Fund for turf field	500,000
From the Internal Service Fund to the General Fund for Frank Lisk Park Barn, ambulance replacement and sheriff vehicle replacement with insurance settlements	205,722
	<u>\$ 59,829,310</u>

D. Net Investment in Capital Assets

Governmental Activity, net investment in capital assets at June 30, 2020, are computed as follows:

Capital assets, net of accumulated depreciation	\$	213,471,842
Deferred outflows of resources		13,188,642
Less: capital debt		
Gross debt	\$	(369,333,144)
School debt related to assets to which the County does not capitalize		312,098,412
Unspent debt proceeds, non school related debt		<u>74,336</u>
		(57,160,396)
Deferred outflows related to school debt		<u>(9,560,206)</u>
Net investment in capital assets	\$	<u>159,939,882</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, 2019 the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

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, 2020 the balance of the County's ADM allocation account was \$3,940.

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, 2020 the Lottery fund had a disbursing account balance of \$3,560,104.

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, 2020 the self-insured hospitalization / dental internal service fund had an unrestricted net position of \$3,484,328. 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, 2020 the workers' compensation / property liability internal service fund had a net position of \$6,577,917. 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 participates in a joint venture to operate Cardinal Innovations Healthcare Solution with four other local governments. Each participating government appoints four board members to the twenty-member board. The County has an ongoing financial responsibility for the joint venture because Cardinal Innovations Healthcare Solution's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in Cardinal Innovations Healthcare Solution, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$502,527 to Cardinal Innovations Healthcare Solution to supplement its activities. Complete financial statements for Cardinal Innovations Healthcare Solution can be obtained from Cardinal Innovations Healthcare Solution's offices at 4855 Milestone Ave, Kannapolis, NC 28081.

The County, in conjunction with the State of North Carolina, Rowan-Cabarrus Community College and Rowan County participates in a joint venture to operate the Rowan-Cabarrus Community College. Each of the four participants, except the County who only appoints two members, appoints four members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an *ex-officio* non-voting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds, Limited Obligation Bonds and Capital Leases to provide financing for new and restructured facilities. Of the 2013 Refunding General Obligation bonds issued, \$1,449,573 in debt is still outstanding. Of the 2018 Limited Obligation bond issued, \$14,255,000 in debt is still outstanding. Of the 2018 Capital Lease, \$310,000 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 \$3,402,215 to the community college for operating purposes and \$383,883 for capital outlay during the fiscal year ended June 30, 2020. In addition, the County made combined debt service principal payments of \$1,400,542 during the fiscal year on general obligation bonds, limited obligation bonds and capital leases issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. 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.

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, 2020, occupancy taxes totaling \$3,719,923, 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, 2020. 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 in order to operate and maintain a regional interceptor sewer system and wastewater treatment system. Although not a user of the wastewater treatment services, the County is a related party by virtue of joint governance of the Water and Sewer Authority of Cabarrus County. At June 30, 2020, \$601,800 was due to the Water and Sewer Authority for fees collected.

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 membership fees of \$57,559 to the Council during the fiscal year ended June 30, 2020. The County was the sub recipient of grants totaling \$872,283 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.

Note 6. Significant Effects of Subsequent Event

COVID 19

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this of this pandemic.

Direct Borrowing Draws

On February 27, 2020, the County entered into a direct borrowing agreement with Cabarrus County Development Corporation providing for a 3-year draw program. The draw program allows the County to borrow up to \$130,000,000 as needed for construction of a new courthouse, new middle school, land for high and middle school, skylight and roof replacement and athletic turf fields. There have been \$13,690,505 in draws since June 30, 2020.

<u>Date of Draw</u>	<u>Amount</u>
07/10/2020	\$ 561,339
08/20/2020	\$1,325,161
09/23/2020	\$1,858,992
10/25/2020	\$6,227,650
11/24/2020	\$3,717,363

Required Supplemental Financial Data

This section contains additional information on the Local Government Employees' Retirement Plan, the Law Enforcement Officer's Special Separation Allowance and the Other Post-Employment Benefits-Retiree Health Plan as of June 30, 2020.

TOTAL OPEB LIABILITY

	2020	2019	2018
Service Cost at the end of the year	\$ 2,382,844	\$ 2,459,190	\$ 2,650,570
Interest	1,622,016	1,448,147	1,215,771
Change in benefit terms	-	-	-
Difference between expected and actual experience	(11,265,223)	(309,710)	154,492
Changes of assumptions or other inputs	622,675	(1,458,547)	(2,423,124)
Benefits payments	(1,109,572)	(1,131,739)	(1,488,105)
Other	-	-	-
Net change in Total OPEB Liability	(7,747,260)	1,007,341	109,604
Total OPEB Liability - beginning	\$ 42,246,559	\$ 41,239,218	\$ 41,129,614
Total OPEB Liability - ending	\$ 34,499,299	\$ 42,246,559	\$ 41,239,218
 Covered-employee payroll	 \$ 49,994,283	 \$ 44,146,565	 \$ 44,146,565
Total OPEB Liability as a percentage of covered payroll	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
2020	3.50%
2019	3.89%
2018	3.56%

Cabarrus County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Seven Fiscal Years (1), (2)

Exhibit 11

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.795%	0.778%	0.770%	0.778%	0.724%	0.740%	0.741%
County's proportionate share of the net pension liability (asset) \$	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	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	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	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

⁽²⁾ This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

Cabarrus County, North Carolina
Schedule of County Contributions
Local Governmental Employees' Retirement System
Last Seven Fiscal Years (1)

Exhibit 12

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 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	<u>5,088,523</u>	<u>4,097,992</u>	<u>3,674,201</u>	<u>3,472,475</u>	<u>2,903,772</u>	<u>2,855,518</u>	<u>2,836,414</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 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	9.15%	7.94%	7.69%	7.46%	6.83%	7.14%	7.11%

⁽¹⁾ This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available

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 Seven Fiscal Years (1), (2)

Exhibit 13

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	2.072%	2.280%	2.387%	2.399%	2.267%	2.143%	2.163%
County's proportionate share of the net pension liability (asset) \$	\$ (408,973)	\$ (377,711)	\$ (407,500)	\$ (448,487)	\$ (525,183)	\$ (485,686)	\$ (462,104)
County's covered payroll	\$ 79,013	\$ 77,359	\$ 78,422	\$ 71,669	\$ 71,326	\$ 71,286	\$ 62,846
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

⁽²⁾ This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

Cabarrus County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Seven Fiscal Years (1)

Exhibit 14

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 23,488	\$ 19,690	\$ 19,516	\$ 20,743	\$ 19,597	\$ 18,134	\$ 17,494
Contributions in relation to the contractually required contribution	23,488	19,690	19,516	20,743	19,597	18,134	17,494
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	80,096	79,013	77,359	78,422	71,669	71,326	71,286
Contributions as a percentage of covered payroll	29.32%	24.92%	25.23%	26.45%	27.34%	25.42%	24.54%

⁽¹⁾ This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

Cabarrus County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Four Fiscal Years

Exhibit 15

	2020	2019	2018	2017
Beginning balance	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726	\$ 6,532,773
Service Cost	281,417	289,280	249,707	283,709
Interest on the total pension liability	260,998	220,996	252,149	229,563
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	724,690	319,266	(145,794)	-
Changes of assumption or other inputs	241,394	(281,484)	416,835	(164,444)
Benefits payments	(407,962)	(334,661)	(288,758)	(204,875)
Other changes	-	-	-	-
Ending balance of the total pension liability	<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
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Four Fiscal Years

Exhibit 16

	2020	2019	2018	2017
Total pension liability	\$ 8,474,799	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726
Covered payroll	10,156,862	9,482,279	9,441,196	10,335,413
Total pension liability as a percentage of covered payroll	83.44%	77.77%	75.85%	64.60%

Notes to the schedules:

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

Combining Statements for Non-Major Funds

Special Revenue Funds

Capital Projects Funds

Fiduciary Funds



Cabarrus County, North Carolina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2020

	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	Total Non-major Special Revenue Funds	
ASSETS								
Cash and cash equivalents	\$ 621,238	\$ 6,299	\$ 1,863,021	\$ 55,836	\$ 182,028	\$ 147,584	\$ 2,876,006	
Accounts receivable	57,905	-	8,171	-	-	4	66,080	
Interest receivable	1,432	-	4,854	-	431	357	7,074	
Prepaid items	-	-	8,971	-	-	-	8,971	
Restricted cash	-	-	51,702	-	-	-	51,702	
Total assets	<u>\$ 680,575</u>	<u>\$ 6,299</u>	<u>\$ 1,936,719</u>	<u>\$ 55,836</u>	<u>\$ 182,459</u>	<u>\$ 147,945</u>	<u>\$ 3,009,833</u>	
LIABILITIES								
Accounts payable and accrued liabilities	\$ 90,828	\$ -	\$ 163,339	\$ 55,836	\$ -	\$ -	\$ 310,003	
Contract retainages	-	-	-	-	-	-	-	
Total liabilities	<u>90,828</u>	<u>-</u>	<u>163,339</u>	<u>55,836</u>	<u>-</u>	<u>-</u>	<u>310,003</u>	
DEFERRED INFLOWS OF RESOURCES								
	-	-	-	-	-	-	-	
FUND BALANCES								
Nonspendable								
Prepaid items	-	-	8,971	-	-	-	8,971	
Restricted								
Stabilization by State statute	99,776	-	13,025	-	431	361	113,593	
Register of Deeds Automation & Enhancement	-	-	-	-		-	-	
Emergency Telephone 911	489,971	-	-	-	-	-	489,971	
Sheriff & State Safety Programs	-	-	-	-	169,744	-	169,744	
Community Development programs	-	6,299	-	-	-	-	6,299	
Soil and Water Programs	-	-	-	-	-	-	-	
School Debt and Construction	-	-	-	-	-	-	-	
Cabarrus Arena and Events Center	-	-	51,702	-	-	-	51,702	
Library grants	-	-	-	-	-	-	-	
Committed								
General government	-	-	-	-	-	-	-	
Public safety	-	-	-	-	12,284	-	12,284	
Economic and physical development	-	-	-	-	-	-	-	
Human services	-	-	-	-	-	147,584	147,584	
Education	-	-	-	-	-	-	-	
Culture and recreation	-	-	-	-	-	-	-	
Assigned								
Public safety	-	-	-	-	-	-	-	
Culture and recreation	-	-	1,699,682	-	-	-	1,699,682	
Unassigned	-	-	-	-	-	-	-	
Total fund balances	<u>589,747</u>	<u>6,299</u>	<u>1,773,380</u>	<u>-</u>	<u>182,459</u>	<u>147,945</u>	<u>2,699,830</u>	
Total liabilities, deferred inflows of resources and fund balances								
	\$ 680,575	\$ 6,299	\$ 1,936,719	\$ 55,836	\$ 182,459	\$ 147,945	\$ 3,009,833	

Capital Projects Fund										
Construction and Renovation Fund	School Construction Fund	School Construction Debt Fund	LOBS 2018 Fund	County Capital Projects Fund	School Capital Projects Fund	Capital Reserve Fund	Small Projects Fund	Cannon Memorial Library Fund	Total Capital Projects Funds	Total Non-major Governmental Funds
\$ 7,879,866	\$ 1,003,522	\$ 59,112	\$ 654,407	\$ 5,940,608	\$ 305,290	\$ 7,400,812	\$ 1,910,281	\$ 20,164	\$ 25,174,062	\$ 28,050,068
-	-	-	-	-	-	8,171	-	-	8,171	74,251
-	-	-	-	-	-	18,116	5,349	48	23,513	30,587
-	-	-	-	-	-	-	-	-	-	8,971
-	-	-	3,805,434	-	-	-	426,562	-	4,231,996	4,283,698
<u>\$ 7,879,866</u>	<u>\$ 1,003,522</u>	<u>\$ 59,112</u>	<u>\$ 4,459,841</u>	<u>\$ 5,940,608</u>	<u>\$ 305,290</u>	<u>\$ 7,427,099</u>	<u>\$ 2,342,192</u>	<u>\$ 20,212</u>	<u>\$ 29,437,742</u>	<u>\$ 32,447,575</u>
\$ 99,369	\$ 42,428	\$ -	\$ 346,213	\$ 1,259,467	\$ 522,077	\$ -	\$ 19,875	\$ -	\$ 2,289,429	\$ 2,599,432
-	-	-	727,491	87,619	29,570	-	-	-	844,680	844,680
<u>99,369</u>	<u>42,428</u>	<u>-</u>	<u>1,073,704</u>	<u>1,347,086</u>	<u>551,647</u>	<u>-</u>	<u>19,875</u>	<u>-</u>	<u>3,134,109</u>	<u>3,444,112</u>
-	-	-	-	-	-	-	254,448	-	254,448	254,448
-	-	-	-	-	-	-	-	-	-	8,971
2,457,292	-	-	-	-	-	26,287	5,349	48	2,488,976	2,602,569
-	-	-	-	-	-	-	423,337	-	423,337	423,337
-	-	-	-	-	-	-	-	-	-	489,971
-	-	-	-	-	-	-	-	-	-	169,744
-	-	-	-	-	-	-	-	-	-	6,299
-	-	-	-	-	-	-	3,225	-	3,225	3,225
-	-	-	3,386,137	-	-	-	-	-	3,386,137	3,386,137
-	-	-	-	-	-	-	-	-	-	51,702
-	-	-	-	-	-	-	-	20,164	20,164	20,164
1,844,521	-	-	-	-	-	800,000	629	-	2,645,150	2,645,150
762,114	-	-	-	3,590,019	-	360,000	-	-	4,712,133	4,724,417
21,382	-	-	-	-	-	-	1,635,329	-	1,656,711	1,656,711
-	-	-	-	-	-	180,000	-	-	180,000	327,584
-	961,094	59,112	-	-	-	1,913,408	-	-	2,933,614	2,933,614
2,695,188	-	-	-	1,003,503	-	1,804,062	-	-	5,502,753	5,502,753
-	-	-	-	-	-	2,343,342	-	-	2,343,342	2,343,342
-	-	-	-	-	-	-	-	-	-	1,699,682
-	-	-	-	-	(246,357)	-	-	-	(246,357)	(246,357)
<u>7,780,497</u>	<u>961,094</u>	<u>59,112</u>	<u>3,386,137</u>	<u>4,593,522</u>	<u>(246,357)</u>	<u>7,427,099</u>	<u>2,067,869</u>	<u>20,212</u>	<u>26,049,185</u>	<u>28,749,015</u>
<u>\$ 7,879,866</u>	<u>\$ 1,003,522</u>	<u>\$ 59,112</u>	<u>\$ 4,459,841</u>	<u>\$ 5,940,608</u>	<u>\$ 305,290</u>	<u>\$ 7,427,099</u>	<u>\$ 2,342,192</u>	<u>\$ 20,212</u>	<u>\$ 29,437,742</u>	<u>\$ 32,447,575</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, 2020

	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	Total Non-major Special Revenue Funds	
REVENUES								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 5,178,672	\$ -	\$ -	\$ 5,178,672	
Restricted Intergovernmental	694,860	-	-	-	14,686	-	709,546	
Intergovernmental - Lottery	-	-	-	-	-	-	-	
Program fees	-	-	585,575	-	1,130	-	586,705	
Investment earnings	9,746	-	35,944	-	2,963	2,511	51,164	
Donations	-	-	206,662	-	-	1,725	208,387	
Miscellaneous	-	-	3,137	-	-	-	3,137	
Total revenues	704,606	-	831,318	5,178,672	18,779	4,236	6,737,611	
EXPENDITURES								
General Government	-	-	-	-	-	-	-	
Public Safety	569,024	-	-	5,178,672	2,768	-	5,750,464	
Economic and Physical Development	-	1,698	-	-	-	-	1,698	
Environmental Protection	-	-	-	-	-	-	-	
Human Services	-	-	-	-	-	1,612	1,612	
Education	-	-	-	-	-	-	-	
Culture and Recreation	-	-	1,615,959	-	-	-	1,615,959	
Capital Outlay	-	-	63,144	-	-	-	63,144	
Debt Service:								
Principal Interest	57,213	-	-	-	-	-	57,213	
Interest and fees	2,313	-	-	-	-	-	2,313	
Total expenditures	628,550	1,698	1,679,103	5,178,672	2,768	1,612	7,492,403	
Excess (deficiency) of revenues over (under) expenditures	76,056	(1,698)	(847,785)	-	16,011	2,624	(754,792)	
OTHER FINANCING SOURCES (USES)								
Debt Proceeds	-	-	-	-	-	-	-	
Transfer in	-	-	803,245	-	-	-	803,245	
Transfer (out)	-	-	(41,438)	-	-	-	(41,438)	
Total other financing sources (uses):	-	-	761,807	-	-	-	761,807	
Net change in fund balances	76,056	(1,698)	(85,978)	-	16,011	2,624	7,015	
Fund balance, July 1	513,691	7,997	1,859,358	-	166,448	145,321	2,692,815	
Fund balance, June 30	\$ 589,747	\$ 6,299	\$ 1,773,380	\$ -	\$ 182,459	\$ 147,945	\$ 2,699,830	

Capital Projects Funds											
Public School Building Fund	Construction and Renovations Fund	School Construction Fund	School Construction Debt Fund	Limited Obligation Bonds 2018 Fund	County Capital Projects Fund	School Capital Projects Fund	Capital Reserve Fund	Small Projects Fund	Cannon Memorial Library Fund	Total Capital Projects Funds	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,366	\$ -	\$ 390,366	\$ 5,569,038
-	-	-	-	-	-	-	-	147,923	-	147,923	857,469
2,300,000	-	-	-	-	-	-	-	-	-	2,300,000	2,300,000
-	110,692	-	-	-	-	-	-	1,654	-	112,346	699,051
-	-	-	1,635	6,252	-	-	84,469	32,947	366	125,669	176,833
-	-	-	-	-	-	-	206,662	-	-	206,662	415,049
-	-	-	-	-	-	-	-	-	-	-	3,137
2,300,000	110,692	-	1,635	6,252	-	-	291,131	572,890	366	3,282,966	10,020,577
-	139,334	-	-	-	615,455	-	-	123,046	-	877,835	877,835
-	43,002	-	-	-	1,500	-	-	-	-	44,502	5,794,966
-	78,618	-	-	-	-	-	-	2,744	-	81,362	83,060
-	-	-	-	-	-	-	-	87,800	-	87,800	87,800
-	-	-	-	-	-	-	-	-	-	-	1,612
-	-	6,732,449	136,465	18,362,492	-	9,682,071	-	-	-	34,913,477	34,913,477
-	47,749	-	-	-	-	-	-	-	4,920	52,669	1,668,628
-	1,771,617	-	-	-	10,284,626	-	-	-	-	12,056,243	12,119,387
-	-	-	-	-	-	-	-	-	-	-	57,213
-	-	-	-	-	-	-	-	-	-	-	2,313
-	2,080,320	6,732,449	136,465	18,362,492	10,901,581	9,682,071	-	213,590	4,920	48,113,888	55,606,291
2,300,000	(1,969,628)	(6,732,449)	(134,830)	(18,356,240)	(10,901,581)	(9,682,071)	291,131	359,300	(4,554)	(44,830,922)	(45,585,714)
-	-	-	-	-	964,279	5,053,214	-	-	-	6,017,493	6,017,493
-	8,578,097	11,736,061	-	805,285	16,615,824	9,383,614	7,464,821	54,901	-	54,638,603	55,441,848
(2,300,000)	(15,555,346)	(9,910,289)	(150,836)	(3,082)	(2,085,000)	(5,001,114)	(9,472,726)	-	-	(44,478,393)	(44,519,831)
(2,300,000)	(6,977,249)	1,825,772	(150,836)	802,203	15,495,103	9,435,714	(2,007,905)	54,901	-	16,177,703	16,939,510
-	(8,946,877)	(4,906,677)	(285,666)	(17,554,037)	4,593,522	(246,357)	(1,716,774)	414,201	(4,554)	(28,653,219)	(28,646,204)
-	16,727,374	5,867,771	344,778	20,940,174	-	-	9,143,873	1,653,668	24,766	54,702,404	57,395,219
\$ -	\$ 7,780,497	\$ 961,094	\$ 59,112	\$ 3,386,137	\$ 4,593,522	\$ (246,357)	\$ 7,427,099	\$ 2,067,869	\$ 20,212	\$ 26,049,185	\$ 28,749,015



Special Revenue Funds

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

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

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

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

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

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

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

Cabarrus County, North Carolina
Emergency Telephone System Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

Schedule 3

	Actual		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental:			
NC 911 service fees	\$ 694,860	\$ 694,860	\$ -
Local contributions	63,880	-	(63,880)
Investment earnings	1,500	9,746	8,246
Total revenues	760,240	704,606	(55,634)
EXPENDITURES			
Public Safety:			
Operations	700,714	569,024	131,690
Debt service:			
Principal	57,213	57,213	-
Interest	2,313	2,313	-
Total expenditures	760,240	628,550	131,690
Net change in fund balance	\$ -	76,056	\$ 76,056
Fund balance, July 1		513,691	
Fund balance, June 30		\$ 589,747	

Community Development Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Restricted intergovernmental:				
CDBG program fees	\$ 42,352	\$ 42,352	\$ -	\$ 42,352
HOME Consortium Grants	192,347	192,347	-	192,347
HOME program revenues	44,495	44,495	-	44,495
Total Revenues	<u>279,194</u>	<u>279,194</u>	<u>-</u>	<u>279,194</u>
EXPENDITURES				
Economic and physical development:				
CDBG:				
Sub-contractor construction	<u>42,352</u>	<u>33,312</u>	<u>2,741</u>	<u>36,053</u>
Total CDBG	<u>42,352</u>	<u>33,312</u>	<u>2,741</u>	<u>36,053</u>
HOME Consortium:				
Consultants	7,563	8,606	(1,043)	7,563
Sub-contractor construction	<u>279,279</u>	<u>279,279</u>	<u>-</u>	<u>279,279</u>
Total HOME consortium	<u>286,842</u>	<u>287,885</u>	<u>(1,043)</u>	<u>286,842</u>
Total expenditures	<u>329,194</u>	<u>321,197</u>	<u>1,698</u>	<u>322,895</u>
Revenues over (under) expenditures	<u>(50,000)</u>	<u>(42,003)</u>	<u>(1,698)</u>	<u>(43,701)</u>
OTHER FINANCING SOURCES				
Transfer in - General Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,997</u>	<u>(1,698)</u>	<u>\$ 6,299</u>
Fund balance, July 1			<u>7,997</u>	
Fund balance, June 30			<u>\$ 6,299</u>	

Cabarrus County, North Carolina
Cabarrus Arena and Events Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

Schedule 5

	Actual		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Arena and Events Center:			
Donations - Cabarrus Visitors Bureau	\$ 291,903	\$ 196,662	\$ (95,241)
Investment earnings	-	8	8
Total Arena and Events Center	291,903	196,670	(95,233)
County Fair:			
Program fees	677,150	585,575	(91,575)
Investment earnings	14,117	35,936	21,819
Miscellaneous	15,000	3,137	(11,863)
Total County Fair	706,267	624,648	(81,619)
Visitor Related Events:			
Donations - Cabarrus Visitors Bureau	10,000	10,000	-
Total Visitor Related Events	10,000	10,000	-
Total revenues	1,008,170	831,318	(176,852)
EXPENDITURES			
Cultural and recreational:			
Arena and Events Center			
Management Company	733,400	730,546	2,854
Capital Outlay	63,144	63,144	-
Other operating expenses	277,166	240,046	37,120
Total Arena & Events Center	1,073,710	1,033,736	39,974
County Fair:			
Salaries and employee benefits	144,099	133,932	10,167
Other operating expenses	603,606	501,435	102,171
Total County Fair	747,705	635,367	112,338
Visitor Related Events:			
Total Visitor Related Events	10,000	10,000	-
Total expenditures	1,831,415	1,679,103	152,312
Revenues over (under) expenditures	(823,245)	(847,785)	(24,540)
OTHER FINANCING SOURCES (USES)			
Transfer in - General Fund	803,245	803,245	-
Transfer (out) - Construction and Renovations Fund	(41,438)	(41,438)	-
Fund Balance Appropriated	61,438	-	(61,438)
Total other financing sources (uses)	823,245	761,807	(61,438)
Net change in fund balance	\$ -	(85,978)	\$ (85,978)
Fund balance, July 1		1,859,358	
Fund balance, June 30		\$ 1,773,380	

Cabarrus County, North Carolina
Fire Districts Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

Schedule 6

	Actual		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Ad Valorem Taxes	\$ 5,434,939	\$ 5,178,672	\$ (256,267)
EXPENDITURES			
Public Safety	5,434,939	5,178,672	256,267
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1		-	
Fund balance, June 30		<u>\$ -</u>	

Cabarrus County, North Carolina
 Sheriff's Department Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2020

Schedule 7

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Federal Forfeiture Sharing	\$ 97,931	\$ 97,931	\$ -	\$ 97,931
Federal Forfeiture Sharing -Treasury	257,611	257,611	3,257	260,868
NC Substance Control Tax	444,773	434,524	11,429	445,953
Firing Range fees	33,142	32,011	1,130	33,141
Investment earnings:				
Federal Forfeiture sharing	7,795	7,562	350	7,912
Federal Forf sharing-Treasury	12,890	12,283	924	13,207
NC Substance Control Tax	58,494	57,457	1,580	59,037
Firing Range	704	635	109	744
Total revenues	<u>913,340</u>	<u>900,014</u>	<u>18,779</u>	<u>918,794</u>
EXPENDITURES				
Public Safety	668,790	452,938	2,768	455,706
Capital Outlay:				
Equipment	153,701	153,701	-	153,701
Vehicles	268,300	304,378	-	304,378
Total expenditures	<u>1,090,791</u>	<u>911,017</u>	<u>2,768</u>	<u>913,785</u>
Revenues (under) expenditures	<u>(177,451)</u>	<u>(11,003)</u>	<u>16,011</u>	<u>5,009</u>
OTHER FINANCING SOURCES (USES)				
Transfer in-General Fund	285,138	285,138	-	285,138
Transfer (out)-General Fund	<u>(107,687)</u>	<u>(107,687)</u>	<u>-</u>	<u>(107,687)</u>
Total other financing sources (uses)	<u>177,451</u>	<u>177,451</u>	<u>-</u>	<u>177,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 166,448</u>	16,011	<u>\$ 182,459</u>
Fund balance, July 1			<u>166,448</u>	
Fund balance, June 30			<u>\$ 182,459</u>	

Department of Aging Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Contributions and private donations	\$ 196,102	\$ 194,377	\$ 1,725	\$ 196,102
Investment earnings	22,081	20,414	2,511	22,925
Total revenues	218,183	214,791	4,236	219,027
EXPENDITURES				
Human Services:				
Special Projects	218,183	69,470	1,612	71,082
Total expenditures	218,183	69,470	1,612	En
Net change in fund balance	\$ -	\$ 145,321	2,624	\$ 147,945
Fund balance, July 1			145,321	
Fund balance, June 30			\$ 147,945	

Capital Projects Funds

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.

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

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

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

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

Limited Obligation Bonds 2018 – accounts for planning, design, construction and/or renovation of schools and other capital projects funded by debt issued in 2018.

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

School Capital Projects – accounts for planning, design, construction and/or renovation of schools through the use of debt and non-debt sources.

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

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

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

Public School Building Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Intergovernmental				
Lottery Proceeds: State	\$ 10,450,000	\$ 8,150,000	\$ 2,300,000	\$ 10,450,000
Lottery Proceeds: Rowan County	300,000	-	-	-
Total revenues	10,750,000	8,150,000	2,300,000	10,450,000
EXPENDITURES				
Capital outlay - education:				
Rowan County projects	300,000	-	-	-
Total expenditures	300,000	-	-	-
Revenues over expenditures	10,450,000	8,150,000	2,300,000	10,450,000
OTHER FINANCING SOURCES (USES)				
Transfer (out) - General Fund	(8,300,000)	(6,000,000)	(2,300,000)	(8,300,000)
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)	(10,450,000)	(8,150,000)	(2,300,000)	(10,450,000)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, July 1			-	
Fund balance, June 30			\$ -	

Cabarrus County, North Carolina
Construction and Renovations Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

Schedule 10

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Contributions and private donations	\$ 148,035	\$ 148,036	\$ -	\$ 148,036
Rental Fees	1,056,214	843,313	110,692	954,005
Sale of capital assets	1,012,442	1,012,441	-	1,012,441
PARTF Project Grant	350,000	350,000	-	350,000
Total revenues	2,566,691	2,353,790	110,692	2,464,482
EXPENDITURES				
Improvements				
General Government	369,847	113,251	139,334	252,585
Public Safety	3,035,917	910,563	43,002	953,565
Economic & Physical Development	100,000	-	78,618	78,618
Culture & Recreation	2,374,595	158,703	47,749	206,452
Total Improvements	5,880,359	1,182,517	308,703	1,491,220
Capital outlay	17,753,259	12,488,075	1,771,617	14,259,692
Total expenditures	23,633,618	13,670,592	2,080,320	15,750,912
Revenues (under) expenditures	(21,066,927)	(11,316,802)	(1,969,628)	(13,286,430)
OTHER FINANCING SOURCES (USES)				
Proceeds from Lease	3,666,394	3,666,394	-	3,666,394
Transfer in - General Fund	4,809,242	3,341,520	1,467,722	4,809,242
Transfer in - Capital Reserve Fund	25,327,223	17,109,998	6,675,831	23,785,829
Transfer in - Special Revenue Fund	41,438	-	41,438	41,438
Transfer in - LOBS 2017 Fund	2,534,370	2,141,264	393,106	2,534,370
Transfer in - Small Projects Fund	1,785,000	1,785,000	-	1,785,000
Transfer (out) - Capital Projects Fund	(17,096,740)	-	(15,555,346)	(15,555,346)
Total other financing sources (uses)	21,066,927	28,044,176	(6,977,249)	21,066,927
Net change in fund balance	\$ -	\$ 16,727,374	(8,946,877)	\$ 7,780,497
Fund balance, July 1			16,727,374	
Fund balance, June 30			\$ 7,780,497	

* Prior Years is updated for account closings

School Construction Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Education				
Capital Outlay CCS - FMD	878,075	-	877,466	877,466
Capital Outlay CCS - NONFMD	53,359	-	53,359	53,359
Capital Outlay - CAM Equipment	822,699	-	822,699	822,699
Multiple Schools Site Development, Busses	3,622,000	172,239	3,324,940	3,497,179
RCCC Cabarrus Business Technical Center	330,000	205,000	-	205,000
RCCC South Campus Fire Alarm	112,000	-	-	-
Mt. Pleasant Elementary School	1,615,108	-	1,205,193	1,205,193
JN Fries Middle School	300,000	281,711	18,289	300,000
AL Brown High School	621,653	2,400	430,503	432,903
Total expenditures	8,354,894	661,350	6,732,449	7,393,799
Revenues (under) expenditures	(8,354,894)	(661,350)	(6,732,449)	(7,393,799)
OTHER FINANCING SOURCES (USES)				
Transfer in - Capital Projects Fund	4,055	4,055	-	4,055
Transfer in - School Debt Fund CPF	23,246	23,246	-	23,246
Transfer in - LOBS 2017	1,340,296	1,340,296	-	1,340,296
Transfer in - LOBS 2018	528,958	528,958	-	528,958
Transfer in - General Fund	10,315,115	-	10,315,115	10,315,115
Transfer in - Capital Reserve Fund	6,053,513	4,632,566	1,420,946	6,053,512
Transfer (out) - County Capital Project Fund	(147,968)	-	(147,968)	(147,968)
Transfer (out) - School Capital Projects Fund	(9,383,614)	-	(9,383,614)	(9,383,614)
Transfer (out) - Capital Reserve Fund	(378,707)	-	(378,707)	(378,707)
Total other financing sources (uses)	8,354,894	6,529,121	1,825,772	8,354,893
Net change in fund balance	\$ -	\$ 5,867,771	(4,906,677)	\$ 961,094
Fund balance, July 1			5,867,771	
Fund balance, June 30			\$ 961,094	

School Construction Debt Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Interest on Investments	\$ 502,599	\$ 500,964	\$ 1,635	\$ 502,599
Total revenues	502,599	500,964	1,635	502,599
EXPENDITURES				
Education				
Royal Oaks Elementary School	23,835,178	23,835,178	-	23,835,178
Mt. Pleasant Middle School	33,374,308	33,374,307	-	33,374,307
Kannapolis Middle School	41,627,630	41,432,054	136,465	41,568,519
Legal Fees	740,370	740,370	-	740,370
Total expenditures	99,577,486	99,381,909	136,465	99,518,374
Revenues (under) expenditures	(99,074,887)	(98,880,945)	(134,830)	(99,015,775)
OTHER FINANCING SOURCES (USES)				
Premium on Debt Issue	11,159,453	11,159,453	-	11,159,453
Proceeds from LOBS	73,785,000	73,785,000	-	73,785,000
Transfer in - Capital Projects	1,600,000	1,600,000	-	1,600,000
Transfer in - Capital Reserve	13,121,802	13,121,802	-	13,121,802
Transfer in - General Fund	1,336,500	1,336,500	-	1,336,500
Transfer (out) - General Fund	(3,086)	(3,086)	-	(3,086)
Transfer (out) - Capital Reserve	(1,750,700)	(1,750,700)	-	(1,750,700)
Transfer (out) - School Construction Fund	(23,246)	(23,246)	-	(23,246)
Transfer (out) - LOBS 2018	(150,836)	-	(150,836)	(150,836)
Total other financing sources (uses)	99,074,887	99,225,723	(150,836)	99,074,887
Net change in fund balance	\$ -	\$ 344,778	(285,666)	\$ 59,112
Fund balance, July 1			344,778	
Fund balance, June 30			\$ 59,112	

Cabarrus County, North Carolina
 Limited Obligation Bonds 2018
 Schedule of Revenues, Expenditures and Changes in Fund
 Balances - Budget and Actual
 From Inception and for the Year Ended June 30, 2020

Schedule 13

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Interest on Investments	\$ 221,795	\$ 229,908	\$ 6,252	\$ 236,160
EXPENDITURES				
Hickory Ridge Elementary	35,344,549	20,459,292	13,222,446	33,681,738
RCCC Advanced Technology Center	16,766,390	15,655,976	283,883	15,939,859
RCCC Land	1,721,000	1,721,000	-	1,721,000
Mount Pleasant High School - HVAC	3,691,183	958,270	2,732,913	3,691,183
Multiple School Mobile Units	2,095,676	2,095,676	-	2,095,676
JN Fries - HVAC	3,597,029	588,842	2,123,250	2,712,092
Legal Fees	416,293	416,293	-	416,293
Total expenditures	63,632,120	41,895,349	18,362,492	60,257,841
Revenues (under) expenditures	(63,410,325)	(41,665,441)	(18,356,240)	(60,021,681)
OTHER FINANCING SOURCES (USES)				
Proceeds from LOBS 2018	54,680,000	54,680,000	-	54,680,000
Transfer in - General Fund	901,000	901,000	-	901,000
Transfer in - Capital Reserve Fund	7,691,194	7,036,745	654,449	7,691,194
Transfer in - School Construction Fund	668,032	517,197	150,836	668,033
Transfer (out) - General Fund	(943)	(369)	(3,082)	(3,451)
Transfer (out) - School Construction Fund	(528,958)	(528,958)	-	(528,958)
Total other financing sources (uses)	63,410,325	62,605,615	802,203	63,407,818
Net change in fund balance	\$ -	\$ 20,940,174	(17,554,037)	\$ 3,386,137
Fund balance, July 1			20,940,174	
Fund balance, June 30			\$ 3,386,137	

Cabarrus County, North Carolina
County Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

Schedule 14

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Improvements				
Sheriff Deferred Maintenance Buildings & Grounds	-	-	1,500	1,500
Turf Fields - Contra Sales Tax	-	-	(37,053)	(37,053)
Legal Fees	952,508	-	652,508	652,508
Total Improvements	952,508	-	616,955	616,955
Capital outlay				
Turf Fields	1,834,937	-	1,834,937	1,834,937
CIP				
Skylight Repair Government Center	2,577,722	-	545,990	545,990
Courthouse	132,211,360	1,541,394	7,644,768	9,186,162
Turf Fields	2,566,811	-	258,931	258,931
Total CIP	137,355,893	1,541,394	8,449,689	9,991,083
Total Capital outlay	139,190,830	1,541,394	10,284,626	11,826,020
Total Expenditures	140,143,338	1,541,394	10,901,581	12,442,975
Revenues (under) expenditures	(140,143,338)	(1,541,394)	(10,901,581)	(12,442,975)
OTHER FINANCING SOURCES (USES)				
Proceeds from LOBS 2020A	77,592,977	-	964,279	964,279
Proceeds from LOBS 2020A	46,478,143	-	-	-
Transfer in - Capital Projects	17,393,252	1,541,394	15,851,858	17,393,252
Transfer in - Capital Reserve	500,000	-	500,000	500,000
Transfer in - General Fund	263,966	-	263,966	263,966
Transfer (out) - Capital Reserve	(2,085,000)	-	(2,085,000)	(2,085,000)
Total other financing sources (uses)	140,143,338	1,541,394	15,495,103	17,036,497
Net change in fund balance	\$ -	\$ -	4,593,522	\$ 4,593,522
Fund balance, July 1			-	
Fund balance, June 30			\$ 4,593,522	

Cabarrus County, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

Schedule 15

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
New Middle School	53,527,293		4,500,150	4,500,150
New High School	5,181,921	-	5,181,921	5,181,921
Total expenditures	58,709,214	-	9,682,071	9,682,071
Revenues (under) expenditures	(58,709,214)	-	(9,682,071)	(9,682,071)
OTHER FINANCING SOURCES (USES)				
Proceeds from LOBS 2020A	47,830,105	-	5,053,214	5,053,214
Proceeds from LOBS 2022A	6,496,609	-	-	-
Transfer in - Capital Projects	9,383,614	-	9,383,614	9,383,614
Transfer (out) - Capital Reserve	(5,001,114)	-	(5,001,114)	(5,001,114)
Total other financing sources	58,709,214	-	9,435,714	9,435,714
Net change in fund balance	\$ -	\$ -	(246,357)	\$ (246,357)
Fund balance, July 1			-	
Fund balance, June 30			\$ (246,357)	

Cabarrus County, North Carolina
Capital Reserve Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

Schedule 16

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Contribution - Tourism Authority	\$ 1,932,937	\$ 1,697,269	\$ 206,662	\$ 1,903,931
Contribution - City of Concord	3,000,000	3,000,000	-	3,000,000
Investment earnings	938,341	883,603	84,469	968,072
Total revenues	5,871,278	5,580,872	291,131	5,872,003
OTHER FINANCING SOURCES (USES)				
Transfer in - General Fund	53,951,568	53,951,568	-	53,951,568
Transfer in - School Construction Fund	385,307	6,600	378,707	385,307
Transfer in - School Construction Debt Fund	1,750,700	1,750,700	-	1,750,700
Transfer in - Limited Obligation Bonds 2017	331,709	331,709	-	331,709
Transfer in - County Capital Projects Fund	2,085,000	-	2,085,000	2,085,000
Transfer in - School Capital Projects Fund	5,001,114	-	5,001,114	5,001,114
Transfer (out) - Construction & Renovation Fund	(25,327,223)	(18,616,102)	(6,675,831)	(25,291,933)
Transfer (out) - School Construction Fund	(6,053,513)	(4,632,512)	(1,420,946)	(6,053,458)
Transfer (out) - School Construction Debt Fund	(13,121,802)	(13,121,802)	-	(13,121,802)
Transfer (out) - Limited Obligation Bonds 2017	(9,291,915)	(9,070,415)	(221,500)	(9,291,915)
Transfer (out) - Limited Obligation Bonds 2018	(7,942,288)	(7,036,745)	(654,449)	(7,691,194)
Transfer (out) - County Capital Projects Fund	(5,977,621)	-	(500,000)	(500,000)
Transfer (out) - School Capital Projects Fund	(1,662,314)	-	-	-
Total other financing sources (uses)	(5,871,278)	3,563,001	(2,007,905)	1,555,096
Net change in fund balance	\$ -	\$ 9,143,873	(1,716,774)	\$ 7,427,099
Fund balance, July 1			9,143,873	
Fund balance, June 30			\$ 7,427,099	

Cabarrus County, North Carolina
Small Projects Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

Schedule 17

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Board of Elections:				
Investment earnings	\$ 34,130	\$ 34,118	\$ 8	\$ 34,126
Total Board of Elections	34,130	34,118	8	34,126
Register of Deeds:				
Automation & enhancement fees	1,837,634	1,703,305	147,923	1,851,228
Investment earnings	64,250	57,145	10,128	67,273
Total Register of Deeds	1,901,884	1,760,450	158,051	1,918,501
Community Development:				
Program fees	630	-	630	630
Total Community Development	630	-	630	630
Soil & Water:				
Grants	724,563	534,225	-	534,225
Stewardship Fund	36,421	36,421	-	36,421
Deferred tax collections	436,558	406,704	29,854	436,558
Program fees	15,577	14,400	1,024	15,424
Contribution and donations	2,898	2,898	-	2,898
Investment earnings	1,693	1,693	-	1,693
Total Soil & Water	1,217,710	996,341	30,878	1,027,219
Elma Lomax Incubator Farm:				
Deferred tax collections	107,000	27,000	80,000	107,000
Total Elma Lomax Incubator Farm	107,000	27,000	80,000	107,000
Local Agriculture Preservation:				
Deferred tax collections	3,096,201	2,789,747	280,512	3,070,259
Investment earnings	121,519	101,823	22,811	124,634
Total Soil & Water	3,217,720	2,891,570	303,323	3,194,893
Total revenues	6,479,074	5,709,479	572,890	6,282,369
EXPENDITURES				
Operations:				
General Govt - Board of Elections	111,685	111,677	-	111,677
General Govt - Register of Deeds	1,979,389	1,449,623	123,046	1,572,669
Economic Development - Community Development	55,531	-	2,744	2,744
Economic Development - Elma Lomax	107,000	27,000	80,000	107,000
Environmental Protection - Soil & Water	1,303,856	913,142	7,800	920,942
Environ Protect - Local Agric Preservation	1,421,521	-	-	-
Total Operations	4,978,982	2,501,442	213,590	2,715,032
Capital Outlay:				
Equipment and Furniture	127,530	127,530	-	127,530
Total Capital Outlay	127,530	127,530	-	127,530
Total expenditures	5,106,512	2,628,972	213,590	2,842,562
Revenues over (under) expenditures	1,372,562	3,080,507	359,300	3,439,807
OTHER FINANCING SOURCES (USES)				
Transfer in-General Fund	293,837	238,936	54,901	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)-Constr & Renovation Fund	(1,791,399)	(1,790,775)	-	(1,790,775)
Total other financing sources (uses)	(1,372,562)	(1,426,839)	54,901	(1,371,938)
Net change in fund balance	\$ -	\$ 1,653,668	414,201	\$ 2,067,869
Fund balance, July 1			1,653,668	
Fund balance, June 30			\$ 2,067,869	

Cabarrus County, North Carolina
Cannon Memorial Library Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

Schedule 18

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Contributions and donations	\$ 935,089	\$ 935,089	\$ -	\$ 935,089
Investment earnings	204,622	202,924	366	203,290
Total revenues	1,139,711	1,138,013	366	1,138,379
EXPENDITURES				
Cultural and Recreation:				
Special Projects	113,627	100,756	4,920	105,676
Total expenditures	113,627	100,756	4,920	105,676
Revenues over expenditures	1,026,084	1,037,257	(4,554)	1,032,703
OTHER FINANCING SOURCES (USES)				
Transfer in-General Fund	9,740	9,740	-	9,740
Transfer (out)-General Fund	(1,035,824)	(1,022,231)	-	(1,022,231)
Total other financing sources (uses)	(1,026,084)	(1,012,491)	-	(1,012,491)
Net change in fund balance	\$ -	\$ 24,766	(4,554)	\$ 20,212
Fund balance, July 1			24,766	
Fund balance, June 30			\$ 20,212	

Fiduciary Funds

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

Department of Social Services Agency is used to account for money deposited with the County through the Social Services Department under a program which manages the financial affairs of persons unable or incapable of managing them on their own.

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

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

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

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

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

Cabarrus County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2020

Schedule 19

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Department of Social Services				
Assets:				
Cash and cash equivalents	\$ 135,534	\$ 261,792	\$ 222,359	\$ 174,967
Total	\$ 135,534	\$ 261,792	\$ 222,359	\$ 174,967
Liabilities:				
Accounts payable	\$ 10,237	\$ 196,257	\$ 191,342	\$ 15,152
Due to program participants	125,297	266,922	232,404	159,815
Total	\$ 135,534	\$ 463,179	\$ 423,746	\$ 174,967
Charitable Campaign				
Assets:				
Cash and cash equivalents	\$ 22,085	\$ 33,318	\$ 35,776	\$ 19,627
Accounts receivable	671	988	672	987
Total	\$ 22,756	\$ 34,306	\$ 36,448	\$ 20,614
Liabilities:				
Accounts payable	\$ -	\$ 48,341	\$ 34,108	\$ 14,233
Due to program participants	22,756	35,504	51,879	6,381
Total	\$ 22,756	\$ 83,845	\$ 85,987	\$ 20,614
Undistributed Taxes				
Assets:				
Cash and cash equivalents	\$ 327,309	\$ 268,760,324	\$ 268,017,517	\$ 1,070,116
Due from State DOT	829,358	-	829,358	-
Total	\$ 1,156,667	\$ 268,760,324	\$ 268,846,875	\$ 1,070,116
Liabilities:				
Accounts payable	\$ 1,287	\$ 94,318,007	\$ 94,319,295	\$ (1)
Intergovernmental payable - Municipalities	1,155,380	352,349,918	352,435,181	1,070,117
Total	\$ 1,156,667	\$ 446,667,925	\$ 446,754,476	\$ 1,070,116
Intergovernmental				
Assets:				
Cash and cash equivalents	\$ 64,259	\$ 1,525,141	\$ 1,551,078	\$ 38,322
Accounts receivable	4,045	4,586	4,020	4,611
Total	\$ 68,304	\$ 1,529,727	\$ 1,555,098	\$ 42,933
Liabilities:				
Accounts payable	\$ 491	\$ 1,550,902	\$ 1,551,077	\$ 316
Due to Schools - Fines & Forfeitures/State	67,813	1,530,806	1,556,002	42,617
Total	\$ 68,304	\$ 3,081,708	\$ 3,107,079	\$ 42,933
Sheriff Civil Records				
Assets:				
Cash and cash equivalents	\$ 9,490	\$ 222,609	\$ 232,052	\$ 47
Liabilities:				
Accounts payable	\$ 2,932	\$ 235,052	\$ 237,984	\$ -
Due to courts	6,558	225,272	231,783	47
Total	\$ 9,490	\$ 460,324	\$ 469,767	\$ 47
Jail Commissary				
Assets:				
Cash and cash equivalents	\$ 39,624	\$ 378,279	\$ 371,751	\$ 46,152
Accounts receivable	-	51	51	-
Total	\$ 39,624	\$ 378,330	\$ 371,802	\$ 46,152
Liabilities:				
Due to jail inmates	39,624	840,509	833,981	46,152
Total	\$ 39,624	\$ 840,509	\$ 833,981	\$ 46,152
Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 598,301	\$ 271,181,463	\$ 270,430,533	\$ 1,349,231
Accounts receivable	4,716	5,625	4,743	5,598
Due from State DOT	829,358	-	829,358	-
Total	\$ 1,432,375	\$ 271,187,088	\$ 271,264,634	\$ 1,354,829
Liabilities:				
Accounts payable	\$ 14,947	\$ 96,348,559	\$ 96,333,806	\$ 29,700
Due to courts	6,558	225,272	231,783	47
Due to jail inmates	39,624	840,509	833,981	46,152
Due to municipalities	1,155,380	352,349,918	352,435,181	1,070,117
Due to program participants	148,053	302,426	284,283	166,196
Due to schools	67,813	1,530,806	1,556,002	42,617
Total	\$ 1,432,375	\$ 451,597,490	\$ 451,675,036	\$ 1,354,829



Internal Service Funds

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

Workers' Compensation | Property Liability Fund was established to accumulate premiums and pay all claims and related expenses for workers' compensation and property liability activities.

Self-Insured Medical | Dental Fund 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.

	Workers' Compensation and Property Liability Fund	Medical Dental Fund	Total
ASSETS			
Cash and cash equivalents	\$ 7,216,466	\$ 4,997,122	\$ 12,213,588
Accounts receivable	20	-	20
Interest receivable	16,941	10,320	27,261
Prepaid expenses	-	295,475	295,475
Total assets	7,233,427	5,302,917	12,536,344
Capital assets:			
Vehicles and equipment	29,664	-	29,664
Less: Accumulated depreciation	(13,843)	-	(13,843)
Total capital assets (net)	15,821	-	15,821
Total assets	7,249,248	5,302,917	12,552,165
LIABILITIES			
Accounts payable	-	113,546	113,546
Amounts payable for future claims	671,331	1,705,043	2,376,374
Total liabilities	671,331	1,818,589	2,489,920
NET POSITION			
Net Investment in Capital Assets	15,821	-	15,821
Unrestricted	6,562,096	3,484,328	10,046,424
Total Net Position	<u>\$ 6,577,917</u>	<u>\$ 3,484,328</u>	<u>\$ 10,062,245</u>

Cabarrus County, North Carolina
Internal Service Funds
Statement of Revenues, Expenses and Changes in Fund Balance
For the Year Ended June 30, 2020

Schedule 21

	Workers' Compensation and Property Liability Fund	Medical Dental Fund	Total
Operating revenues:			
Insurance premiums	\$ 2,408,974	\$ 11,522,254	\$ 13,931,228
Program fees	-	34,034	34,034
Insurance refunds	246,740	666,645	913,385
Total operating revenues	2,655,714	12,222,933	14,878,647
Operating expenses:			
Depreciation	5,933	-	5,933
General administrative and other	744,829	2,354,657	3,099,486
Claims	853,137	10,845,544	11,698,681
Total operating expenses	1,603,899	13,200,201	14,804,100
Operating income (loss)	1,051,815	(977,268)	74,547
Nonoperating revenues:			
Investment earnings	110,605	80,318	190,923
Total nonoperating revenues	110,605	80,318	190,923
Income (loss) before contributions	1,162,420	(896,950)	265,470
Transfers:			
Transfers out - General Fund	(205,722)	-	(205,722)
Change in net position	956,698	(896,950)	59,748
Net position, July 1	5,621,219	4,381,278	10,002,497
Net position, June 30	\$ 6,577,917	\$ 3,484,328	\$ 10,062,245

Cabarrus County, North Carolina
Self Insured Workers Compensation and Liability Internal Service Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual
For the Fiscal Year Ended June 30, 2020

Schedule 22

	2020		Variance
	Financial Plan	Actual	Favorable (Unfavorable)
Revenues:			
Property Liability:			
Operating revenues:			
Insurance premiums	\$ 1,029,522	\$ 1,073,552	\$ 44,030
Insurance refunds	20,000	246,581	226,581
Total operating revenues	<u>1,049,522</u>	<u>1,320,133</u>	<u>270,611</u>
Nonoperating revenues:			
Investment earnings	<u>20,000</u>	<u>110,605</u>	<u>90,605</u>
Total nonoperating revenues	<u>20,000</u>	<u>110,605</u>	<u>90,605</u>
Workers Compensation			
Operating revenues:			
Insurance premiums	1,268,980	1,335,422	66,442
Insurance refunds	-	159	159
Total operating revenues	<u>1,268,980</u>	<u>1,335,581</u>	<u>66,601</u>
Total revenues	<u>2,338,502</u>	<u>2,766,319</u>	<u>427,817</u>
Expenditures:			
Property Liability:			
General and administrative - Premiums	549,243	535,236	14,007
Claims	297,557	104,751	192,806
Consultants	17,000	17,000	-
Total liability	<u>863,800</u>	<u>656,987</u>	<u>206,813</u>
Workers Compensation			
General and administrative - Premiums	164,133	164,133	-
Purchases Services	9,103	960	8,143
Claims	1,068,244	748,386	319,858
Consultant	27,500	27,500	-
Total workers compensation	<u>1,268,980</u>	<u>940,979</u>	<u>328,001</u>
Total expenditures	<u>2,132,780</u>	<u>1,597,966</u>	<u>534,814</u>
Revenues over (under) expenditures	<u>205,722</u>	<u>1,168,353</u>	<u>962,631</u>
Transfers:			
Transfers out - General Fund	<u>(205,722)</u>	<u>(205,722)</u>	<u>-</u>
Revenues and transfers over (under) expenditures	<u>-</u>	<u>962,631</u>	<u>962,631</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation	<u>-</u>	<u>(5,933)</u>	<u>(5,933)</u>
Total reconciling items	<u>-</u>	<u>(5,933)</u>	<u>(5,933)</u>
Change in net position	<u>\$ -</u>	<u>\$ 956,698</u>	<u>\$ 956,698</u>

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, 2020

	2020		
	Financial Plan	Actual	Variance Favorable (Unfavorable)
MEDICAL			
Operating revenues:			
Insurance premiums	\$ 10,835,801	\$ 11,046,586	\$ 210,785
Insurance refunds	666,644	666,645	1
Program fees	33,759	34,034	275
Total operating revenues	11,536,204	11,747,265	211,061
DENTAL			
Operating revenues:			
Insurance premiums	444,500	475,668	31,168
Total operating revenues	444,500	475,668	31,168
 Total operating revenues	 11,980,704	 12,222,933	 242,229
Nonoperating revenues:			
Investment earnings	55,900	80,318	24,418
 Total nonoperating revenues	 55,900	 80,318	 24,418
Total revenues	12,036,604	12,303,251	266,647
MEDICAL			
General and administrative	2,299,716	2,289,722	9,994
Claims	10,966,377	10,515,012	451,365
Total hospitalization	13,266,093	12,804,734	461,359
DENTAL			
General and administrative	64,940	64,935	5
Claims	379,560	330,532	49,028
Total dental	444,500	395,467	49,033
 Total expenditures	 13,710,593	 13,200,201	 510,392
Income (loss) before contributions	(1,673,989)	(896,950)	777,039
Fund Balance Appropriated	1,673,989	-	1,673,989
Change in Net Position	\$ -	(896,950)	\$ (896,950)

Cabarrus County, North Carolina
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

Schedule 24

	Workers' Compensation and Property Liability Fund	Medical Dental Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ -	\$ 4,320	\$ 4,320
Cash received from departments	2,655,695	12,187,129	14,842,824
Cash paid to employees	-	-	-
Cash paid to suppliers for goods and services	(1,609,404)	(13,157,193)	(14,766,597)
Net cash provided (used) for operating activities	<u>1,046,291</u>	<u>(965,744)</u>	<u>80,547</u>
Cash flows from noncapital financing:			
Transfer out	<u>(205,722)</u>	<u>-</u>	<u>(205,722)</u>
Cash flows from investing activities:			
Interest received on investments	<u>97,006</u>	<u>72,861</u>	<u>169,867</u>
Net cash provided by investing activities	<u>97,006</u>	<u>72,861</u>	<u>169,867</u>
Net increase (decrease) in cash and cash equivalents	<u>937,575</u>	<u>(892,883)</u>	<u>44,692</u>
Cash and cash equivalents, July 1	<u>6,278,891</u>	<u>5,890,005</u>	<u>12,168,896</u>
Cash and cash equivalents, June 30	<u>\$ 7,216,466</u>	<u>\$ 4,997,122</u>	<u>\$ 12,213,588</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ 1,051,815</u>	<u>\$ (977,268)</u>	<u>\$ 74,547</u>
Depreciation expense	5,933	-	5,933
(Increase) decrease in accounts receivable and prepaid expenses	(20)	(31,485)	(31,505)
Increase (decrease) in accounts payable and accrued liabilities	(11,437)	43,009	31,572
Total adjustments	<u>(5,524)</u>	<u>11,524</u>	<u>6,000</u>
Net cash provided by (used for) operating activities	<u>\$ 1,046,291</u>	<u>\$ (965,744)</u>	<u>\$ 80,547</u>



Other Schedules

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

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

Limited Obligation Bonds 2017 - accounts for planning, design, construction and | or renovation of schools and other capital projects that are funded by debt issued in 2017.

CARES Act Relief Fund - accounts for funding received from the federal government to cover COVID-19 expenditures for public health emergencies.

Landfill 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 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.

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2020	\$ -	\$ 180,445,841	\$ 178,156,835	\$ 2,289,006
2019	1,182,347	-	753,760	428,587
2018	767,468	-	141,451	626,017
2017	203,624	-	70,410	133,214
2016	168,481	-	32,338	136,143
2015	162,930	-	24,727	138,203
2014	147,367	-	21,895	125,472
2013	224,038	-	13,566	210,472
2012	160,573	-	9,056	151,517
2011	210,126	-	7,453	202,673
2010	<u>120,984</u>	<u>-</u>	<u>120,984</u>	<u>-</u>
	\$ <u>3,347,938</u>	\$ <u>180,445,841</u>	\$ <u>179,352,475</u>	4,441,304
Less: Allowance for uncollectible accounts: General Fund				<u>(2,144,714)</u>
Ad valorem taxes receivable (net): General Fund				\$ <u>2,296,590</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund			\$ 178,908,429	
Penalties collected on ad valorem taxes - Agency Fund			559,048	
Total ad valorem taxes and penalties			<u>179,467,477</u>	
Reconciling items:				
Deferred taxes			343,296	
Interest collected			(451,409)	
Taxes written-off			(81,786)	
Abatement of prior year taxes			8,198	
Collection of tax previously written-off			(12,724)	
NCVTS refunds			79,423	
Total reconciling items			<u>(115,002)</u>	
Total collections and credits			\$ <u>179,352,475</u>	

Cabarrus County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
For the Fiscal Year Ended June 30, 2020

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	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	\$ 24,125,672,784	0.7400	\$ 178,363,622	\$ 162,513,784	\$ 15,849,838
Penalties	-		198,173	198,173	-
Total	24,125,672,784		178,561,795	162,711,957	15,849,838
Discoveries:					
Current year taxes	96,359,003	0.7400	692,178	689,196	2,982
Prior year taxes			1,249,188	1,249,188	-
Penalties	-		276,122	276,122	-
Total	96,359,003		2,217,488	2,214,506	2,982
Releases	(37,624,683)		(333,442)	(333,318)	(124)
Total property valuation	<u>\$ 24,184,407,104</u>				
Net levy			180,445,841	164,593,145	15,852,696
Uncollected taxes at June 30, 2020			2,289,006	2,288,840	166
Current year's taxes collected			<u>\$ 178,156,835</u>	<u>\$ 162,304,305</u>	<u>\$ 15,852,530</u>
Current levy collection percentage			<u>98.73%</u>	<u>98.61%</u>	<u>100.00%</u>

Secondary market disclosures:

Assessed valuation:

Assessment ratio ¹	100%
Real property	\$ 19,336,282,485
Personal property	4,391,653,242
Public service companies ²	<u>456,471,377</u>

Total assessed valuation	\$ 24,184,407,104
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Tax rate per \$100	<u>0.7400</u>
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Levy (includes discoveries, releases and abatements) ³	<u>\$ 180,445,841</u>
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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 ⁴	<u>\$ 4,532,179</u>
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¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ Levy includes penalties.

⁴ Levy excludes motor vehicle taxes.

Secondary market disclosures (continued):

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Corning, Incorporated	Fiber optics manufacturer	\$ 481,996,326	1.99%
Castle & Cooke North Carolina, LLC / David H Murdock	Land developer	293,159,782	1.21%
Mall at Concord Mills LP	Shopping center	231,020,588	0.96%
Charlotte Motor Speedway, Incorporated	Auto racing	219,458,920	0.91%
Celgard LLC	Battery manufacturer	184,192,261	0.76%
Duke Energy Corporation	Public service company	147,730,421	0.61%
Silverman	Real Estate	109,497,800	0.45%
Great Wolf Lodge of the Carolinas	Amusement park/hospitality	106,469,606	0.44%
Weinstein Properties	Property management	101,646,310	0.42%
Hendricks Automotive	Auto racing	99,942,839	0.41%
Totals		<u>\$ 1,975,114,853</u>	<u>8.17%</u>

¹More information about principal property taxpayers can be found on Table 7.

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad Valorem Taxes:			
Taxes - Current	\$ 175,264,990	\$ 177,388,942	\$ 2,123,952
Taxes - Delinquent	1,200,900	1,068,078	(132,822)
Interest	500,000	451,409	(48,591)
Total	176,965,890	178,908,429	1,942,539
Local Option Sales Taxes:			
Sales tax - one cent	19,368,516	19,374,700	6,184
Sales tax - half cent (40)	10,387,298	11,180,448	793,150
Sales tax - half cent (42)	12,096,379	12,331,331	234,952
Sales tax - half cent (44)	-	(194)	(194)
Sales tax - half cent (46)	8,906,832	8,863,295	(43,537)
Sales tax fire districts	1,113,588	1,220,500	106,912
Total	51,872,613	52,970,080	1,097,467
Other Taxes:			
Franchise fees	528,000	486,400	(41,600)
Gross receipts tax	225,000	242,398	17,398
Heavy equipment tax	70,000	95,717	25,717
Disposal Tax on White Goods	90,000	-	(90,000)
Total	913,000	824,515	(88,485)
Intergovernmental Revenues:			
Federal and state grants	19,002,276	19,657,242	654,966
Court facilities fees	350,000	281,293	(68,707)
ABC profit distribution	100,000	130,203	30,203
Other intergovernmental	2,788,616	4,428,918	1,640,302
Total	22,240,892	24,497,656	2,256,764
Permits and Fees:			
Inspection fees	4,035,000	4,906,548	871,548
Register of deeds	2,967,500	3,379,581	412,081
Other permits	259,927	339,563	79,636
Total	7,262,427	8,625,692	1,363,265
Sales and Services:			
Rental fees	50,546	55,339	4,793
Ambulance fees	6,188,122	6,473,499	285,377
Jail fees	1,856,000	1,594,731	(261,269)
Library fees	120,000	95,872	(24,128)
Recreation fees	636,054	288,278	(347,776)
Human services	148,113	171,582	23,469
Transportation	986,000	1,004,590	18,590
Tax collection fees	290,000	307,042	17,042
Other sales and services	3,633,220	3,626,260	(6,960)
Total	13,908,055	13,617,193	(290,862)
Investment Earnings:			
Interest on investments	1,000,000	2,085,802	1,085,802
Total	1,000,000	2,085,802	1,085,802
Miscellaneous:			
Private contributions and donations	341,500	351,798	10,298
Sale of materials and capital assets	94,045	105,902	11,857
Gain (Loss) on Foreclosures	-	2,231	2,231
Other	237,177	236,398	(779)
Total	672,722	696,329	23,607
Total revenues	274,835,599	282,225,696	7,390,097
EXPENDITURES			
General Government			
Board of Commissioners			
Personnel services	389,078	380,583	8,495
Operations	658,476	694,736	(36,260)
Total	1,047,554	1,075,319	(27,765)

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
County Manager			
Personnel services	1,643,072	1,482,356	160,716
Operations	91,800	136,927	(45,127)
Total	1,734,872	1,619,283	115,589
Communications & Outreach			
Personnel services	526,352	482,720	43,632
Operations	249,714	132,239	117,475
Total	776,066	614,959	161,107
Human Resources			
Personnel services	790,668	790,666	2
Operations	227,255	192,989	34,266
Capital outlay	26,000	10,968	15,032
Total	1,043,923	994,623	49,300
Tax Collector			
Personnel services	570,794	584,494	(13,700)
Operations	562,274	568,964	(6,690)
Total	1,133,068	1,153,458	(20,390)
Tax Administration			
Personnel services	2,177,930	2,231,834	(53,904)
Operations	263,172	228,345	34,827
Total	2,441,102	2,460,179	(19,077)
Board of Elections			
Personnel services	906,127	555,374	350,753
Operations	492,541	269,478	223,063
Total	1,398,668	824,852	573,816
Register of Deeds			
Personnel services	544,672	543,386	1,286
Operations	82,987	78,414	4,573
Total	627,659	621,800	5,859
Finance			
Personnel services	1,038,095	1,023,394	14,701
Operations	253,629	207,458	46,171
Total	1,291,724	1,230,852	60,872
Information Technology Services			
Personnel services	2,556,256	2,579,596	(23,340)
Operations	3,774,921	3,265,927	508,994
Capital outlay	61,382	58,882	2,500
Total	6,392,559	5,904,405	488,154
Grounds Maintenance			
Personnel services	577,522	565,639	11,883
Operations	1,372,090	1,095,325	276,765
Capital outlay	55,711	55,711	-
Total	2,005,323	1,716,675	288,648
Infrastructure and Asset Management			
Personnel services	555,879	529,438	26,441
Operations	1,449,668	1,256,037	193,631
Total	2,005,547	1,785,475	220,072
Street Sign Maintenance			
Personnel services	119,621	114,694	4,927
Operations	72,753	43,271	29,482
Total	192,374	157,965	34,409
Building Maintenance			
Personnel services	844,577	801,241	43,336
Operations	3,009,812	2,261,372	748,440
Total	3,854,389	3,062,613	791,776
Facility Services			
Personnel services	1,364,336	1,278,243	86,093
Operations	365,094	277,770	87,324
Total	1,729,430	1,556,013	173,417

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
Fleet Maintenance			
Personnel services	432,108	440,799	(8,691)
Operations	48,163	39,439	8,724
Capital outlay	363,710	363,050	660
Total	843,981	843,288	693
Other General Government			
Salary Adjustment	55,859	-	55,859
Other benefits	586,409	586,409	-
Unemployment compensation	50,000	22,213	27,787
Contingency	675,582	-	675,582
Other Operations	243,052	211,329	31,723
Total	1,610,902	819,951	790,951
Total General Government	30,129,141	26,441,710	3,687,431
Public Safety			
County Sheriff			
Personnel services	15,086,877	15,088,867	(1,990)
Operations	2,327,598	2,243,447	84,151
Capital outlay	1,463,794	1,307,703	156,091
Total	18,878,269	18,640,017	238,252
Jail			
Personnel services	9,668,907	9,692,326	(23,419)
Operations	2,197,663	2,045,087	152,576
Capital Outlay	44,877	20,875	24,002
Total	11,911,447	11,758,288	153,159
Animal Control			
Personnel services	722,763	693,074	29,689
Operations	80,076	77,662	2,414
Capital Outlay	82,434	82,434	-
Total	885,273	853,170	32,103
Animal Shelter			
Personnel services	440,001	433,089	6,912
Operations	106,172	103,135	3,037
Total	546,173	536,224	9,949
Courts			
Personnel services	34,578	19,236	15,342
Operations	249,244	193,120	56,124
Total	283,822	212,356	71,466
Construction Standards			
Personnel services	2,440,746	2,280,011	160,735
Operations	378,582	291,459	87,123
Total	2,819,328	2,571,470	247,858
Emergency Management			
Personnel services	270,674	239,709	30,965
Operations	195,606	112,482	83,124
Capital Outlay	37,279	37,279	-
Total	503,559	389,470	114,089
Fire Department			
Personnel services	1,059,333	1,005,030	54,303
Operations	439,453	423,556	15,897
Total	1,498,786	1,428,586	70,200
Emergency Medical Services			
Personnel services	8,090,125	7,811,484	278,641
Operations	1,397,047	1,391,237	5,810
Capital outlay	825,807	820,431	5,376
Total	10,312,979	10,023,152	289,827
Other Public Safety			
Personnel services (LEO Retirees)	465,909	466,899	(990)
Operations (LEO Retirees)	2,534	2,563	(29)
Juvenile Crime Prevention Council	544,135	483,630	60,505
Medical Examiner	122,500	112,200	10,300

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

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	Final Budget	Actual	Variance Positive (Negative)
Forester	81,864	52,875	28,989
Fire District	1,113,588	1,217,549	(103,961)
Total	2,330,530	2,335,716	(5,186)
Total Public Safety	49,970,166	48,748,449	1,221,717
Economic and Physical Development			
Planning and Development Services			
Personnel services	562,979	574,267	(11,288)
Operations	87,867	42,934	44,933
Total	650,846	617,201	33,645
Community Development			
Personnel services	205,921	191,210	14,711
Operations	480,920	381,611	99,309
Total	686,841	572,821	114,020
Soil & Water Conservation			
Personnel services	210,744	214,720	(3,976)
Operations	46,167	27,096	19,071
Total	256,911	241,816	15,095
Zoning Administration			
Personnel services	228,892	196,050	32,842
Operations	16,960	9,775	7,185
Total	245,852	205,825	40,027
Economic Development			
Personnel services	411,466	423,552	(12,086)
Total	411,466	423,552	(12,086)
Economic Development Incentives			
S & D Coffee	129,000	-	129,000
Pepsi Bottling Ventures	254,077	158,077	96,000
Flyright	46,189	45,819	370
Sea Life	26,000	23,077	2,923
Hotel Concord	21,000	21,000	-
4540 Fortune Ave LLC	34,000	-	34,000
iTek Graphics inc.	23,000	-	23,000
Silverman Group	299,000	-	299,000
SunCap2	194,000	-	194,000
Fed Ex	156,000	-	156,000
Intertape Polymer Group	562,018	275,018	287,000
J.J. Haines	41,000	-	41,000
Amazon	397,000	-	397,000
Johnson Concrete	10,000	-	10,000
Total	2,192,284	522,991	1,669,293
Other Economic and Physical Development			
Economic Development Corp	400,000	400,000	-
Concord Downtown Development	25,000	25,000	-
City of Kannapolis - Obligation bonds	1,533,437	1,531,780	1,657
Total	1,958,437	1,956,780	1,657
Total Economic and Physical Development	6,402,637	4,540,986	1,861,651
Environmental Protection			
Waste Reduction/Recycling			
Personnel services	264,677	264,224	453
Operations	615,386	285,246	330,140
Capital outlay	161,058	161,058	-
Total	1,041,121	710,528	330,593
Total Environmental Protection	1,041,121	710,528	330,593
Human Services			
Veterans Services			
Personnel services	279,560	272,365	7,195
Operations	11,588	6,965	4,623
Total	291,148	279,330	11,818

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
Transportation			
Personnel services	1,659,383	1,498,666	160,717
Operations	662,009	471,748	190,261
Capital outlay	126,200	-	126,200
Total	2,447,592	1,970,414	477,178
Cooperative Extension			
Personnel services	372,545	339,834	32,711
Operations	63,317	41,920	21,397
Total	435,862	381,754	54,108
HS - Administration Operations			
Personnel services	2,101,188	2,043,728	57,460
Operations	2,331,508	2,084,334	247,174
Capital outlay	93,316	93,316	-
Total	4,526,012	4,221,378	304,634
HS - Economic Family Support Services			
Personnel services	1,402,684	1,254,617	148,067
Operations	1,503,604	1,339,461	164,143
Total	2,906,288	2,594,078	312,210
HS - Child Welfare			
Personnel services	6,465,600	6,390,399	75,201
Operations	2,687,063	2,432,068	254,995
Total	9,152,663	8,822,467	330,196
HS - Child Support Services			
Personnel services	1,689,712	1,641,309	48,403
Operations	275,260	234,931	40,329
Total	1,964,972	1,876,240	88,732
HS - Economic Services			
Personnel services	7,208,950	6,909,127	299,823
Operations	1,152,257	1,035,837	116,420
Total	8,361,207	7,944,964	416,243
HS - Adult and Family Services			
Personnel services	1,653,173	1,686,534	(33,361)
Operations	130,026	104,064	25,962
Total	1,783,199	1,790,598	(7,399)
HS Aging - Nutrition Title III			
Personnel services	259,084	247,752	11,332
Operations	307,368	239,177	68,191
Total	566,452	486,929	79,523
HS Aging - Senior Services			
Personnel services	294,733	303,043	(8,310)
Operations	450,045	341,597	108,448
Total	744,778	644,640	100,138
Other Human Services			
Veterinarian Services-Spay	5,000	3,385	1,615
Boys and Girls Club	50,000	50,000	-
YMCA	250,000	250,000	-
Public Health Authority	7,526,369	7,526,369	-
Mental Health Center	586,716	526,417	60,299
Total	8,418,085	8,356,171	61,914
Total Human Services	41,598,258	39,368,963	2,229,295
Education			
Schools - Current Expense			
Cabarrus County Schools	70,628,612	70,628,612	-
Kannapolis City Schools	8,798,724	8,746,762	51,962
Rowan Cabarrus Community College	3,402,215	3,402,215	-
Total	82,829,551	82,777,589	51,962
Schools - Capital Outlay			
Cabarrus County Schools	1,111,764	1,111,761	3
Kannapolis City Schools	134,187	122,187	12,000

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
Rowan Cabarrus Community College	100,000	100,000	-
Total	1,345,951	1,333,948	12,003
Schools - Other			
Cabarrus County Schools	122,644	122,644	-
Total Education	84,298,146	84,234,181	63,965
Culture & Recreation			
Active Living and Parks - Operations			
Personnel services	1,292,722	1,273,329	19,393
Operations	385,654	278,614	107,040
Capital outlay	105,000	89,829	15,171
Total	1,783,376	1,641,772	141,604
Active Living and Parks - Senior Centers			
Personnel services	537,099	463,590	73,509
Operations	256,470	163,149	93,321
Capital outlay	55,491	55,491	-
Total	849,060	682,230	166,830
Library System			
Personnel services	2,885,267	2,814,433	70,834
Operations	710,918	583,476	127,442
Total	3,596,185	3,397,909	198,276
Other Culture and Recreation			
Cabarrus Arts Council	26,000	26,000	-
Total	26,000	26,000	-
Total Culture & Recreation	6,254,621	5,747,911	506,710
Debt Service			
Principal:			
Bonds			
Public schools	6,214,459	6,214,458	1
Community college	210,542	210,542	-
Certificates of Participation/ Limited Obligation Bonds			
Public schools	23,919,925	23,919,925	-
County buildings	6,920,075	6,920,075	-
Installment Payment			
Public Schools	560,238	-	560,238
Notes Payable	91,465	91,463	2
Lease/Installment Financing			
Equipment	270,826	270,825	1
Land	449,183	449,182	1
Total	38,636,713	38,076,470	560,243
Interest and Fees:			
Bonds	1,889,789	1,889,789	-
Certificates of Participation/ Limited Obligation Bonds	11,843,349	11,843,349	-
Installment Financing	335,383	126,683	208,700
Bond issuance costs	85,700	42,885	42,815
Total	14,154,221	13,902,706	251,515
Total Debt Service	52,790,934	51,979,176	811,758
Total expenditures	272,485,024	261,771,904	10,713,120
Excess of revenues over expenditures	2,350,575	20,453,792	18,103,217

Cabarrus County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

Schedule 27
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	Final Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers in:			
From Public School Building Fund	2,300,000	2,300,000	-
From LOBS 2017 Fund	-	4,075	4,075
From LOBS 2018 Fund	-	3,082	3,082
From Internal Service Fund	205,722	205,722	-
Total	<u>2,505,722</u>	<u>2,512,879</u>	<u>7,157</u>
Transfers (out):			
To Cabarrus Arena & Events Fund	(803,245)	(803,245)	-
To Construction and Renovation Fund	(1,467,722)	(1,467,722)	-
To Small Projects Fund	(54,901)	(54,901)	-
To County Capital Projects Fund	(263,966)	(263,966)	-
To School Construction Fund	(10,315,115)	(10,315,115)	-
To LOBS 2017	(1,653,083)	(1,653,083)	-
Total	<u>(14,558,032)</u>	<u>(14,558,032)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,052,310)</u>	<u>(12,045,153)</u>	<u>7,157</u>
Fund balance appropriated	<u>9,701,735</u>	<u>-</u>	<u>(9,701,735)</u>
Net change in fund balance	<u>\$ -</u>	<u>8,408,639</u>	<u>\$ 8,408,639</u>
Fund Balance, June 30		\$ 87,885,641	
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>\$ 97,624,280</u>	

Cabarrus County, North Carolina
Limited Obligation Bonds 2017
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2020

Schedule 28

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Interest on Investments	\$ 1,083,334	\$ 1,341,727	\$ 188,691	\$ 1,530,418
EXPENDITURES				
Legal Fees	741,339	741,339	-	741,339
General Government	1,653,083	-	1,653,083	1,653,083
Education				
Performance Learning Center	3,811,311	3,811,311	-	3,811,311
West Cabarrus High School	76,291,995	60,880,241	10,099,427	70,979,668
Total Education	80,103,306	64,691,552	10,099,427	74,790,979
Capital Outlay:				
Downtown Parking Deck				
Land Acquisition	262,630	262,630	-	262,630
Parking Deck	12,781,374	12,781,374	-	12,781,374
Total Capital Outlay	13,044,004	13,044,004	-	13,044,004
Total Expenditures	95,541,732	78,476,895	11,752,510	90,229,405
Revenues (under) expenditures	(94,458,398)	(77,135,168)	(11,563,819)	(88,698,987)
OTHER FINANCING SOURCES (USES)				
Premium on Debt Issued	8,374,879	8,374,879	-	8,374,879
Debt Proceeds - LOBS 2017	70,820,000	70,820,000	-	70,820,000
Transfer in - General Fund	2,650,083	997,000	1,653,083	2,650,083
Transfer in - Capital Reserve Fund	9,291,915	9,070,415	221,500	9,291,915
Transfer in - Construction and Renovation Fund	2,246,000	2,246,000	-	2,246,000
Transfer in - School Construction Fund CPF	4,933,803	4,933,803	-	4,933,803
Transfer in - Public School Capital Fund CPF	500,000	500,000	-	500,000
Transfer (out) - Capital Reserve Fund	(331,709)	(331,709)	-	(331,709)
Transfer (out) - Construction & Renovation Fund	(2,534,370)	(2,141,264)	(393,106)	(2,534,370)
Transfer (out) - School Constructioin Fund	(1,340,296)	(1,340,296)	-	(1,340,296)
Transfer (out) - County Capital Project Fund	(148,543)	-	(148,544)	(148,544)
Transfer (out) - General Fund	(3,364)	(2,360)	(4,075)	(6,435)
Total other financing sources	94,458,398	93,126,468	1,328,858	94,455,326
Net change in fund balance	\$ -	\$ 15,991,300	(10,234,961)	\$ 5,756,339
Fund balance, July 1			15,991,300	
Fund balance, June 30			\$ 5,756,339	

CARES Act Relief Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date
REVENUES				
Restricted intergovernmental:				
CARES Act Relief Funds	\$ 7,972,670	\$ -	\$ 1,278,429	\$ 1,278,429
EXPENDITURES				
Salaries and Benefits	500,000	-	280,925	280,925
Other Public Health Emergency	5,479,503	-	800,087	800,087
Municipal Distribution	1,993,167	-	197,417	197,417
Total expenditures	7,972,670	-	1,278,429	1,278,429
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, July 1			-	
Fund balance, June 30			\$ -	

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

For the Fiscal Year ended June 30, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 780,000	\$ 866,642	\$ 86,642
Items for sale	105,000	64,755	(40,245)
Waste disposal fee	120,622	134,435	13,813
Total operating revenues	<u>1,005,622</u>	<u>1,065,832</u>	<u>60,210</u>
Nonoperating revenues:			
Landfill disposal tax	42,000	42,605	605
Landfill state tax distribution	46,000	52,138	6,138
Solid waste franchise fee	30,000	30,000	-
Tire disposal fees	270,000	284,416	14,416
Investment earnings	28,508	109,010	80,502
Miscellaneous revenue	-	104	104
Total nonoperating revenues	<u>416,508</u>	<u>518,273</u>	<u>101,765</u>
Total revenues	<u>1,422,130</u>	<u>1,584,105</u>	<u>161,975</u>
Expenditures:			
Landfill Administration:			
Salaries and wages	248,951	243,645	5,306
FICA	14,560	14,308	252
Medicare	3,406	3,346	60
Group hospital insurance	43,890	40,994	2,896
Vision Care	116	106	10
Retirement	22,354	22,022	332
Deferred compensation- 401K	12,566	12,182	384
Workers' Compensation	17,922	18,176	(254)
Life Insurance	182	167	15
Insurance and bonds	4,386	4,264	122
Total salaries and benefits	<u>368,333</u>	<u>359,210</u>	<u>9,123</u>
Landfill Operations:			
General and administrative:			
Dues and subscriptions	700	532	168
Lights and power	6,000	6,070	(70)
Office supplies	3,000	2,813	187
Other operating cost	320	-	320
Telephone	1,404	1,044	360
Travel	2,500	1,419	1,081
Uniforms	5,643	5,470	173
Total general and administrative	<u>19,567</u>	<u>17,348</u>	<u>2,219</u>

	2020		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Other operating expenditures:			
Auto and truck maintenance	18,500	9,718	8,782
Safety training and equipment	625	525	100
Building and ground maintenance	36,200	31,270	4,930
Capital reserve	338,520	-	338,520
Engineers	29,960	13,700	16,260
Equipment and furniture	9,186	8,585	601
Fuel	31,806	22,194	9,612
Heavy equipment maintenance	60,814	26,300	34,514
Landfill disposal tax remittance	42,000	42,175	(175)
Minor equipment maintenance	5,500	1,109	4,391
Permitting fees	10,000	8,600	1,400
Mulch purchased services	105,000	37,400	67,600
Tire disposal	295,044	126,322	168,722
Tools and minor equipment	2,550	2,280	270
Waste disposal charges	83,172	73,613	9,559
Total other operating expenditures	<u>1,068,877</u>	<u>403,791</u>	<u>665,086</u>
Total expenditures	<u>1,456,777</u>	<u>780,349</u>	<u>676,428</u>
Revenues over (under) expenditures	<u>(34,647)</u>	<u>803,756</u>	<u>838,403</u>
Appropriated Net Position	<u>34,647</u>	<u>-</u>	<u>(34,647)</u>
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>803,756</u>	<u>\$ 803,756</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(135,213)	
(Increase) in net pension liability		(12,352)	
(Decrease) in deferred outflows of resources - pension		(5,629)	
Decrease in deferred inflow - pension		728	
Increase in compensated absences payable		(2,102)	
Increase in deferred outflow - OPEB		3,749	
(Decrease) in deferred outflow - OPEB		(68)	
Decrease in deferred inflow - OPEB		1,707	
(Increase) in deferred inflow - OPEB		(37,569)	
Decrease in OPEB liability		29,440	
Total reconciling items		<u>(157,309)</u>	
Change in net position		<u>\$ 646,447</u>	



Statistical Section

Statistical Section

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Financial Trends - These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Net Position by Component	Table 1
Changes in Net Position	Table 2
Fund Balances of Government Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

Revenue Capacity - These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Assessed Value of Taxable Property	Table 5
Direct and Overlapping Property Tax Rates	Table 6
Principal Property Taxpayers	Table 7
Property Tax Levies and Collections	Table 8

Debt Capacity - These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Ratios of General Bonded Debt Outstanding	Table 9
Ratios of Outstanding Debt by Type	Table 10
Direct and Overlapping Governmental Activities Debt	Table 11
Legal Debt Margin Information	Table 12

Demographic and Economic Information - These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Demographic and Economic Statistics	Table 13
Principal Employers	Table 14

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

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

Cabarrus County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets										
Restricted	\$ 111,057,044	\$ 123,980,302	\$ 126,276,528	\$ 128,602,206	\$ 130,096,524	\$ 132,384,494	\$ 135,088,132	\$ 140,299,370	\$ 147,584,065	\$ 159,939,882
Unrestricted	46,892,224	32,502,357	21,526,048	17,269,347	15,952,068	20,309,397	22,230,970	32,255,525	34,418,834	30,339,063
	(237,704,769)	(221,575,904)	(187,041,424)	(163,966,006)	(131,914,054)	(119,878,979)	(160,670,777)	(222,703,931)	(250,738,117)	(255,163,508)
Total governmental activities net position	\$ (79,755,501)	\$ (65,093,245)	\$ (39,238,848)	\$ (18,094,453)	\$ 14,134,538	\$ 32,814,912	\$ (3,351,675)	\$ (50,149,036)	\$ (68,735,218)	\$ (64,884,563)
Business-type activities										
Net investment in capital assets	\$ 3,978,432	\$ 3,601,643	\$ 3,220,285	\$ 3,019,858	\$ 2,884,041	\$ 2,617,174	\$ 2,681,953	\$ 2,545,825	\$ 2,399,580	\$ 2,264,367
Unrestricted	(272,454)	45,035	343,174	724,114	1,005,864	694,368	832,692	1,385,260	2,043,617	2,825,277
Total business-type activities net position	\$ 3,705,978	\$ 3,646,678	\$ 3,563,459	\$ 3,743,972	\$ 3,889,905	\$ 3,311,542	\$ 3,514,645	\$ 3,931,085	\$ 4,443,197	\$ 5,089,644
Primary government										
Net investment in capital assets	\$ 115,035,476	\$ 127,581,945	\$ 129,496,813	\$ 131,622,064	\$ 132,980,565	\$ 135,001,668	\$ 137,770,085	\$ 142,845,195	\$ 149,983,645	\$ 162,204,249
Restricted	46,892,224	32,502,357	21,526,048	17,269,347	15,952,068	20,309,397	22,230,970	32,255,525	34,418,834	30,339,063
Unrestricted	(237,977,223)	(221,530,869)	(186,698,250)	(163,241,892)	(130,908,190)	(119,184,611)	(159,838,085)	(221,318,671)	(248,694,500)	(252,338,231)
Total primary government net position	\$ (76,049,523)	\$ (61,446,567)	\$ (35,675,389)	\$ (14,350,481)	\$ 18,024,443	\$ 36,126,454	\$ 162,970	\$ (46,217,951)	\$ (64,292,021)	\$ (59,794,919)
Component Unit										
Net investment in capital assets	\$ 725,114	\$ 1,152,374	\$ 959,140	\$ 771,532	\$ 698,177	\$ 591,994	\$ 415,038	\$ 454,265	\$ 332,666	\$ 621,966
Restricted	2,936,461	4,077,601	982,679	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395
Unrestricted	4,428,335	2,587,525	5,305,575	5,782,236	4,312,657	4,819,120	5,157,603	5,904,428	3,509,305	3,860,514
Total component unit net position	\$ 8,089,910	\$ 7,817,500	\$ 7,247,394	\$ 7,454,106	\$ 6,779,832	\$ 7,490,467	\$ 8,068,949	\$ 7,248,516	\$ 6,939,671	\$ 5,657,875

	Fiscal Year									
	2010	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 20,931,001	\$ 21,958,116	\$ 20,446,857	\$ 29,319,941	\$ 20,025,751	\$ 22,937,803	\$ 25,784,005	\$ 25,410,503	\$ 26,373,901	\$ 31,253,702
Public safety	31,944,942	39,222,178	39,553,136	42,377,716	41,286,464	44,488,831	47,282,589	48,772,340	53,570,795	60,955,287
Economic and physical development	3,207,792	3,892,813	4,073,657	4,132,476	4,056,316	4,657,763	4,556,125	6,448,102	4,765,182	4,693,056
Environmental protection	541,463	583,412	547,558	259,725	457,082	396,644	654,645	509,267	1,371,094	690,214
Human Services	40,925,099	39,620,352	37,438,873	37,786,315	35,979,796	36,753,034	38,136,558	36,361,691	38,699,195	41,391,469
Education	118,863,929	66,152,595	63,146,646	65,435,585	71,063,433	96,042,477	144,665,606	141,487,058	151,618,111	129,178,290
Cultural and recreation	6,771,004	6,577,413	7,465,525	7,370,579	6,526,629	7,593,910	8,177,430	8,474,373	8,013,339	9,265,753
Interest on long term debt	19,753,394	19,108,759	17,898,970	16,436,391	14,504,045	13,448,868	13,271,582	13,488,064	14,222,496	13,098,803
Total governmental activities	242,938,624	197,115,638	190,571,222	203,118,728	193,899,516	226,319,330	282,528,540	280,951,398	298,634,113	290,526,574
Business-type activities:										
Solid Waste	2,333,383	1,096,968	957,890	823,069	833,661	1,673,170	866,076	778,768	1,040,485	937,658
Total primary government expenses	\$ 245,272,007	\$ 198,212,606	\$ 191,529,112	\$ 203,941,797	\$ 194,733,177	\$ 227,992,500	\$ 283,394,616	\$ 281,730,166	\$ 299,674,598	\$ 291,464,232
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 2,450,708	\$ 2,576,452	\$ 2,595,260	\$ 2,834,998	\$ 2,908,433	\$ 3,850,542	\$ 3,650,774	\$ 3,914,304	\$ 4,129,231	\$ 4,724,834
Public safety	8,759,169	9,117,930	10,031,226	10,662,877	11,294,592	12,018,879	12,642,192	14,337,385	14,464,132	16,337,716
Economic and physical development	72,730	36,062	46,169	76,791	53,589	137,487	458,680	500,476	555,219	560,492
Environmental protection	593	53,770	42,172	63,757	54,978	28,143	45,345	56,403	37,958	27,775
Human Services	3,400,337	2,262,905	3,176,475	2,612,401	2,237,069	1,383,584	1,344,764	1,423,955	1,352,953	1,242,731
Education	754,640	793,610	33,170	-	-	-	-	-	-	-
Cultural and recreation	1,004,898	1,064,273	1,285,260	1,423,298	1,192,236	1,411,083	1,387,169	1,301,067	1,042,956	969,726
Operating grants and contributions:										
General government	274,343	750,094	1,243,161	796,903	1,400,995	5,538,601	1,956,333	2,482,082	6,310,981	5,478,549
Public safety	1,201,549	974,200	783,970	1,039,695	1,990,379	1,735,870	1,669,713	1,902,528	1,823,435	2,417,516
Economic and physical development	729,427	999,754	593,672	483,393	671,151	671,661	689,873	1,148,056	577,179	386,740
Environmental protection	31,090	8,425	6,912	7,373	8,808	11,054	12,263	9,690	13,414	14,062
Human Services	19,244,360	17,595,622	16,698,603	15,598,848	17,249,740	18,652,890	18,155,349	15,725,089	15,184,450	16,473,584
Education	-	743,081	770,920	786,774	714,643	847,822	717,727	718,883	721,581	724,279
Cultural and recreation	425,927	530,772	1,184,367	1,183,120	1,050,281	1,125,669	1,352,324	1,176,367	1,145,331	1,011,083
Capital grants and contributions:										
Public safety	-	-	-	-	-	-	38,619	29,504	-	-
Human Services	268,010	260,866	329,566	357,278	352,184	423,803	305,137	112,585	222,423	-
Education	6,149,845	1,713,555	7,307,518	4,911,790	2,200,000	2,000,000	3,600,000	2,050,000	2,500,000	2,300,000
Cultural and recreation	-	-	-	-	-	150,000	-	-	-	-
Total governmental activities program revenues	44,767,626	39,481,371	46,128,421	42,839,296	43,379,078	49,987,088	48,026,262	46,888,374	50,081,243	52,669,087
Business-type activities:										
Charges for Services - Solid Waste	1,187,527	704,647	674,272	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832
Operating grants and contributions - Solid Waste	44,655	-	-	-	-	-	-	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,232,182	704,647	674,272	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832
Total primary government program revenues	\$ 45,999,808	\$ 40,186,018	\$ 46,802,693	\$ 43,530,914	\$ 44,061,343	\$ 50,728,732	\$ 48,702,557	\$ 47,700,781	\$ 51,088,818	\$ 53,734,919
Net (Expense)/Revenue										
Governmental activities	\$ (198,170,998)	\$ (165,462,748)	\$ (144,442,801)	\$ (160,279,432)	\$ (150,520,438)	\$ (176,332,242)	\$ (234,502,278)	\$ (234,063,024)	\$ (248,552,870)	\$ (237,857,487)
Business-type activities	(1,101,201)	(392,321)	(283,618)	(131,451)	(151,396)	(931,526)	(189,781)	33,639	(32,910)	128,174
Total primary government net (expense)/revenue	\$ (199,272,199)	\$ (165,855,069)	\$ (144,726,419)	\$ (160,410,883)	\$ (150,671,834)	\$ (177,263,768)	\$ (234,692,059)	\$ (234,029,385)	\$ (248,585,780)	\$ (237,729,313)

		Fiscal Year																		
		2010	2012	2013	2014	2015	2016	2017	2018	2019	2020									
General Revenues and Other Changes in Net Position																				
Governmental activities:																				
Property taxes	\$	137,488,091	\$	135,600,306	\$	133,982,194	\$	142,079,572	\$	139,956,060	\$	145,851,203	\$	154,541,579	\$	161,470,648	\$	173,109,015	\$	185,141,095
Local option sales tax		28,461,637		33,612,837		36,890,472		36,209,579		42,572,756		44,145,980		47,584,589		47,725,592		51,750,607		52,970,080
ABC revenues		66,789		86,842		90,926		155,755		90,185		99,766		128,382		122,995		147,027		130,203
Other taxes and licenses		669,221		752,711		760,314		754,194		796,167		844,478		897,888		950,776		903,350		824,515
Unrestricted investment earnings		813,582		1,352,010		1,627,590		2,224,727		4,930,583		2,494,713		1,043,249		2,042,086		4,056,689		2,642,249
Donations		131,590		-		-		-		-		-		-		-		-		-
Miscellaneous		32,893		-		-		-		-		-		-		-		-		-
Transfers In/Out		-		25,615		122,200		-		-		-		-		-		-		-
Total governmental activities:		167,663,803		171,430,321		173,473,696		181,423,827		188,345,751		193,436,140		204,195,687		212,312,097		229,966,688		241,708,142
Business-type activities:																				
Other taxes and licenses		55,074		350,141		313,218		300,666		315,597		338,457		360,626		375,397		404,695		409,159
Unrestricted investment earnings		10,630		8,495		9,381		11,298		4,909		14,706		32,258		55,092		140,327		109,114
Miscellaneous		19,143		-		-		-		-		-		-		-		-		-
Transfers In/Out		-		(25,615)		(122,200)		-		-		-		-		-		-		-
Total business-type activities		84,847		333,021		200,399		311,964		320,506		353,163		392,884		430,489		545,022		518,273
Total primary government		167,748,650		171,763,342		173,674,095		181,735,791		188,666,257		193,789,303		204,588,571		212,742,586		230,511,710		242,226,415
Change in Net Position																				
Governmental activities	\$	(30,507,195)	\$	5,967,573	\$	29,030,895	\$	21,144,395	\$	37,825,313	\$	17,103,898	\$	(30,306,591)	\$	(21,750,927)	\$	(18,586,182)	\$	3,850,655
Business-type activities		(1,016,354)		(59,300)		(83,219)		180,513		169,110		(578,363)		203,103		464,128		512,112		646,447
Total primary government		(31,523,549)		5,908,273		28,947,676		21,324,908		37,994,423		16,525,535		(30,103,488)		(21,286,799)		(18,074,070)		4,497,102
Expenses																				
Component Unit:																				
Cabarrus Health Alliance	\$	17,292,485	\$	23,482,772	\$	18,091,226	\$	17,848,876	\$	18,276,621	\$	19,906,309	\$	23,208,662	\$	23,680,278	\$	23,680,278	\$	23,702,637
Program Revenues																				
Component Unit:																				
Charges for Services	\$	8,552,866	\$	6,998,473	\$	6,638,544	\$	6,745,631	\$	8,450,064	\$	9,860,172	\$	11,397,891	\$	12,134,585	\$	12,134,585	\$	8,458,809
Operating grants and contributions		8,217,449		7,575,516		9,940,137		10,491,677		10,219,352		10,690,727		12,294,538		11,448,897		11,448,897		12,867,721
Capital grants and contributions		-		8,220,193		87,418		-		-		-		-		-		-		-
Total component unit		16,770,315		22,794,182		16,666,099		17,237,308		18,669,416		20,550,899		23,692,429		23,583,482		23,583,482		21,326,530
Net (Expense) Revenue																				
Component Unit:																				
Total component unit	\$	(522,170)	\$	(688,590)	\$	(1,425,127)	\$	(611,568)	\$	392,795	\$	644,590	\$	483,767	\$	(96,796)	\$	(96,796)	\$	(2,376,107)
General Revenues and Other Changes in Net Position																				
Component Unit:																				
General Revenues	\$	7,630	\$	2,176	\$	12,948	\$	2,033	\$	6,283	\$	18,393	\$	34,710	\$	95,743	\$	95,743	\$	104,186
Unrestricted investment earnings		-		-		-		-		-		-		-		-		-		1,000,000
Special Item		-		-		-		-		-		-		-		-		-		(9,875)
Miscellaneous		42,616		414,004		842,073		816,247		21,333		47,652		60,005		55,723		55,723		151,466
Total General Revenues		50,246		416,180		855,021		818,280		27,616		66,045		94,715		151,466		151,466		1,094,311
Special Item		2,859,108		-		-		-		-		-		-		-		-		-
Total component unit		2,909,354		416,180		855,021		818,280		27,616		66,045		94,715		151,466		151,466		1,094,311
Change in Net Position																				
Component Unit:																				
Total component unit	\$	2,387,184	\$	(272,410)	\$	(570,106)	\$	206,712	\$	420,411	\$	710,635	\$	578,482	\$	54,670	\$	54,670	\$	(1,281,796)

Cabarrus County, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	67,302	198,809	383,680	231,522	244,553	359,001	383,345	557,448	261,337	354,585
Restricted	10,190,775	12,690,692	11,399,498	14,863,874	14,059,301	17,002,983	20,017,459	21,468,197	24,251,535	26,117,071
Committed	-	6,606	-	-	172,493	4,912,643	7,975,354	4,175,361	4,484,945	5,944,972
Assigned	16,955,100	17,436,575	22,450,700	16,089,311	11,210,329	7,295,961	7,525,893	6,239,540	6,006,806	6,652,997
Unassigned	46,800,234	45,700,553	61,505,652	37,717,055	53,746,977	50,718,395	49,627,559	51,601,102	52,881,018	58,554,655
Total General Fund	<u>\$ 74,013,411</u>	<u>\$ 76,033,235</u>	<u>\$ 95,739,530</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	720,000	648,200	-	-	510,000	-	-	-	17,812	8,971
Restricted	36,701,449	19,811,665	10,126,550	3,355,247	2,564,488	84,402,426	33,179,505	121,713,619	47,098,773	12,909,487
Committed	14,383,632	10,458,498	9,798,323	39,301,702	38,332,485	31,648,792	21,643,756	22,823,801	24,657,983	17,790,229
Assigned	459,881	549,755	594,899	758,630	797,361	3,202,731	6,411,469	1,446,067	1,655,365	4,043,024
Unassigned	(5,440)	(292,024)	-	(34,772)	(55,116)	(287,944)	(57,671)	(5,167,699)	(43,414)	(246,357)
Total all other governmental funds	<u>\$ 52,259,522</u>	<u>\$ 31,176,094</u>	<u>\$ 20,519,772</u>	<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>

Note:

The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011
Fiscal year 2010 is presented in the format prior to the implementation of GASB 54

Cabarrus County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad valorem taxes	\$ 136,169,662	\$ 134,789,473	\$ 134,153,049	\$ 140,937,468	\$ 139,912,235	\$ 146,665,438	\$ 157,805,766	\$ 161,348,060	\$ 173,272,386	\$ 184,477,467
Other taxes and licenses	26,451,032	34,360,229	37,634,537	36,993,920	43,368,922	44,990,458	48,482,477	48,676,368	52,653,957	53,794,595
Intergovernmental	20,763,435	23,255,568	28,092,244	24,403,824	24,935,222	26,718,675	28,531,275	25,033,587	28,435,191	28,933,554
Permits and fees	4,753,093	5,789,927	5,487,566	5,949,742	6,610,335	6,187,633	5,966,475	7,371,875	6,840,659	8,625,692
Sales and services	10,310,115	10,073,950	11,830,022	11,364,724	10,892,609	11,813,400	12,695,122	13,552,117	13,892,819	14,316,244
Investment earnings	261,016	235,440	266,534	277,771	211,522	476,243	976,381	1,933,054	3,790,853	2,451,326
Donations	186,638	390,239	628,598	649,853	506,259	696,118	559,896	571,705	602,438	415,049
Miscellaneous	514,504	589,467	1,039,992	487,090	444,037	1,078,357	386,890	1,099,121	1,162,952	699,466
Total Revenues	199,409,495	209,484,293	219,132,542	221,010,392	226,871,141	238,626,322	255,404,282	259,585,887	280,651,255	293,713,393
Expenditures										
General Government	19,342,247	20,296,887	19,601,354	28,338,931	19,636,478	21,462,463	21,664,835	24,150,818	24,833,675	28,855,817
Public Safety	31,114,290	33,696,397	32,914,713	36,406,706	36,187,257	39,466,706	41,058,868	43,217,050	47,306,560	53,137,616
Economic & Phy Dev	3,071,760	3,794,160	3,997,296	4,084,616	4,407,764	4,660,358	4,500,973	6,405,953	4,739,493	4,569,919
Environmental Prot.	519,010	524,881	537,717	222,128	399,128	377,117	610,380	438,565	1,332,525	637,270
Human Services	35,904,789	37,348,400	35,912,373	37,018,148	36,126,712	36,356,523	37,003,442	35,573,296	37,390,443	39,276,647
Education	77,464,219	66,289,905	63,229,560	65,435,585	71,063,433	96,042,477	144,665,606	141,487,058	151,618,111	129,247,085
Culture and recreation	4,811,274	4,848,579	5,972,870	6,144,326	5,415,569	6,276,076	6,569,071	6,822,720	6,902,789	7,394,923
Capital Outlay	6,521,906	4,467,028	4,343,539	5,012,301	3,056,097	3,454,088	7,782,211	9,092,657	17,131,454	15,251,155
Debt Service:										
Principal	22,937,295	37,142,398	25,968,035	26,886,635	26,590,644	28,546,548	31,553,890	35,259,074	38,292,875	36,803,683
Interest	19,709,229	19,041,682	17,911,692	15,437,749	15,277,809	10,832,777	13,384,878	13,792,808	15,543,086	13,905,019
Total Expenditures	221,396,019	227,450,317	210,389,149	224,987,125	218,160,891	247,475,133	308,794,154	316,239,999	345,091,011	329,079,134
Excess of revenues over (under) expenditures	(21,986,524)	(17,966,024)	8,743,393	(3,976,733)	8,710,250	(8,848,811)	(53,389,872)	(56,654,112)	(64,439,756)	(35,365,741)
Other Financing Sources (Uses)										
Debt Proceeds	-	-	-	-	-	-	-	-	-	6,017,493
Lease Financing Issued	-	-	-	-	-	-	-	-	652,796	-
Transfers in	7,542,255	16,283,727	12,663,434	63,488,791	18,047,562	42,964,933	45,408,477	24,803,710	46,946,432	59,829,310
Transfers out	(8,462,255)	(18,283,727)	(12,898,234)	(63,488,791)	(18,197,562)	(42,964,933)	(45,408,477)	(24,803,710)	(46,744,748)	(59,623,588)
Limited Obligation Bonds Issued	-	37,730,250	-	-	134,235,000	73,785,000	-	125,500,000	-	-
Premium from Limited Obligation Bonds	-	-	-	-	-	11,159,452	-	8,374,879	-	-
Issuance of Bonds	-	-	73,020,999	-	-	-	-	-	-	-
Disbursements for Debt Instruments	(20,902,811)	(37,431,142)	(72,479,619)	-	(133,494,948)	-	-	-	-	-
Disbursements to Escrow Agent	-	-	-	-	-	-	-	-	-	-
Issuance of Certificates of Participation	35,800,860	-	-	-	-	-	-	-	-	-
Issuance of Installment Financings	-	-	-	-	-	-	-	-	-	-
Issuance of lease	-	603,312	-	-	-	-	-	-	-	-
Total other financing sources (uses)	13,978,049	(1,097,580)	306,580	-	590,052	84,944,452	841,553	930,000	854,480	6,223,215
Net change in fund balances	\$ (8,008,475)	\$ (19,063,604)	\$ 9,049,973	\$ (3,976,733)	\$ 9,300,302	\$ 76,095,641	\$ (52,548,319)	\$ 78,150,767	\$ (63,585,276)	\$ (29,142,526)
Debt service as a percentage of noncapital expenditures	19.85%	25.20%	21.30%	19.24%	19.46%	16.14%	14.93%	15.97%	16.42%	16.16%

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

Table 5

Fiscal Year	Real Property	Personal Property	Public Service Companies ⁽²⁾	Total Assessed Valuation	County Total Direct Tax Rate ⁽³⁾
2011	18,223,093,062	2,751,158,382	271,487,306	21,245,738,750	0.6300
2012	18,049,710,020	2,668,575,911	285,837,655	21,004,123,586	0.6300
2013 ⁽¹⁾	15,623,512,935	2,774,393,931	297,917,351	18,695,824,217	0.7000
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 ⁽¹⁾	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

Notes:

⁽¹⁾ Cabarrus County typically reassesses property every four years. Increases or decreases in value are due to revaluation

⁽²⁾ Public service companies' valuations are provided to the County by the North Carolina Department of Revenue and include both real and personal property

⁽³⁾ The County total direct tax rate is per \$100 of assessed valuation

Cabarrus County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Table 6

	2011	2012	2013 ⁽¹⁾	2014	2015	2016	2017 ⁽¹⁾	2018	2019	2020
County Total Direct Rate ⁽²⁾	\$ 0.6300	\$ 0.6300	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7200	\$ 0.7400
Fire Protection Districts ⁽³⁾	0.0528	0.0616	0.0616	0.0651	0.0651	0.0722	0.0751	0.0848	0.0947	0.0975
Municipal Rates: ⁽⁴⁾										
Concord	0.4200	0.4200	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Kannapolis	0.4900	0.4900	0.5600	0.5600	0.6000	0.6300	0.6300	0.6300	0.6300	0.6300
Harrisburg	0.1250	0.1350	0.1585	0.1585	0.1585	0.1585	0.1585	0.1585	0.3550	0.3550
Mt. Pleasant	0.4400	0.4400	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050
Midland	0.1400	0.1400	0.1600	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2200
Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600

Notes:

⁽¹⁾ Real property was revalued on January 1

⁽²⁾ All taxable property is subject to the County total direct rate. Cabarrus County has a unified tax rate; it has no components to display

⁽³⁾ 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

⁽⁴⁾ Municipalities set their own direct rate. This rate, combined with the County rate, is the total overlapping tax rate

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Corning, Incorporated	Fiber optics manufacturer	\$ 481,996,326	1	1.99%	\$ 126,774,986	5	0.52%
Castle & Cooke North Carolina, LLC / David H Murdock	Land developer	293,159,782	2	1.21%	323,496,522	3	1.34%
Mall at Concord Mills LP	Shopping center	231,020,588	3	0.96%	240,875,353	4	1.00%
Charlotte Motor Speedway, Incorporated	Auto racing	219,458,920	4	0.91%	341,838,152	2	1.41%
Celgard LLC	Battery manufacturer	184,192,261	5	0.76%			0.00%
Duke Energy Corporation	Public service company	147,730,421	6	0.61%	94,123,454	7	0.39%
Silverman	Real Estate	109,497,800	7	0.45%			0.00%
Great Wolf Lodge of the Carolinas	Amusement park/hospitality	106,469,606	8	0.44%	85,200,643	8	0.35%
Weinstein Properties	Property management	101,646,310	9	0.42%			0.00%
Hendricks Automotive	Auto racing	99,942,839	10	0.41%	110,338,122	6	0.46%
Wal-mart/Sams	Retail Sales				69,757,852	9	0.29%
JQH-Concord Development LLC	Hospitality	-	-	-	67,618,717	10	0.28%
Phillip Morris, Incorporated	Cigarette manufacturer	-	-	-	658,584,244	1	2.72%
Totals		\$ 1,975,114,853		8.17%	\$ 2,118,608,045		8.76%

Source:
Cabarrus County Tax Administration Department

Table 8

Source:
Cabarrus County Finance Department

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

Fiscal Year	General Obligation Bonds ⁽¹⁾	Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
2011	107,901,510	0.51%	597
2012	100,620,346	0.47%	547
2013	100,138,753	0.54%	537
2014	91,115,506	0.46%	487
2015	82,447,259	0.42%	429
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

Notes:

⁽¹⁾ Details regarding the County's outstanding debt can be found in the notes to the financial statements

⁽²⁾ See Table 5 for total assessed value of property

⁽³⁾ 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							Percentage of Personal Income ⁽²⁾
	General Obligation Bonds ⁽¹⁾	Certificates	Installment Financing ⁽³⁾	Notes Payable	Capital Leases ⁽³⁾	Total Primary Government		
		Of Participation/Limited Obligation Bonds						
2011	107,901,510	302,779,526	14,225,193	-	-	424,906,229	2,350	7.01%
2012	100,620,346	285,329,194	3,036,726	-	494,381	389,480,647	2,119	6.04%
2013	100,138,753	265,437,062	2,968,195	-	379,877	368,923,887	1,979	5.25%
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	*
2020	43,132,041	322,857,803	2,900,998	-	442,302	369,333,144	1,706	*

Notes:

⁽¹⁾ Details regarding the County's outstanding debt can be found in the notes to the financial statements

⁽²⁾ See Table 13 for personal income and population data. These ratios are calculated using data from the prior calendar year

⁽³⁾ Fiscal years 2018 and prior have been restated

* Calendar year 2019 personal income is not yet available to calculate the percentage of personal income for fiscal year 2018

Cabarrus County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit ⁽¹⁾	Outstanding Debt ⁽²⁾	Estimated Percentage Applicable ⁽³⁾	Amount Applicable to Primary Government
City of Concord	\$ 21,520,169	49.40%	\$ 10,630,051
City of Kannapolis	55,375,249	18.10%	10,025,451
Town of Harrisburg	17,523,854	9.69%	1,698,549
Town of Mt. Pleasant	1,340,016	0.63%	8,479
City of Locust	1,746,152	0.23%	4,069
Town of Midland	592,838	2.21%	13,124
Subtotal, overlapping debt			22,379,722
Cabarrus County direct debt			369,333,145
Total direct and overlapping debt			\$ 391,712,867

Notes:

⁽¹⁾ 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.

⁽²⁾ Total outstanding Governmental activities debt is provided by each governmental unit.

⁽³⁾ 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 21,245,738,750	\$ 21,004,123,586	\$ 18,695,824,217	\$ 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
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,699,659,100	1,680,329,887	1,495,665,937	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
Debt applicable to debt limitations:										
Total Bonded Debt	105,660,000	98,695,000	88,390,000	80,395,000	82,447,259	73,900,237	65,546,821	57,460,041	50,318,541	43,132,041
Total Installment Payment Revenue Bonds	-	-	-	-	457,323	-	-	-	-	-
Total Notes Payable	-	-	-	259,514	133,013	365,858	274,393	182,928	91,463	-
Total Capital Leases	-	494,381	379,877	2,896,923	2,822,780	2,745,710	334,814	334,814	713,127	442,302
Total Installment Financing	14,225,193	3,036,726	2,968,195	-	-	-	3,166,929	3,909,320	3,407,393	2,900,998
Total Certificates of Participation/ Limited Obligation Bonds	294,315,000	274,555,000	255,735,000	237,035,000	238,439,690	301,695,995	276,304,369	380,726,387	347,902,739	322,857,803
Total debt applicable to limitations	414,200,193	376,781,107	347,473,072	320,586,437	324,300,065	378,707,800	345,627,326	442,613,490	402,433,263	369,333,144
Legal debt limit	\$ 1,285,458,907	\$ 1,303,548,780	\$ 1,148,192,865	\$ 1,252,663,913	\$ 1,251,426,301	\$ 1,243,820,729	\$ 1,377,978,587	\$ 1,342,362,617	\$ 1,446,252,477	\$ 1,565,419,424
Total net debt applicable to the limit as a percentage of debt limit	\$ 1,285,458,907 24.37%	\$ 1,303,548,780 22.42%	\$ 1,148,192,865 23.23%	\$ 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%

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

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Public School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾	Number of Building Inspections Performed ⁽⁵⁾
2011	180,794	6,057,692	33,926	34,096	11.0%	23,241
2012	183,806	6,453,148	35,561	34,588	9.4%	26,565
2013	186,446	7,025,450	38,079	35,125	8.2%	30,780
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	*	*	32,955	3.8%	64,131
2020	216,453	*	*	33,579	7.6%	71,036

* Information not yet available. Information for calendar year 2019 will be available November 16, 2020.

Notes:

⁽¹⁾ United States Census Bureau

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

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

⁽⁴⁾ N. C. Department of Commerce Labor & Economic Analysis as of June 30th

⁽⁵⁾ 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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium Health (formerly Carolinas HealthCare)	4,269	1	4.14%	4,500	1	5.35%
Cabarrus County Schools	3,964	2	3.85%	3,800	3	4.52%
Amazon	2,500	3	2.43%	-	-	-
Wal-Mart	1,200	4	1.16%	-	-	-
Cabarrus County Government	1,196	5	1.16%	975	4	1.16%
City of Concord	1,078	6	1.05%	925	5	1.10%
Shoe Show	1,000	7	0.97%	700	9	0.83%
Food Lion	750	8	0.73%			
Kannapolis City Schools	724	9	0.70%	750	8	0.89%
Corning	650	10	0.63%	-	-	-
Concord Mills Mall	-	-	-	4,000	2	4.76%
Tele Tech (formerly Connexions or Optum)	-	-	-	900	6	1.07%
State of North Carolina	-	-	-	771	7	0.92%
Hendricks Motorsports	-	-	-	500	10	0.59%
Total	17,331		16.83%	17,821		21.19%

Source:

NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2011 CAFR

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	165	166	159	161	168	171	176	180	190	192
Cultural and Recreation	51	51	60	62	68	69	71	74	76	78
Public Safety	421	419	421	445	453	472	496	505	514	524
Economic and physical development	12	15	16	16	15	18	19	19	19	19
Human Services	313	297	289	299	302	308	317	330	340	347
Environmental Protection	11	8	7	5	7	7	7	8	9	9
Total	973	956	952	988	1,013	1,045	1,086	1,116	1,148	1,169

Note:

† Vacant positions are included in the above numbers. Full-time personnel work on 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Tax Collection Rate	97.20%	96.58%	96.67%	96.33%	97.32%	98.19%	99.05%	98.92%	99.30%	98.73%
Land Records Recorded ⁽¹⁾	28,238	34,086	34,533	28,397	32,188	33,207 *	35,324 *	32,719 *	32,668 *	44,916
Culture & Recreation										
Circulation of Library Materials-All Branches	697,539	681,192	701,278	699,884	668,249	675,234	771,850	812,539	848,068	758,135
Acres of Park Land-Developed/Undeveloped	381/310	381/310	381/310	381/310	381/310	356/257	356/257	356/27	356/270	553/100
Public Safety										
Sheriff Average Response Time (includes Fire and EMS)	7:50	7:13	7:50	7:35	6:41	6:48	6:52	7:28	7:34	6:01
Detention Center Average Daily Population	350	358	367	369	326	285	336	347	351	303
Animals Picked Up (Animal Shelter)	3,800	3,505	3,408	2,817	2,865	2,955	2,596	2,685	3,414	2,815
Building Inspections Completed	22,410	26,568	30,780	42,541	46,267	55,966	57,167	62,516	64,129	71,036
EMS Average Response Time Countywide	7	6	7	7	7	7	7.2	7.5	7.4	7.42
Economic & Physical Development										
Construction Permits Issued ⁽⁴⁾	9,558	10,350	10,119	13,695	15,217	16,971	16,183	18,152	18,762	20,807
Zoning Permits Issued ⁽⁴⁾	307	295	313	367	450	444	536	538	406	544
Human Services										
Veteran /Dependent Contacts	12,119	9,901	9,950	9,312	9,477	9,610	9,852	10,241	9,142	8,506
Human Service Transportation Trips ⁽²⁾	81,844	86,316	74,839	82,123	87,544	92,402	81,353	74,158	75,501	65,309
Family Medicaid Cases	15,884	16,039	17,659	17,553	9,805	18,662	17,197	17,197	19,050	22,401
Adult Medicaid Cases ⁽³⁾	6,019	6,101	6,273	6,483	7,090	10,817	8,326	7,234	9,525	9,804
WFFA (formerly AFDC)	254	263	275	304	193	273	235	203	209	301
Child Protective Service Reports Investigated	1,537	2,955	2,389	1,224	1,217	1,748	1,185	1,953	2,066	2,043
Adoptions Completed	7	1	3	3	12	16	10	7	13	13
Food Stamp Cases	10,497	11,652	11,700	11,900	11,288	11,450	12,150	9,564	8,573	9,153
Adult Protective Services Reports	189	226	199	181	388	380	388	411	381	422
Environmental Protection										
Tons of MSW and C&D Waste Managed	24,969	21,454	17,876	17,756	16,511	16,126	15,327	16,845	19,097	21,089
Tons of Recyclable Materials Collected	3,498	4,250	4,196	3,507	3,114	3,461	3,774	3,700	3,200	4,787
Education										
Per Pupil Current Expense Funding	\$1,597.64	\$ 1,688.25	\$ 1,548.92	\$ 1,528.00	\$ 1,608.00	\$ 1,699.00	\$ 1,748.20	\$ 1,740.19	\$ 1,708.00	\$ 1,771.00
Per Pupil Capital Outlay Funding	\$ 32.59	\$ 32.20	\$ 110.89	\$ 90.93	\$ 58.27	\$ 137.18	\$ 182.14	\$ 129.36	\$ 29.73	\$ 26.71
Per Pupil Debt Service Funding	\$ 877.37	\$ 1,011.39	\$ 967.27	\$ 878.93	\$ 857.03	\$ 848.80	\$ 1,010.11	\$ 1,067.35	\$ 1,085.19	\$ 697.43
Per Pupil - Server Space	-	-	\$ 0.81	\$ 2.78	\$ 2.30	\$ 2.28	\$ 2.28	\$ 1.18	\$ 1.09	\$ 1.08
Per Pupil - Fines & Forfeitures	-	-	\$ 43.19	\$ 41.13	\$ 41.07	\$ 41.35	\$ 40.75	\$ 39.17	\$ 37.40	\$ 34.99
Per Pupil - School Nurses	-	-	-	\$ 48.66	\$ 55.33	\$ 64.59	\$ 68.87	\$ 71.93	\$ 69.38	\$ 72.81

Source: County Departments

Notes: ⁽¹⁾ Data is Calendar Year from Register of Deeds Department

⁽²⁾ County Department Starting in 2004, previously under DSS and private contractor

⁽³⁾ Social Security began managing SSI medicaid cases in 1998; Medicaid income limits changed to 100% of

⁽⁴⁾ New measure beginning 2011

- Data Not Available, * Estimate

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

Table 17

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Parks ⁽¹⁾										
Park facility ⁽⁴⁾	5	5	5	5	5	5	6	6	6	6
Tennis courts	6	6	6	6	6	6	6	6	6	6
Picnic shelters ⁽³⁾	24	24	24	24	28	28	29	29	29	25
Softball fields	8	8	8	8	8	8	8	8	4	4
Playgrounds	10	10	10	10	10	10	11	11	13	13
Soccer Fields	11	11	11	11	11	11	11	11	11	11
Camping cabins	6	6	6	6	6	6	6	6	6	6
Tent sites	7	7	7	7	7	7	7	7	7	7
Bathhouse for campgrounds	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Pool Bathhouse	1	1	1	1	1	1	1	1	1	1
Fire protection ⁽¹⁾										
Stations ⁽²⁾	10	10	10	11	11	11	11	11	11	11
Sheriff ⁽¹⁾										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	5	5	5	5	5	5	5	5	5	5
Patrol units	118	118	135	145	181	170	173	202	214	192

Notes:

⁽¹⁾ Data obtained from the County Departments of Parks,

Emergency

⁽²⁾ Three stations have become municipal departments and are not under the control of the County

⁽³⁾ 25 shelters reflects a decrease of 4 due to the Barn at FLP being burned down

⁽⁴⁾ 6 Park facilities reflects WW Flowe which is operated by City of Concord, Pharr Mill Road Park which is operated by Town of Harrisburg

Compliance Section

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

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

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

Independent Auditor's Report

To the Board of Commissioners
Cabarrus County
Concord, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 16, 2020. 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cabarrus County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 result 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
December 16, 2020

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

We have audited Cabarrus County, North Carolina's, compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cabarrus County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cabarrus County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Cabarrus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Cabarrus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cabarrus County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cabarrus County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 a 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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
December 16, 2020

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

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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

We have audited Cabarrus County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Cabarrus County's major state programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cabarrus County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Cabarrus County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Cabarrus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Cabarrus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cabarrus County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cabarrus County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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
December 16, 2020

CABARRUS COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

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

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
COVID-19 Coronavirus Relief Fund (CRF)	20.019
Medicaid Cluster	93.778
Aging Cluster	93.044, 93.045, 93.053
Child Development Fund Cluster	93.596, 93.575, 93.489

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

CABARRUS COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results (continued):

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?

No

Identification of major state programs:

Program Name

Medicaid Cluster

Aging Cluster

Public School Building Capital Fund

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, 2020

Finding: 2019-001

Status: Corrected

Finding: 2019-002

Status: Corrected

Finding: 2019-003

Status: Corrected

Finding: 2019-004

Status: Corrected

Finding: 2019-005

Status: Corrected

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

FEDERAL AWARDS

U.S. DEPARTMENT OF AGRICULTURE

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

Total Supplemental Nutrition Assistance Program Cluster

Total U.S. Department of Agriculture

U.S. DEPARTMENT OF JUSTICE

Passed-through the N.C. Department

of Public Safety:

COVID-19 - Coronavirus Emergency Supplemental Funding Program

Total U.S. Dept. of Justice

U.S. DEPARTMENT OF TRANSPORTATION

Passed-through the N.C. Department of Transportation:

Highway Safety Cluster:

State and Community Highway Safety Program - TRAFU

State and Community Highway Safety Program - Bike Safe

Total Highway Safety Cluster

COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program

- Section 5311 CARES Act Grant

Total U.S. Department of Transportation

U.S. DEPARTMENT OF TREASURY

Passed-through the NC Office of State Budget and Management:

NC Pandemic Recovery Office

COVID 19 - Coronavirus Relief Fund (CRF)

Total U.S. Department of Treasury

U.S. DEPARTMENT OF HOMELAND SECURITY

Passed-through N.C. Department of Public Safety:

Division of Emergency Management

Emergency Management Performance Grant

Homeland Security Grant Program

Total U.S. Department of Homeland Security

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
	10.561	WC302	1,727,588	-	-	3,201,767
			1,727,588	-	-	3,201,767
			1,727,588	-	-	3,201,767
	16.034	2020-VD-BX-0326	58,008	-	-	-
			58,008	-	-	-
	20.600	PT-20-06.28	143,847	-	-	-
	20.600	MC-2019-03-07	3,333	-	-	-
			147,180	-	-	-
	20.509	20-CA-042	166,788	-	-	-
			313,968	-	-	-
	21.019	02 13	1,278,429	-	197,417	-
			1,278,429	-	197,417	-
	97.042	EMA-2020-EP-00009	80,779	-	-	80,399
	97.067	EMW-2019-SS-00057	35,000	-	-	-
			115,779	-	-	80,399

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Division of Aging and Adult Services						
Passed-through Centralina Council of Governments:						
National Family Caregiver Support, Title III, Part E	93.052	FY20 Region F County 013	42,022	2,801	-	4,482
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	FY20 Region F County 013	4,000	706	-	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III, Part C						
Nutrition Services	93.045	FY20 Region F County 013	114,804	20,260	-	15,542
Special Programs for the Aging - Title III, Part B						
Grants for Supportive Services and Senior Centers:						
Transportation Grant	93.044	FY20 Region F County 013	155,947	27,520	-	-
Adult Day Services	93.044	FY20 Region F County 013	57,175	10,090	-	-
In-Home Aide I&II	93.044	FY20 Region F County 013	170,536	30,095	-	-
Housing Housing Improvement	93.044	FY20 Region F County 013	43,625	7,698	-	-
Senior Center Operations Grant	93.044	FY20 Region F County 013	76,094	13,428	-	-
Nutrition Services Incentive Program	93.053	FY20 Region F County 013	25,699	-	-	-
Senior Center Operations Grant General Purpose			-	7,047	-	-
Total Aging Cluster			643,880	116,138	-	15,542
Total Division of Aging and Adult Services			689,902	119,645	-	20,024
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families (TANF) State Programs (Note 5)						
Administration:						
Temporary Assistance Needy Families (TANF)	93.558	2002NCTANF	184,248	-	-	220,795
Services:						
Temporary Assistance Needy Families (TANF)	93.558	2002NCTANF	1,343,942	-	-	1,200,286
Total Temporary Assistance for Needy Families (TANF) State Programs			1,528,190	-	-	1,421,081
Child Support Enforcement - Section IV-D Administration	93.563	WC302	1,636,966	-	-	844,008
Administraaon for Children and Families						
Refugee and Entrant Assistance Cluster (Note 4)						
Refugee and Entrant Assistance State Administered Program	93.566	WC302	6,028	-	-	-
Total Refugee and Entrant Assistance Cluster (Note 4)			6,028	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568	20B1NCLIEA	105,355	-	-	-
Energy Assistance	93.568	20B1NCLIEA	623,074	-	-	-
Crisis Intervention Program	93.568	20B1NCLIEA	548,174	-	-	-
Total Low-Income Energy Assistance			1,276,603	-	-	-

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
Passed through NCDHHS/ NC Department of Environmental Quality Low-Income Home Energy Assistance: Weatherization Assistance for Low Income Persons Heating and Air Repair and Replacement Program Total Dept of Environmental Quality Total Low-Income Energy Assistance	93.568 93.568	Contract 7990 Contract 7990	113,961 119,701 233,662 1,510,265	- - - -	- - - -	- - - -
Stephanie Tubbs Jones Child Welfare Services Program Permanency Planning - Families for Kids	93.645	G2001NCCWSS	49,582	-	-	16,527
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) John H. Chafee Foster Care Program for Successful Transition to Adulthood Administration Direct Benefit Payment Total John H. Chafee Foster Care Program for Successful Transition to Adulthood Program Promoting Safe and Stable Families	93.674 93.674	G2001NC1420 G2001NC1420	16,554 4,157	4,139	- -	- -
			20,711	4,139	-	-
	93.556	G2001NCFPSS	21,789	-	-	-
Social Service Block Grant (SSGB) - In Home Services Adult Day Care (Division of Adult and Aging Services) In-Home Services Adult Protective Services Child Protective Services - TANF to SSBG Social Services Block Grant Administration Total Social Services Block Grant (SSBG) In Home Services	93.667 93.667 93.667 93.667 93.667	G2001NCSOSR G2001NCSOSR G2001NCSOSR G2001NCSOSR G2001NCSOSR	25,095 134,947 31,469 295,828 444,775 932,114	23,555 7,626	- - - - -	6,950 11,289 - 2,738 148,258 169,235
Total Division of Social Services - Other Programs			5,705,645	35,320	-	2,450,851
Passed Through N.C. Department of Health and Human Services: Division of Social Services: Foster Care and Adoption Cluster (Note 4): Admin: Foster Care Title IV-E Administration Foster Care Title IV-E Child Protective Services Foster Care Title IV-E Foster Care and Training Foster Care Title IV-E Foster Care and Off Training Adoption Assistance- Training (Note 5) Adoption Assistance (Note 5) COVID-19 - Foster Care - Title IV-E Direct Benefits: COVID-19 - Foster Care Title IV-E Foster Care Title IV-E Direct Benefit Payments Total Foster Care and Adoption Cluster (Note 4)	93.658 93.658 93.658 93.658 93.659 93.659 93.658 93.658 93.658	2001NCFOST 2001NCFOST 2001NCFOST 2001NCFOST WC302 WC302 2001NCFOST 2001NCFOST 2001NCFOST	15,888 266,580 6,678 437,673 53,764 122,845 8,093 - 20,389 385,841 1,317,751	- 80,703 - - - - 1,036 2,611 61,783 146,133	- - - - - - - - - - -	15,888 199,680 2,226 437,673 53,764 506,167 - - - 84,617 1,300,015

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

Grantor/Pass Through Grantor/Program Title	Federal CFDA 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: Subsidized Child Care Cluster (Note 4): Child Care Development Fund Cluster: Division of Social Services: Childcare Mandatory and Matching Funds of the Childcare and Development Fund Total Subsidized Child Care Cluster /Child Care Development Fund Cluster (Note 4)	93.596	WC302	193,491 193,491	- -	- -	- -
Division of Social Services: Medicaid Cluster: Medical Assistance Program (Note 5) Medical Assistance Program (Note 5) Total Medicaid Cluster	93.778 93.778	WC302 WC302	4,962,257 42,174 5,004,431	- 8,589 8,589	- - -	1,760,031 33,585 1,793,616
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) Division of Social Services: Administration Children's Health Insurance Program - N.C. Health Choice (Note 5) Total Children's Insurance Program - N.C. Health Choice Total U.S. Department of Health and Human Services	93.767	CHIP	311,671 311,671 13,222,891	5,835 5,835 315,522	- - -	21,344 21,344 5,585,850
National Endowment for the Humanities Passed-Through the State Library of N.C. Grants to States - LSTA ALA Scholarship Grant	45.310	LS-246155-OLS-20	1,591	-	-	-
U.S. DEPARTMENT OF ENERGY Passed Through N.C. Department of Environmental Quality Weatherization Assistance for Low-Income Persons Total U.S. Department of Energy	81.042	DEEE0007939	66,963 66,963 16,785,217	- - 315,522	- - 197,417	- - 8,868,016
TOTAL FEDERAL AWARDS						
STATE AWARDS						
N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES Division of Social Services: AFDC Incentives Child Welfare/CPS/CS County Funded Programs Non-Allocating County Cost Work First Non Reimbursement Total Division of Social Services Total N. C. Department of Health and Human Services		XXXX XXXX XXXX XXXX XXXX	- - - - - - - 196,507	767 195,740 - - - - - 196,507	- - - - - - - -	- - 2,998,569 613,942 2,262,603 5,875,114 5,875,114

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY						
Soil and Water Conservation		XXXX	-	3,600	-	-
Soil and Water Conservation - Water Quality Cost Share Grant		XXXX	-	27,235	-	210,981
Total NC Department of Environmental Quality and Natural Resources			-	30,835	-	210,981
N.C. DEPARTMENT OF PUBLIC SAFETY						
Division of Juvenile Justice and Delinquency Prevention:						
Juvenile Crime Prevention Programs:						
ACS Shift Mentoring		XXXX	-	46,375	46,375	-
Boys and Girls Club Targeted Outreach		XXXX	-	25,000	25,000	-
Fostering Solutions		XXXX	-	34,063	34,063	-
Sex Offender		XXXX	-	7,834	7,834	-
Shift Mentoring		XXXX	-	78,907	78,907	-
Teen Court		XXXX	-	44,970	44,970	-
Teen Court Resolve Program		XXXX	-	68,339	68,339	-
Teens Together		XXXX	-	20,598	20,598	-
Thompson Rise		XXXX	-	25,032	25,032	-
Thompson Rise - Trama Focused CBT		XXXX	-	69,802	69,802	-
YDI Family Life Skills Academy		XXXX	-	62,710	62,710	-
Cabarrus County:						
JCPC Certification		XXXX	-	15,500	15,500	-
Total N.C. Department of Public Safety			-	499,130	499,130	-
N.C. DEPARTMENT OF INSURANCE						
Division of Seniors Health Insurance Information Program						
SHIIP Grant		XXXX	-	14,362	-	-
Total N.C. Department of Insurance			-	14,362	-	-
N.C. DEPARTMENT OF CULTURAL AND NATURAL RESOURCES						
Division of the State Library of N.C.						
State Aid to Libraries		DCR-4	-	196,389	-	2,854,057
Total N.C. Department of Cultural and Natural Resources			-	196,389	-	2,854,057
N.C. DEPARTMENT OF ADMINISTRATION						
Veterans Service Grant						
Total N.C. Department of Administration			-	2,182	-	275,797
N.C. DEPARTMENT OF TRANSPORTATION						
Rural Operating Assistance Program (ROAP) Cluster:						
ROAP Elderly and Disabled Transportation Assistance Program (E&DTAP)		DOT-16CL	-	115,232	-	-
ROAP Work First Transitional - Employment		DOT-16CL	-	47,984	-	-
ROAP Rural General Public Program (RGP)		DOT-16CL	-	76,761	-	7,159
Total ROAP Cluster			-	239,977	-	7,159
Total N.C. Department of Transportation			-	239,977	-	7,159

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2020

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N.C. DEPARTMENT OF PUBLIC INSTRUCTION						
Public School Building Capital Fund						
Lottery proceeds			-	2,300,000	-	-
Total N.C. Department of Public Instruction			-	2,300,000	-	-
TOTAL STATE AWARDS			-	3,479,382	499,130	9,223,108
TOTAL FEDERAL AND STATE AWARDS			16,785,217	3,794,904	696,547	18,091,124

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, 2020. 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, Refugee and Entrant Assistance, and Subsidized Childcare.

5. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	2,455,762	-
Temporary Assistance for Needy Families	93.558	548,367	-
Adoption Assistance	93.659	501,697	119,248
Child Care and Development Block Grant	93.575	5,529,291	-
Medical Assistance Program	93.778	158,966,952	70,395,324
Children's Health Insurance Program	93.767	5,748,249	417,309
Child Welfare Services Adoption		-	505,242
State / County Special Assistance program		-	1,206,036
Total		173,750,318	72,643,159

6. Coronavirus Relief Funds

Cabarrus County received \$7,972,669 of funding from the Coronavirus Relief Fund (21.019) in accordance with HB 1043 and HB 1023. Cabarrus County has a plan to spend these funds approved by OSBM. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Carolina County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered sub recipients of the Counties; however, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

