

# CABARRUS COUNTY

## NORTH CAROLINA



## Annual Comprehensive Financial Report

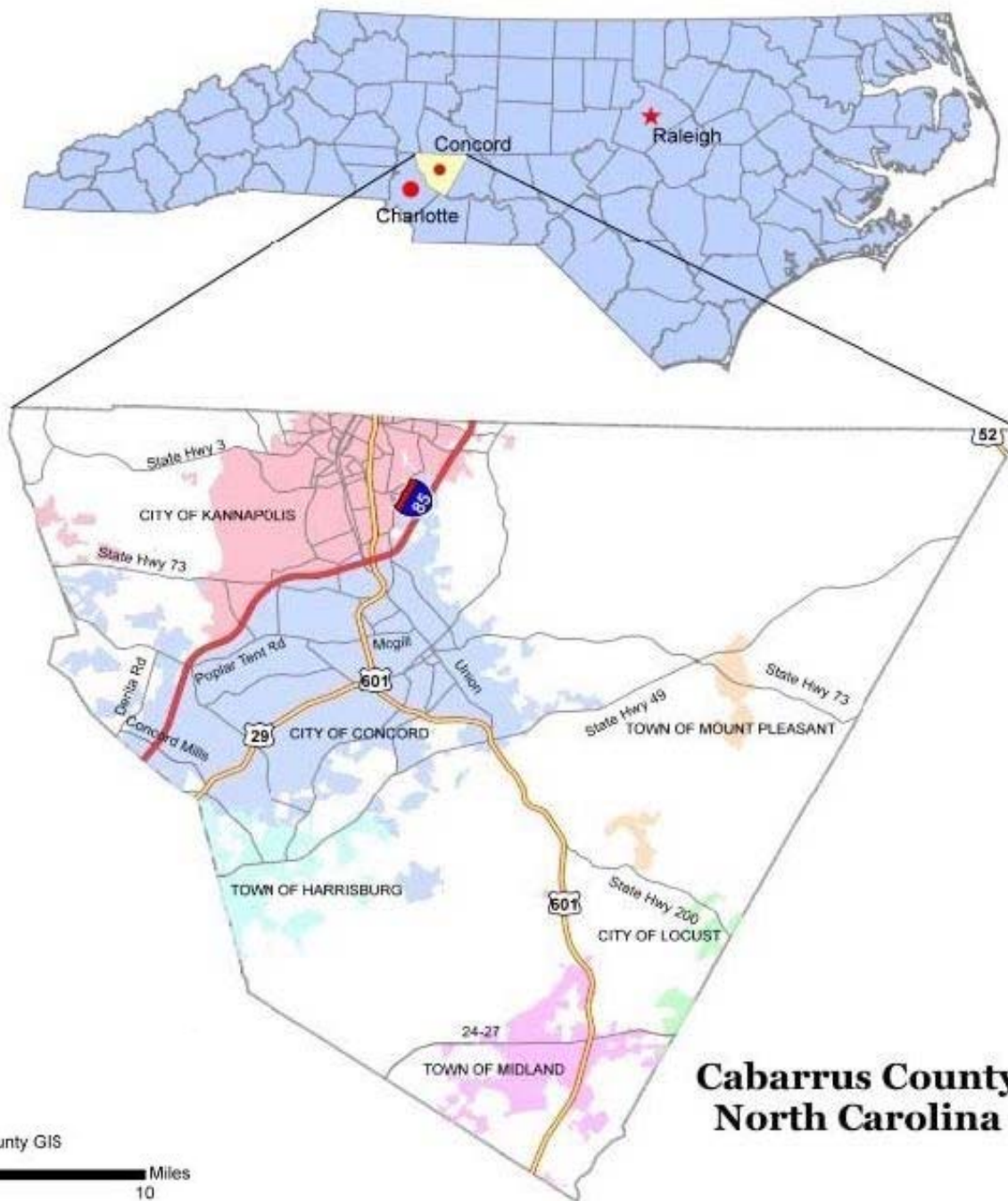
### Fiscal Year Ended June 30, 2021



CABARRUS COUNTY  
*America Thrives Here*







## Cabarrus County North Carolina



Prepared by Cabarrus County GIS

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# Cabarrus County

North Carolina

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

PREPARED BY THE CABARRUS COUNTY FINANCE DEPARTMENT

Wendi M. Heglar, Finance Director





# Cabarrus County, North Carolina

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# INTRODUCTORY SECTION

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## Finance Department

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November 24, 2021

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

State law requires that all general-purpose local governments publish each year a complete set of financial statements, presented in accordance with generally accepted accounting principles (GAAP), and audited by a certified public accountant in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the annual comprehensive financial report (ACFR) for the County of Cabarrus (the County) for the fiscal year ended June 30, 2021.

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, 2021 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, 2021 are fairly presented in all material respects with GAAP.** This report presents the independent auditor's report as the first component of the financial section.

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

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

## Profile of Cabarrus County

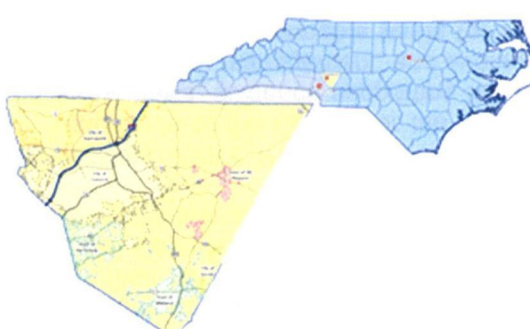
The County, incorporated in 1792, is in the Piedmont section of the State of North Carolina and bordered on the north by Rowan and Iredell counties, on the east by Stanly County, on the south by Union County and on the west by Mecklenburg County; it comprises approximately 230,400 acres. There are six municipalities in the County, the largest of which is the City of Concord, 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 221,479 as of July 2020. 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 since 1976. The five-member Board of Commissioners has policy-making and legislative authority including adopting ordinances, appointing 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-Concord-Gastonia, NCSC Metropolitan Statistical Area (the "Charlotte MSA"). According to the U.S. Census Bureau, as of July 1, 2019, the Charlotte MSA was the 22<sup>nd</sup> 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, 2021:



Company	Employees
Atrium Health	4,264
Amazon	2,500
Walmart	1,200
Shoe Show	1,000
FedEx Ground and FedEx Smartpost	807

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 recent years. 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. Another industrial speculative development was announced in May of this year. The Springs Business Park will be a total of four small bay industrial spec buildings on Pitts School Road in Concord. The professional park will be designed to meet the needs of small to medium sized businesses and will be a business incubator for growing companies. The projected investment for all four buildings is \$13,000,000 and the total square footage is 119,400 SF.

The unemployment rate for Cabarrus County in June 2021 was 4.4% compared to 7.6% a year ago in June of 2020. 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 last year. The Cabarrus Center supports the creation of new businesses and growth of existing small businesses through mentor networks, education, capital access and programming. The EDC received 150 new requests for information related to potential economic development projects in the 2020-2021 fiscal year.

### **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:

- The 2021 Cabarrus County Community Survey found residents have a positive perception of the county, with 92% saying they are satisfied with Cabarrus as place to raise children and 87% reporting they are satisfied with the overall quality of life.
- Continued construction of the County's new courthouse that will transform downtown Concord.
- The County's response to the COVID-19 pandemic continued throughout the year. The County provided transportation and meal delivery to individuals in shelter due to COVID-19 quarantine/isolation, as well as to COVID-19 vaccination sites; over \$1 million in heating and cooling assistance to eligible households; and through the Cabarrus Health Alliance investigated more than 19,000 COVID-19 cases.
- The Midland Library branch expanded service hours in January of 2021 to allow an extra day of service, and extended hours during weekday operation.
- The Detention Center added courses to the inmate programs list to help give life skills and coaching to those inmates that will eventually be discharged back out into society. The mission of the programs is to reduce the recidivism rate within the facility thus reducing the tax burden placed upon the taxpayer for the operation of the facility.
- Increased utilization of E-recording by patrons to 80% of all land records recorded in the 2020 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.

- Collaborated with the municipalities to produce a series of short videos to inform Cabarrus County residents how to “recycle right” and reduce recycling contamination.

## Awards

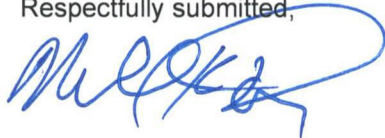
The county was fortunate to receive the following awards and recognition over the past year:

- **Certificate of Excellence in Financial Reporting** – the Government Finance Officers Association of the United States and Canada (GFOA) awarded to the County for its ACFR for the fiscal year ended June 30, 2020. This was the 36th consecutive year the County received this prestigious award.
- **Distinguished Budget Presentation Award** – the GFOA awarded to the county for its annual budget document for the fiscal year ended June 30, 2020. This was the 22nd 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 2021 First Place Digital Counties Survey award to the county for using technology to improve services and boost efficiencies.
- **Government Experience 1<sup>st</sup> Place Award** – the Center for Digital Government awarded the County the 1st Place award for overall government experience.
- **Mission: Lifeline EMS Gold Plus Award** – the American Heart Association/American Stroke Association awarded the county the EMS Gold Plus award in recognition of the Emergency Medical Services departments commitment and success in implementing a higher standard of prehospital care.

## 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



Wendi Heglar  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Cabarrus County  
North Carolina**

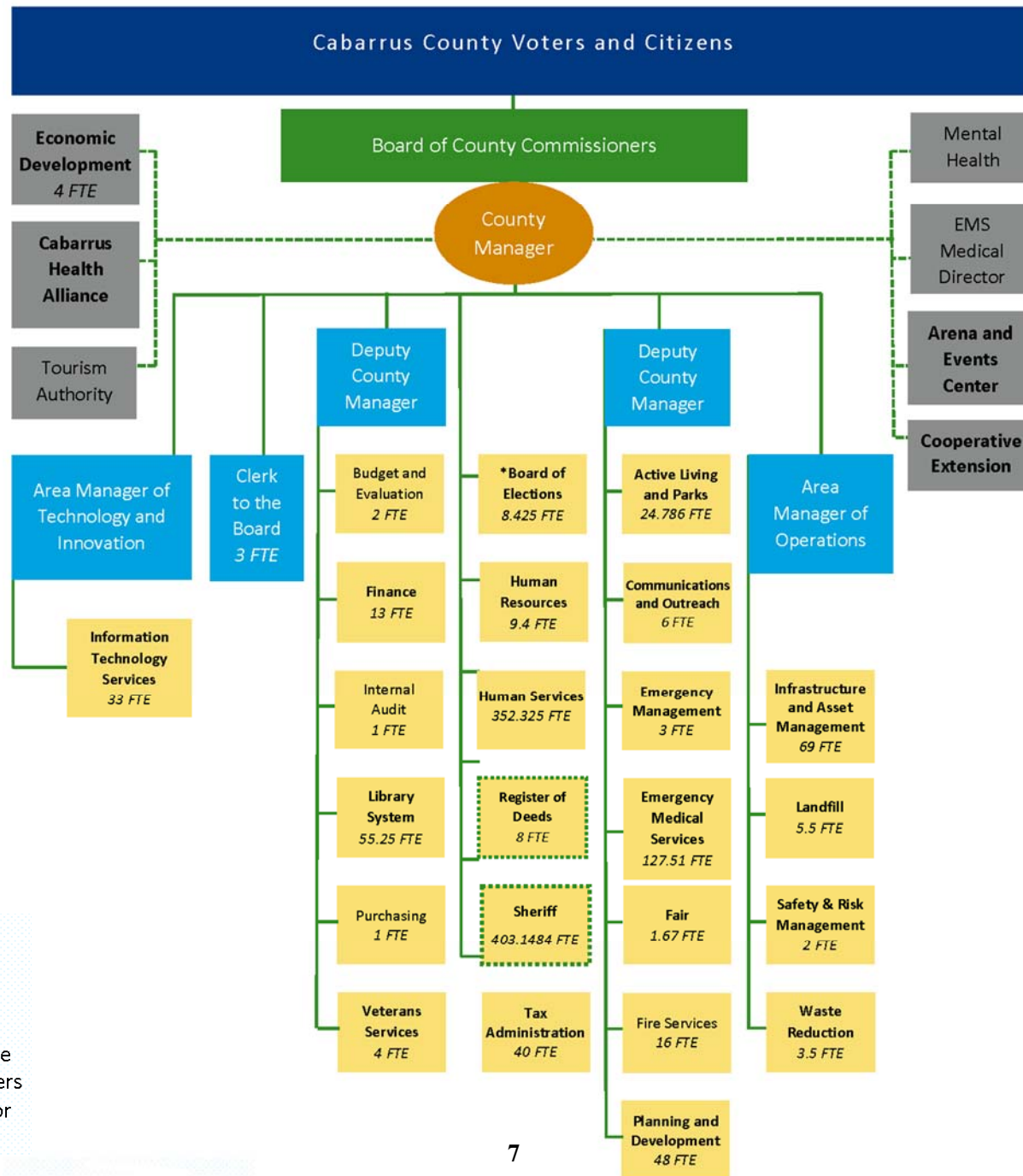
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# CABARRUS COUNTY ORGANIZATION CHART



## Legend

- Bold Font** Department Name
- ..... Elected Official
- \* Appointed in whole or in part by others
- - - Outside agencies or Entities



Cabarrus County, North Carolina  
List of Principal Officials  
June 30, 2021

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**Board of County Commissioners**

Chairman ..... Stephen M. Morris  
Vice-Chair ..... Diane R. Honeycutt  
Commissioner ..... F. Blake Kiger  
Commissioner ..... Lynn W. Shue  
Commissioner ..... Barbara C. Strang

**Other Elected Officials**

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

**County Manager**

..... Michael K. Downs  
Deputy County Manager ..... Rodney D. Harris  
Deputy County Manager ..... Jonathan B. Marshall  
Area Manager of Operations ..... Kyle D. Bilafer  
Area Manager of Technology and Innovation ..... Deborah A. Brannan

**Clerk to the Board**

..... Lauren E. Linker

**County Department Directors**

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





# FINANCIAL SECTION

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

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

## **Independent Auditor's Report**

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

### **Report on the 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, 2021, 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 on 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, 2021, 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.

## **Emphasis of Matter**

As discussed in the notes to the financial statements, for the fiscal year ended June 30, 2021, Cabarrus County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **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-Employee 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 November 24, 2021 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  
November 24, 2021



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Cabarrus County Management's Discussion and Analysis

As management of Cabarrus County, we offer readers of Cabarrus County's financial statements this narrative overview and analysis of the financial activities of Cabarrus County for the fiscal year ended June 30, 2021. 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.

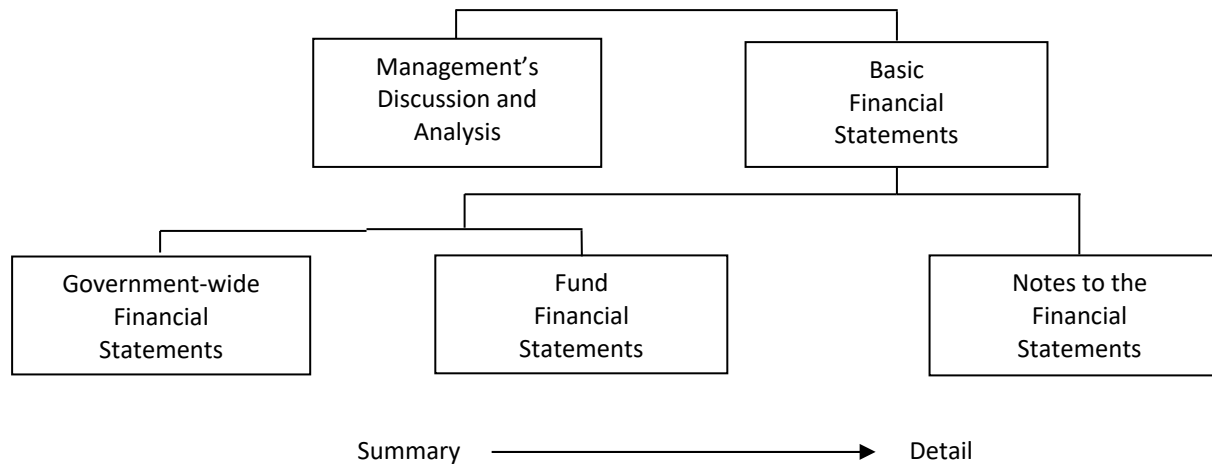
### Financial Highlights

- 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 (\$16.9) 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 \$311.8 million.
- The County's total net position increased by \$42.7 million, due to an increase in governmental activities of \$42.4 million and an increase in business-type activities of \$.3 million (Exhibit 1).
- As of the close of the 2021 fiscal year, the County's governmental funds reported combined ending fund balances of \$170.2 million after a net increase in fund balance of \$37.9 million. Approximately 72.2% of this total amount, or \$123 million, is restricted or non-spendable.
- At the end of the 2021 fiscal year, unassigned fund balance for the General Fund was \$61.2 million, or 19.8%, of total General Fund expenditures and transfers out for the fiscal year.
- Cabarrus County's total debt increased by \$12.1 million, or 3.3%, during the current fiscal year. Due to normal debt service payments, COPS and LOBS debt decreased by \$29.3 million, General Obligation Bond debt decreased by \$6.4 million, capital leases by \$107,867 and installment financing by \$511,019. A draw direct borrowing finance agreement was established last fiscal year, the current liability is \$54.9 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.

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



### **Basic Financial Statements**

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

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

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

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

## Government-Wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

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

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

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Cabarrus County has two fiduciary funds which both are custodial 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 \$16.9 million as of June 30, 2021. The County's net position increased by \$42.7 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 \$162.2 million in the prior year to \$173.4 at June 30, 2021. 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 \$122.3 million at June 30, 2021, a \$92 million increase from prior year. This increase is primarily due to the additions in the stabilization by state statute which represents the County's receivables and outstanding encumbrances. The County's Capital Project fund included \$80.1 million in encumbrances for the courthouse and other county projects that the County will use the draw direct borrowing finance agreement to pay. The County does not draw the funds until the invoices are paid.

The third category of the County's net position is reported as unrestricted. The balance is to be used to meet the government's ongoing obligation to citizens and creditors. At June 30, 2021, the County reported an unrestricted net position deficit of \$312.7 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, 2021, \$311.8 million of the outstanding debt on the County's financial statements was related to assets included on the Schools Systems' and community college's financial statements. If this debt was not reported as a reduction of net position, the balance of unrestricted net position would be a deficit \$1.8 million.

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

**Cabarrus County's Net Position**

**Figure 2**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 229,963,113	\$ 166,028,311	\$ 7,253,030	\$ 6,865,107	\$ 237,216,143	\$ 172,893,418
Capital assets	237,169,103	213,471,842	2,129,154	2,264,367	239,298,257	215,736,209
Total assets	<u>467,132,216</u>	<u>379,500,153</u>	<u>9,382,184</u>	<u>9,129,474</u>	<u>476,514,400</u>	<u>388,629,627</u>
Deferred outflows of resources	<u>40,478,087</u>	<u>30,013,765</u>	<u>92,635</u>	<u>57,634</u>	<u>40,570,722</u>	<u>30,071,399</u>
Long-term liabilities outstanding	471,648,101	438,292,492	3,944,560	3,861,202	475,592,661	442,153,694
Other liabilities	45,866,943	22,014,742	82,854	186,895	45,949,797	22,201,637
Total liabilities	<u>517,515,044</u>	<u>460,307,234</u>	<u>4,027,414</u>	<u>4,048,097</u>	<u>521,542,458</u>	<u>464,355,331</u>
Deferred inflows of resources	<u>12,445,938</u>	<u>14,091,247</u>	<u>42,357</u>	<u>49,367</u>	<u>12,488,295</u>	<u>14,140,614</u>
Net Position						
Net investment in capital assets	171,326,199	159,939,882	2,129,154	2,264,367	173,455,353	162,204,249
Restricted	122,256,741	30,339,063	-	-	122,256,741	30,339,063
Unrestricted	(315,933,619)	(255,163,508)	3,275,892	2,825,277	(312,657,727)	(252,338,231)
Total net position	<u>\$ (22,350,679)</u>	<u>\$ (64,884,563)</u>	<u>\$ 5,405,046</u>	<u>\$ 5,089,644</u>	<u>\$ (16,945,633)</u>	<u>\$ (59,794,919)</u>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage above 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 \$2.1 million under budget, due to unfilled positions and turnover.

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

**Figure 3**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenues:						
Program Revenues:						
Charges for services	\$ 27,273,923	\$ 23,863,274	\$ 934,000	\$ 1,065,832	\$ 28,207,923	\$ 24,929,106
Operating grants and contributions	34,429,999	26,505,813	-	-	34,429,999	26,505,813
Capital grants and contributions	2,300,000	2,300,000	-	-	2,300,000	2,300,000
General revenues:						
Property taxes	221,375,407	185,141,095	-	-	221,375,407	185,141,095
Local option sales tax	62,507,935	52,970,080	-	-	62,507,935	52,970,080
ABC revenues	220,443	130,203	-	-	220,443	130,203
Other taxes and licenses	810,546	824,515	425,883	409,159	1,236,429	1,233,674
Investment earnings	259,485	2,642,249	16,040	109,114	275,525	2,751,363
Miscellaneous	312,545	-	-	-	312,545	-
Total revenues	<u>349,490,283</u>	<u>294,377,229</u>	<u>1,375,923</u>	<u>1,584,105</u>	<u>350,866,206</u>	<u>295,961,334</u>
Expenses:						
General government	33,792,440	31,253,702	-	-	33,792,440	31,253,702
Public safety	69,942,162	60,955,287	-	-	69,942,162	60,955,287
Economic and physical development	6,495,321	4,693,056	-	-	6,495,321	4,693,056
Environmental protection	879,312	690,214	-	-	879,312	690,214
Human services	45,911,170	41,391,469	-	-	45,911,170	41,391,469
Education	127,347,465	129,178,290	-	-	127,347,465	129,178,290
Cultural and recreation	9,484,202	9,265,753	-	-	9,484,202	9,265,753
Interest on long-term debt	13,264,142	13,098,803	-	-	13,264,142	13,098,803
Landfill	-	-	1,060,521	937,658	1,060,521	937,658
Total expenses	<u>307,116,214</u>	<u>290,526,574</u>	<u>1,060,521</u>	<u>937,658</u>	<u>308,176,735</u>	<u>291,464,232</u>
Change in net position	<u>42,374,069</u>	<u>3,850,655</u>	<u>315,402</u>	<u>646,447</u>	<u>42,689,471</u>	<u>4,497,102</u>
Net position, beginning	(64,884,563)	(68,735,218)	5,089,644	4,443,197	(59,794,919)	(64,292,021)
Restatement	159,815	-	-	-	159,815	-
Net position, beginning, restated	<u>(64,724,748)</u>	<u>(68,735,218)</u>	<u>5,089,644</u>	<u>4,443,197</u>	<u>(59,635,104)</u>	<u>(64,292,021)</u>
Net position ending	<u>\$ (22,350,679)</u>	<u>\$ (64,884,563)</u>	<u>\$ 5,405,046</u>	<u>\$ 5,089,644</u>	<u>\$ (16,945,633)</u>	<u>\$ (59,794,919)</u>

## Governmental Activities

For the fiscal year ended June 30, 2021, governmental activities increased the County's net position by \$42.4 million, and business-type activities increased net position by \$.3 million. As indicated on the previous page, the majority of the County's expenses were related to education (\$127.3 million, 41.5 percent), public safety (\$69.9 million, 22.8 percent) and human services (\$45.9 million, 14.9 percent).

## Business-type Activities

The County's business-type activity, the Landfill, experienced a \$315,402, 6.2 percent increase in net position. Tipping fees decreased by \$131,832 after the spike in revenues last fiscal year. The landfill was also closed two weeks during the year due to COVID-19.

Total expenses increased \$122,863 from fiscal year 2020 due to engineering cost associated with the landfill expansion. There was also an increase in tire recycling cost.

## 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, 2021, were the *General Fund*, the *County Capital Project 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 \$122.4 million of which \$83.0 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 32.4% of General Fund expenditures, while total fund balance represents 39.5% of that same amount. Of the \$100.3 million available fund balance, the County has restricted \$39.3 million (32.1%), committed \$15.5 million (12.7%) and assigned \$6.3 million (5.1%) for specific projects and obligations. Following the fund balance policy, \$45.3 million (37.0%) of the available fund balance has been set aside for working capital. This leaves \$15.8 million (13.0%) of fund balance remaining for appropriation, commitment or assignment.

General Fund balance at June 30, 2021 increased \$24.8 million from the prior year. This net increase was primarily due to three factors:

- Ad valorem property taxes exceeded budgeted expectations by \$4.4 million (2.1 percent)
- Local option sales taxes exceeded budgeted expectations by \$13.7 million (30.0 percent)
- Operational efficiencies resulted in 7.4 percent of unspent budgeted expenditures

**Major and Non-Major Funds.** The *County Capital Projects Fund* (Major Fund) was created in FY2020 for the account tracking of County capital improvement projects. A Limited Obligation Bond draw program was established in February 2020 to finance a portion of the projects. Actual draws for fiscal year 2021 was \$22.1 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 fiscal year 2021, \$46.5 million was spent towards the construction of these projects.

The *Limited Obligation Bonds 2017 Capital Projects Fund* (Non-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 fiscal year 2021, \$4.3 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 COVID-19 expenditures for the public health emergency. \$7.4 million was recognized as revenue and expended during the fiscal year ended June 30, 2021.

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 fiscal year 2021, \$3.3 million was spent towards the construction and financing of the 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 fiscal year 2021 was \$26.8 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 fiscal year 2021 \$6.2 million was spent towards the construction of these projects.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust budgetary estimates; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund's budget amounted to an increase of \$36.8 million. The majority of this increase is related to transfers out to fund various County and School Capital Projects.

At year-end, *actual* General Fund revenues and transfers exceeded the *final amended budget* numbers by 12.3 million (4.2%). Actual General Fund expenditures and transfers out were less than *final budgetary* figures by \$14.2 million (4.52%).

**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 \$315,402 during the fiscal year ended June 30, 2021.



## 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, 2021, totals \$239.3 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 Manager, four for Construction Standards, two for Animal Control, two ambulances and one vehicle for Emergency Medical Services, one for ground maintenance, one for infrastructure and asset management, ten for human services, one for Information and Technology, twenty-eight for Sheriff's Department and one recycling truck for Waste Reduction and Recycling.
- Two land purchases - 616 acres for Northeast Area Park project and 13.62 acres for radio tower project.
- Various Construction projects in progress at the end of the year were the new Court House, 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, West Cabarrus High School Turf Field and Frank Liske Park Barn improvements.

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

**Figure 4**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 22,554,842	\$ 21,533,301	\$ 490,447	\$ 490,447	\$ 23,045,289	\$ 22,023,748
Land improvements	5,616,962	6,278,851	836,753	930,053	6,453,715	7,208,904
Buildings	121,916,108	128,046,528	785,679	817,092	122,701,787	128,863,620
Building improvements	14,496,425	15,090,119	-	-	14,496,425	15,090,119
Equipment	2,779,580	3,554,595	16,275	26,775	2,795,855	3,581,370
Furniture and fixtures	116,765	162,930	-	-	116,765	162,930
Vehicles	5,376,947	4,892,112	-	-	5,376,947	4,892,112
Reservoir	21,199,593	21,221,358	-	-	21,199,593	21,221,358
Construction in progress	43,111,881	12,692,048	-	-	43,111,881	12,692,048
<b>Total</b>	<b>\$ 237,169,103</b>	<b>\$ 213,471,842</b>	<b>\$ 2,129,154</b>	<b>\$ 2,264,367</b>	<b>\$ 239,298,257</b>	<b>\$ 215,736,209</b>

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, 2021, Cabarrus County had total debt outstanding of \$475,592,661 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General obligation bonds	\$ 36,745,541	\$ 43,132,041	\$ -	\$ -	\$ 36,745,541	\$ 43,132,041
Certificates of participation/ Limited obligation bonds	341,351,782	322,857,803	-	-	341,351,782	322,857,803
Capital lease obligations	334,435	442,302	-	-	334,435	442,302
Installment financing	2,389,979	2,900,998	-	-	2,389,979	2,900,998
Accrued landfill closure and postclosure care costs	-	-	3,646,223	3,724,323	3,646,223	3,724,323
Compensated absences	5,229,482	4,488,562	21,430	21,405	5,250,912	4,509,967
Net pension liability (LGERS)	29,456,310	21,627,785	112,361	82,499	29,568,671	21,710,284
Net pension liability (LEOSSA)	13,003,554	8,474,799	-	-	13,003,554	8,474,799
Total OPEB Liability	43,137,018	34,368,202	164,546	131,097	43,301,564	34,499,299
<b>Total</b>	<b>\$ 471,648,101</b>	<b>\$ 438,292,492</b>	<b>\$ 3,944,560</b>	<b>\$ 3,959,324</b>	<b>\$ 475,592,661</b>	<b>\$ 442,251,816</b>

Cabarrus County's total long-term obligations increased by \$33,340,845 (7.5%) during the past fiscal year. During FY2021, general obligation bonds decreased due to the refunding and new issuance of general obligation bonds and draw program. The main factor for the net increase was primarily due to the increase in pension and OPEB liability. The draws from the direct borrowing finance agreement increased certificates of participation and limited obligation bonds by \$48.9 million.

As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 11th consecutive year an Aa1 rating from Moody's and an AA+ rating from Fitch. For the 12th 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 \$1,925,183,079 as of June 30, 2021. 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 4.4% for June 2021, compared to 7.6% at June 2020. Comparable rates for the State of North Carolina were 4.6% and 7.7% respectively. The unemployment rate decrease can be attributable to recovering from COVID-19 pandemic lockdowns, the American Rescue Plan that supported small businesses and work-search rules set in place for new benefit filers.
- Population growth experienced an increase to approximately 221,479.
- A large diverse tax base with only 6.75% 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 2022 fiscal year.

## Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2022

**Governmental Activities:** The FY2022 budget maintained the property tax rate of 74 cents per \$100 of assessed valuation for a total budget of \$393,011,126, which is an increase of 8.69% over the FY2021 adopted budget. There were two primary revenue sources for the county property taxes and sales taxes. Property taxes are expected to see a growth of approximately 3.93%. For sales tax revenues the anticipated negative impact of COVID-19 included in the FY 2021 Adopted Budget did not materialize. Sales tax revenues are expected to be approximately 42% higher than the prior year adopted budget. Compared to pre pandemic sales tax projections an approximately 8% increase.

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; additional funds to maintain school operations and deferred maintenance projects.
- **Create and Sustain a Healthy and Safe Cabarrus** – additional funding for the Cabarrus Health Alliance (CHA) to fund merit increases for CHA staff and provide additional funding needed for the school nurse program. Funding was also provided for a water inspector to ensure water systems are safe and reduce the case backlog; a school health director to oversee and lead the school nurse program; an epidemiologist to provide consistent surveillance of community health data. The budget also funds 13 new positions in our critical public safety agencies – Construction Standards, Emergency Medical Services, Fire Services, and the Sheriff's Office. The new positions include deputies to investigate crimes and patrol our community; an EMS assistant director to oversee logistics and operations and maintain high-quality response; a fire operation chief to oversee Squad 410 as they continue to support volunteer fire department response; and code enforcement officers to complete residential and commercial property inspections in a timely manner and help maintain appropriate inspector workloads. Human Services is another County department getting some much-needed help. Human Services staff frequently carry caseloads that result in burnout and job turnover, to continue exceptional service delivery, the adopted budget adds 15 full-time and one part-time position to improve work satisfaction and better meet the needs of our growing community. The positions include social workers, social work supervisors and income maintenance staff, among others.

- **Accountable, Transparent and Customer- Focused** – Our dedicated and hardworking staff are the true definition of public servants. The 2021 Cabarrus County Community Survey highlighted the exceptional work of County employees, who ranked 21-to-34% above the national average in customer service areas. The recommended budget recognizes their service by including funds for a 1% cost-of-living adjustment for all employees and merit pay increases of up to 4% based on individual performance. The recommended budget also adds 15 full-time and one part-time internal support positions to strengthen the delivery of County services. Positions include IT staff to manage County technology; fleet personnel to maintain vehicles and equipment; and a chief procurement officer to oversee County purchasing activities.
- **Building Our Future** – the budget allocates resources for the numerous projects throughout the county including funds for:
  - ✓ Cabarrus County Schools for the acquisition and installation of mobile units for the Early College at Rowan Cabarrus Community College; start design work for the replacement of R. Brown McAllister Elementary School; and complete multiple deferred maintenance projects including parking lot lights, paving, and flooring replacements.
  - ✓ A wide variety of county projects, ranging from the emergency equipment warehouse and Information Technology Services relocation to a storage building for fire services.
  - ✓ Kannapolis City Schools to renovate the tennis courts and track at A.L. Brown High School, replace security cameras at multiple schools; replace carpet at Forest Park Elementary School; and complete multiple deferred maintenance projects, including playground replacements, roof repairs and painting.
  - ✓ Rowan Cabarrus Community College to recoat the roof and replace the fire alarm system at the Cabarrus Business and Technology Center and to replace security cameras at the South Campus.

**Business-type Activities:** The Landfill budget increased by \$631,055 or 43.63% from the FY2021 adopted budget. The primary reason for the increase was for FY2022, the Waste Reduction and Recycling program was moved from the General Fund to the Landfill Fund.

### **Requests for Information**

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

# BASIC FINANCIAL STATEMENTS

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**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,375,595	\$ 7,139,660	\$ 72,515,255	\$ 8,203,508
Investments	100,426,249	-	100,426,249	-
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,356,983	-	3,356,983	3,236,794
Customers	1,664,519	11,827	1,676,346	980,869
Interest	340,550	3,617	344,167	-
Property taxes	2,356,620	-	2,356,620	-
Due from other governments	16,709,608	97,926	16,807,534	105,523
Inventories	172,686	-	172,686	-
Prepaid items	255,634	-	255,634	-
Restricted cash and cash equivalents	38,788,329	-	38,788,329	600,870
Net Register of Deeds				
Supplemental retirement asset	516,340	-	516,340	-
Notes receivable	-	-	-	600,000
Capital assets:				
Land and Construction in Progress	65,666,724	490,447	66,157,171	-
Other capital assets, net of depreciation	171,502,379	1,638,707	173,141,086	481,291
<b>Total assets</b>	<b>467,132,216</b>	<b>9,382,184</b>	<b>476,514,400</b>	<b>14,208,855</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>40,478,087</b>	<b>92,635</b>	<b>40,570,722</b>	<b>4,028,160</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	12,194,188	82,854	12,277,042	843,163
Liabilities to be paid from restricted assets:	-	-	-	600,870
Advance from grantor	28,928,297	-	28,928,297	-
Accrued interest payable	3,162,154	-	3,162,154	-
Retainage payable	1,582,304	-	1,582,304	-
Long-term liabilities:				
Due within one year	37,500,268	94,502	37,594,770	985,817
Due in more than one year	434,147,833	3,850,058	437,997,891	8,543,483
Total long-term liabilities	471,648,101	3,944,560	475,592,661	9,529,300
<b>Total liabilities</b>	<b>517,515,044</b>	<b>4,027,414</b>	<b>521,542,458</b>	<b>10,973,333</b>

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>DEFERRED INFLOWS OF RESOURCES</b>	12,445,938	42,357	12,488,295	42,889
<b>NET POSITION</b>				
Net investment in capital assets	171,326,199	2,129,154	173,455,353	481,291
Restricted for :				
Stabilization by state statute	102,843,559	-	102,843,559	3,342,317
Register of Deeds	358,503	-	358,503	-
Emergency Telephone 911	666,455	-	666,455	-
Public Safety	8,099,670	-	8,099,670	-
Community Development programs	46,337	-	46,337	-
Soil & Water programs	108,703	-	108,703	-
Environmental Protection	183,531	-	183,531	-
Social Services grants	477,508	-	477,508	-
School debt	8,710,813	-	8,710,813	-
Cabarrus Arena & Events Center	51,726	-	51,726	-
Cultural & recreation	52,674	-	52,674	-
Health Services	167,793	-	167,793	-
Register of Deeds Pension Plan	489,469	-	489,469	-
Unrestricted	(315,933,619)	3,275,892	(312,657,727)	3,397,185
Total net position	<u>\$ (22,350,679)</u>	<u>\$ 5,405,046</u>	<u>\$ (16,945,633)</u>	<u>\$ 7,220,793</u>

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, 2021**

**EXHIBIT 2**

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 33,792,440	\$ 5,885,165	\$ 7,142,816	\$ -	\$ (20,764,459)	\$ -	\$ (20,764,459)	
Public safety	69,942,162	17,983,682	1,562,779	-	(50,395,701)	-	(50,395,701)	
Economic and physical development	6,495,321	557,613	559,246	-	(5,378,462)	-	(5,378,462)	
Environmental protection	879,312	41,027	7,532	-	(830,753)	-	(830,753)	
Human services	45,911,170	1,296,637	23,809,777	-	(20,804,756)	-	(20,804,756)	
Education	127,347,465	1,233,590	730,239	2,300,000	(123,083,636)	-	(123,083,636)	
Culture and recreation	9,484,202	276,209	617,610	-	(8,590,383)	-	(8,590,383)	
Interest on long-term debt	13,264,142	-	-	-	(13,264,142)	-	(13,264,142)	
Total governmental activities	307,116,214	27,273,923	34,429,999	2,300,000	(243,112,292)	-	(243,112,292)	
<b>Business-Type Activities:</b>								
Solid Waste	1,060,521	934,000	-	-	-	(126,521)	(126,521)	
Total business-type activities	1,060,521	934,000	-	-	-	(126,521)	(126,521)	
Total primary government	\$ 308,176,735	\$ 28,207,923	\$ 34,429,999	\$ 2,300,000	(243,112,292)	(126,521)	(243,238,813)	
<b>Component Unit:</b>								
Cabarrus Health Alliance	\$ 24,084,142	\$ 9,915,841	\$ 15,707,492	\$ -	-	-	-	\$ 1,539,191
General Revenues:								
Property taxes					221,375,407	-	221,375,407	-
Local option sales tax					62,507,935	-	62,507,935	-
ABC revenues					220,443	-	220,443	-
Other taxes and licenses					810,546	425,883	1,236,429	-
Investment earnings					259,485	16,040	275,525	4,223
Miscellaneous					312,545	-	312,545	19,504
Total general revenues					285,486,361	441,923	285,928,284	23,727
Change in net position					42,374,069	315,402	42,689,471	1,562,918
Net position, beginning as previously reported					(64,884,563)	5,089,644	(59,794,919)	5,657,875
Prior period restatement - change in accounting principle					159,815	-	-	-
Net position, beginning as restated					(64,724,748)	5,089,644	(59,794,919)	5,657,875
Net position, ending					\$ (22,350,679)	\$ 5,405,046	\$ (16,945,633)	\$ 7,220,793

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

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

	General	Major County Capital Projects	CARES Act Relief	Non-Major Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 881,385	\$ 39,507,427	\$ -	\$ 12,049,808	\$ 52,438,620
Investments	100,426,249	-	-	-	100,426,249
Restricted cash	8,710,813	-	29,008,741	1,068,775	38,788,329
Receivables (net of allowance for uncollectible)					
Accounts receivable	3,309,980	-	-	47,003	3,356,983
Customers	1,664,519	-	-	-	1,664,519
Property taxes	2,356,620	-	-	-	2,356,620
Interest	135,142	-	-	2,069	137,211
Due from other governments	16,571,166	-	-	116,538	16,687,704
Prepaid items	5,862	-	-	15,193	21,055
Inventories	172,686	-	-	-	172,686
Total assets	<u>\$ 134,234,422</u>	<u>\$ 39,507,427</u>	<u>\$ 29,008,741</u>	<u>\$ 13,299,386</u>	<u>\$ 216,049,976</u>
<b>LIABILITIES , DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,238,525	\$ 2,370,134	\$ 86,444	\$ 560,564	\$ 10,255,667
Advance from grantor	6,000	-	28,922,297	-	28,928,297
Contract retainages	-	697,031	-	885,274	1,582,305
Total liabilities	<u>7,244,525</u>	<u>3,067,165</u>	<u>29,008,741</u>	<u>1,445,838</u>	<u>40,766,269</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>4,593,777</u>	<u>-</u>	<u>-</u>	<u>464,626</u>	<u>5,058,403</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	172,686	-	-	-	172,686
Prepaid items	5,862	-	-	15,193	21,055
Restricted:					
Stabilization by state statute	21,953,009	80,174,058	-	716,492	102,843,559
Register of Deeds Automation & Enhancement	-	-	-	358,503	358,503

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

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

	General	Major County Capital Projects	CARES Act Relief	Non-Major Other Governmental Funds	Total Governmental Funds
<b>FUND BALANCES (continued)</b>					
Restricted (continued):					
Emergency Telephone 911	-	-	-	666,455	666,455
Public Safety	7,900,373	-	-	199,297	8,099,670
Community Development programs	-	-	-	46,337	46,337
Soil & Water programs	-	-	-	108,703	108,703
Environmental Protection	183,531	-	-	-	183,531
Social Services grants	477,508	-	-	-	477,508
School debt & construction	8,710,813	-	-	996,801	9,707,614
Cabarrus Arena & Events Center	-	-	-	51,726	51,726
Culture & recreation	32,426	-	-	20,248	52,674
Health Services	-	-	-	167,793	167,793
Committed:					
Community Investment Fund	9,770,436	-	-	-	9,770,436
General government	452,582	-	-	90,635	543,217
Public safety	1,576,476	-	-	674,481	2,250,957
Economic & physical development	3,703,003	-	-	1,147,517	4,850,520
Human services	-	-	-	148,390	148,390
Education	-	-	-	4,407,013	4,407,013
Culture & recreation	-	-	-	127,558	127,558
Assigned:					
General government	5,907,000	-	-	-	5,907,000
Public safety	319,382	-	-	-	319,382
Economic & physical development	33,051	-	-	-	33,051
Human services	12,479	-	-	-	12,479
Culture & recreation	-	-	-	1,506,452	1,506,452
Unassigned	61,185,503	(43,733,796)	-	(60,672)	17,391,035
Total fund balances	122,396,120	36,440,262	-	11,388,922	170,225,304
Total liabilities, deferred inflows of resources, and fund balances	\$ 134,234,422	\$ 39,507,427	\$ 29,008,741	\$ 13,299,386	\$ 216,049,976

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

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

Total fund balances-total governmental funds		\$ 170,225,304
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	338,845,010	
Less accumulated depreciation	<u>(101,685,795)</u>	237,159,215
Charges related to advance refunding bond issue		11,345,213
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		4,021,139
Premium on debt issuance		<u>(20,263,422)</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		16,539,025
Register of Deeds Supplemental Retirement		50,799
Benefit payments and pension administration costs for LEOSSA		4,797,096
Contributions and administration costs for OPEB are deferred outflows of resources		<u>7,745,955</u>
Internal service funds are used by management to charge the costs of self-insured hospitalization dental, Workers Compensation, and Liability Insurance to individual departments.		11,249,048
Pension related deferred inflows		(378,271)
OPEB related deferred inflows		<u>(11,030,403)</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	(360,558,315)	
Accrued interest	(2,964,942)	
Compensated absences	(5,229,482)	
Net LEO Pension liability	(13,003,554)	
Net LGERS liability	(29,456,310)	
Net Register of Deeds Supplemental Retirement asset	516,340	
Total OPEB liability	<u>(43,137,018)</u>	<u>(453,833,281)</u>
Net position of governmental activities		<u>\$ (22,350,679)</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, 2021**

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

	<b>Major</b>			<b>Non-Major</b>	
	<b>General</b>	<b>County Capital Projects</b>	<b>CARES Act Relief</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Ad valorem taxes	\$ 214,594,269	\$ -	\$ -	\$ 6,721,107	\$ 221,315,376
Other taxes and licenses	63,462,569	-	-	-	63,462,569
Intergovernmental revenues	26,885,811	-	7,391,974	3,747,694	38,025,479
Permits and fees	10,712,602	-	-	-	10,712,602
Sales and services	12,628,803	-	-	1,537,347	14,166,150
Investment earnings	207,388	-	-	14,119	221,507
Donations	244,530	-	-	128,512	373,042
Miscellaneous	368,219	-	-	-	368,219
<b>Total revenues</b>	<b>329,104,191</b>	<b>-</b>	<b>7,391,974</b>	<b>12,148,779</b>	<b>348,644,944</b>
<b>EXPENDITURES</b>					
Current:					
General government	28,404,642	1,773,066	1,782,467	241,781	32,201,956
Public safety	48,844,595	556,171	5,609,507	6,736,041	61,746,314
Economic & physical development	6,252,802	-	-	124,044	6,376,846
Environmental protection	688,341	-	-	167,598	855,939
Human services	44,217,974	-	-	289,656	44,507,630
Culture and recreation	6,306,384	-	-	1,422,895	7,729,279
Education	88,881,382	-	-	38,466,081	127,347,463
Capital outlay	-	34,425,061	-	(2,957,543)	31,467,518
Debt service:		-	-		
Principal retirement	36,220,656	-	-	58,230	36,278,886
Interest and fees	12,331,456	-	-	1,296	12,332,752
<b>Total expenditures</b>	<b>272,148,232</b>	<b>36,754,298</b>	<b>7,391,974</b>	<b>44,550,079</b>	<b>360,844,583</b>
Excess (deficiency) of revenues over (under) expenditures	56,955,959	(36,754,298)	-	(32,401,300)	(12,199,639)

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, 2021**

**Exhibit 4**  
**Page 2 of 3**

	<b>Major</b>			<b>Non-Major</b>	
	<b>General</b>	<b>County Capital Projects</b>	<b>CARES Act Relief</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt proceeds	14,355,000	22,061,084	-	26,810,325	63,226,409
Payment to escrow agent	(14,188,795)	-	-	-	(14,188,795)
Transfers in	5,274,239	46,587,454	-	7,457,044	59,318,737
Transfers out	(37,624,563)	(47,500)	-	(20,548,794)	(58,220,857)
Total other financing sources (uses)	(32,184,119)	68,601,038	-	13,718,575	50,135,494
Net change in fund balances	24,771,840	31,846,740	-	(18,682,725)	37,935,855
Fund balance, July 1, as previously reported	97,624,280	4,593,522	-	29,911,832	132,129,634
Prior period restatement- change in accounting principle	-	-	-	159,815	159,815
Fund balance, July 1, as restated	97,624,280	4,593,522	-	30,071,647	132,289,449
Fund balance, June 30	<u>\$ 122,396,120</u>	<u>\$ 36,440,262</u>	<u>\$ -</u>	<u>\$ 11,388,922</u>	<u>\$ 170,225,304</u>

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

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**EXHIBIT 4A**  
**PAGE 3 OF 3**

Net change in fund balances-total governmental funds \$ 37,935,855

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	34,541,138	
Less current year depreciation	<u>(8,952,467)</u>	25,588,671

Changes in contributions and other costs to the pension plan		3,663,024
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Ambulance	745,825	
Property tax	<u>60,031</u>	805,856

The effect of various miscellaneous transactions involving capital assets

Donation of capital assets	5,000	
Disposal of capital assets, net book value	<u>(1,890,477)</u>	(1,885,477)

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	(63,226,409)	
Amortization of current year debt premium	2,313,929	
Principal payments	36,278,886	
Disbursement for refunding	13,145,000	
Disbursement for advanced refunding	1,043,795	
Deferred charge on refunding	<u>(2,887,223)</u>	(13,332,022)

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	(740,920)	
Law Enforcement Officers Pension Liability	(1,284,761)	
Local Government Employees Retirement System	(7,774,579)	
Register of Deeds Supplemental Retirement	49,419	
Other Postemployment Benefit Liability	(1,487,348)	
Accrued interest	<u>(350,452)</u>	(11,588,641)

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

1,186,803

Changes in net position of governmental activities		<u>\$ 42,374,069</u>
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The notes to the financial statements are an integral part of this statement.



**CABARRUS COUNTY, NORTH CAROLINA****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL****GENERAL FUND****FOR THE FISCAL YEAR ENDED JUNE 30, 2021****EXHIBIT 5****PAGE 1 OF 2**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 204,959,679	\$ 210,180,202	\$ 214,594,269	\$ 4,414,067
Other taxes and licenses	28,017,701	33,667,701	40,198,086	6,530,385
Intergovernmental revenues	21,136,525	26,166,714	26,155,572	(11,142)
Permits and fees	7,747,427	8,237,527	10,712,602	2,475,075
Sales and services	13,485,653	13,515,653	12,628,803	(886,850)
Investment earnings	582,961	582,961	137,731	(445,230)
Miscellaneous	355,580	364,606	612,749	248,143
Total revenues	276,285,526	292,715,364	305,039,812	12,324,448
<b>EXPENDITURES</b>				
Current:				
General government	32,324,433	31,976,348	28,404,642	3,571,706
Public safety	52,611,231	52,067,469	48,844,595	3,222,874
Economic & physical development	6,739,867	8,580,100	6,252,802	2,327,298
Environmental protection	565,433	784,599	688,341	96,258
Human services	44,126,769	48,327,688	44,217,974	4,109,714
Education	87,619,826	87,848,676	87,661,382	187,294
Culture and recreation	6,422,578	6,972,906	6,306,384	666,522
Total expenditures	230,410,137	236,557,786	222,376,120	14,181,666
Excess (deficiency) of revenues over (under) expenditures	45,875,389	56,157,578	82,663,692	26,506,114
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	148,225	148,225	-
Transfers out	(45,875,389)	(76,521,334)	(76,521,326)	8
Fund balance appropriated	-	20,215,531	-	(20,215,531)
Total other financing sources (uses)	(45,875,389)	(56,157,578)	(76,373,101)	(20,215,523)

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, 2021****EXHIBIT 5****PAGE 2 OF 2**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Net change in fund balance	\$ -	\$ -	6,290,591	\$ 6,290,591
Fund balance, July 1			97,624,280	
Fund balance, June 30			103,914,871	
A legally budgeted Community Investment Fund is consolidated into the General Fund for reporting purposes:				
Other taxes and licenses			23,264,483	
Intergovernmental revenues			730,239	
Investment earnings			69,657	
Expenditures			(51,102,112)	
Issuance of debt			14,355,000	
Transfer in - General Fund			46,046,763	
Transfer in - Other Funds			5,126,014	
Transfer out			(7,150,000)	
Payment to escrow agent			(14,188,795)	
Fund balance, June 30			121,066,120	
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, Ending (Exhibit 4)			\$ 122,396,120	

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

**EXHIBIT 6**  
**PAGE 1 OF 2**

	Business-type Activities Landfill Enterprise Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,139,660	\$ 12,936,975
Receivables (net):		
Customers	11,827	-
Due from other governments	97,926	-
Interest	3,617	6,127
Prepaid expenses	-	234,579
Total current assets	<u>7,253,030</u>	<u>13,177,681</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>(4,001,870)</u>	<u>(19,776)</u>
Total noncurrent assets (net)	<u>2,129,154</u>	<u>9,888</u>
Total assets	<u>9,382,184</u>	<u>13,187,569</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan in fiscal year	63,088	-
OPEB deferrals	<u>29,547</u>	<u>-</u>
Total deferred outflows of resources	<u>92,635</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	82,854	319,967
Landfill closure   post closure costs	81,001	-
Compensated absences	<u>13,501</u>	<u>-</u>
Total current liabilities	<u>177,356</u>	<u>319,967</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

**EXHIBIT 6**  
**PAGE 2 OF 2**

	Business-type Activities	Governmental Activities
	Landfill Enterprise Fund	Internal Service Funds
<b>LIABILITIES (continued)</b>		
Noncurrent liabilities:		
Net pension liability	112,361	-
Claims payable	-	1,618,554
Landfill closure   post closure costs	3,565,222	-
Compensated absences	7,929	-
Total OPEB liability	164,546	-
Total noncurrent liabilities	3,850,058	1,618,554
Total liabilities	4,027,414	1,938,521
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	282	-
OPEB deferrals	42,075	-
Total deferred inflows of resources	42,357	-
<b>NET POSITION</b>		
Net Investment in capital assets	2,129,154	9,888
Unrestricted	3,275,892	11,239,160
Total net position	\$ 5,405,046	\$ 11,249,048

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	Business-type Activities	Governmental Activities
	Landfill Enterprise Fund	Internal Service Funds
<b>Operating revenues:</b>		
Charges for sales and services:		
Tipping fees	\$ 758,218	\$ -
Items for sale	54,138	-
Waste disposal fees	121,644	-
Insurance premiums   refunds	-	17,794,518
Program fees	-	28,543
Total operating revenues	<u>934,000</u>	<u>17,823,061</u>
<b>Operating expenses:</b>		
Salaries and benefits	409,604	-
Operations:	<u>650,917</u>	<u>15,565,215</u>
Total operating expenses	<u>1,060,521</u>	<u>15,565,215</u>
Operating income (loss)	<u>(126,521)</u>	<u>2,257,846</u>
<b>Nonoperating revenues:</b>		
Landfill disposal tax	36,160	-
Landfill state tax distribution	51,459	-
Solid waste franchise fee	30,000	-
Tire disposal fees	308,264	-
Investment earnings	16,040	26,837
Total nonoperating revenues	<u>441,923</u>	<u>26,837</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	Business-type Activities	Governmental Activities
	Landfill Enterprise Fund	Internal Service Funds
<b>Nonoperating expense - loss on disposal</b>		
Income (loss) before contributions	315,402	2,284,683
<b>Transfers:</b>		
Transfer in - General Fund	-	68,270
Transfer out - General Fund	-	(100,725)
Transfers out - Capital Project Fund	-	(1,065,425)
Change in net position	315,402	1,186,803
Total net position, July 1	5,089,644	10,062,245
Total net position, June 30	<u>\$ 5,405,046</u>	<u>\$ 11,249,048</u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	Business-type Activities	Governmental Activities
	Landfill	Internal
	Enterprise	Service
	Fund	Funds
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 916,495	\$ 2,327
Cash received from departments	-	17,881,650
Cash paid to employees	(387,204)	-
Cash paid to suppliers for goods and services	(600,795)	(16,110,682)
Net cash provided for operating activities	(71,504)	1,773,295
<b>Cash flows from non-capital and related financing activities:</b>		
Transfer in	-	68,270
Transfer out	-	(1,166,150)
Non-capital grants and other subsidies	425,883	-
Net cash provided (used) by non-capital financing activities	425,883	(1,097,880)
<b>Cash flows from investing activities:</b>		
Interest received on investments	28,500	47,972
Net cash provided by investing activities	28,500	47,972
<b>Net increase in cash and cash equivalents</b>	382,879	723,387
Cash and cash equivalents, July 1	6,756,781	12,213,588
Cash and cash equivalents, June 30	\$ 7,139,660	\$ 12,936,975

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	Business-type Activities	Governmental Activities
	Landfill Enterprise Fund	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (126,521)	\$ 2,257,846
Depreciation expense	135,213	5,933
Pension expense	(14,234)	-
Accounts receivable and prepaid expenses	26	60,915
Customers receivable	4,394	-
Due from other governments	(21,924)	-
Increase in pension Liability	29,862	-
Accrued salaries and compensated absences payable	26	(551,399)
Accounts payable	(5,919)	-
Deferred inflows of resources (OPEB)	(20,971)	-
Landfill closure post-closure care cost	(78,100)	-
OPEB Liability	33,449	-
Deferred inflows of resources (OPEB)	(6,805)	-
Total adjustments	55,017	(484,551)
Net cash provided by operating activities	\$ (71,504)	\$ 1,773,295

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2021**

**EXHIBIT 9**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,592,133
Accounts receivable	<u>1,233,897</u>
Total assets	<u>2,826,030</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	<u>98</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>2,825,932</u>
Total fiduciary net position	<u><u>\$ 2,825,932</u></u>

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**EXHIBIT 10**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Ad valorem taxes collected for other governments	\$ 115,462,422
Collections on behalf of inmates	603,046
Total additions	<u>116,065,468</u>
<b>DEDUCTIONS</b>	
Tax distributions to other governments	113,762,315
Payments on behalf of inmates	593,490
Total deductions	<u>114,355,805</u>
Net increase (decrease) in fiduciary net position	<u>1,709,663</u>
Net position - beginning, as previously reported	-
Prior period restatement	1,116,269
Net position - beginning, as restated	<u>1,116,269</u>
Net position - ending	<u><u>\$ 2,825,932</u></u>

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

**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 <sup>th</sup> , 1998, the Cabarrus County Board by resolution authorized the transfer of powers, duties, and responsibilities to the Alliance for communicable disease control, environmental protection, and maintenance of vital records. The members of the Board of Alliance are appointed by the Chairperson of the Board of Commissioners for Cabarrus County. The County provides funding to the Alliance. The County funded the Alliance with \$9,767,904 or 39% of its total revenues for the fiscal year ended June 30, 2021. A financial benefit or burden relationship exists between the Alliance and the County.	Cabarrus Health Alliance 300 Mooresville Road Kannapolis, NC 28081

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

**Basis of Presentation**

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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The County reports the following major proprietary fund:

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

The County reports the following fund types:

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

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

**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). As a result of the implementation of GASB statement No.84-*Fiduciary Activities*, the County added two new special revenue funds that were formerly accounted for as fiduciary agency funds. 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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

*Intergovernmental Fund* - used to accumulate fines and forfeitures before distributed to the local schools, and accounts for the accumulation of Register of Deeds fees that the County is required to remit to the State of North Carolina.

**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 using debt and non-debt sources.

*School Construction* – accounts for planning, design, construction and/or renovation of schools using non-debt general or capital reserve funds.

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

*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.

*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.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**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.

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

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. On June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered.



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

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 or designee may transfer amounts between objects of expenditure within a function.
2. The County Manager or designee may transfer amounts between objects of expenditures and revenues without limitation.
3. The County Manager or designee 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 or designee 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; or to fund an increase in charter school students.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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5. The County Manager or designee is authorized to transfer funds from the General Fund, Community Investment 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 County Manager or Designee may adjust budgets to match, including grants that require a County match for which funds are available.
8. The County Manager, Budget Director, or designee may create debt financing amendments from estimated projections upon approval by the Board of Commissioners of the debt financing and adjust as needed upon closing.
9. The County Manager or designee may enter 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 or designee may execute contracts 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 or designee 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 or designee 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 or designee may reduce revenue projections consistent with prevailing economic conditions and reduce expenditures correspondingly.
14. The County Manager or designee 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, 2021.

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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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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. 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. The County considers all demand deposits and investments with a maturity date of 90 days or less, at the time of purchase to be cash and cash equivalents.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**3. Restricted Assets**

Amounts on hand at year end for debt payments held in escrow by agent, CARES Relief Funding (ERAP and ARP), the Cabarrus Arena Marketing funds, unexpended bond proceeds, and unspent contributions and private donations for the Library are re 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	\$ 8,710,813
Cares Act Relief	Unspent ERAP and ARP relief funds	29,008,741
Cabarrus Arena and Events Center Fund	Unspent escrow	51,726
LOBS 2017 Fund	Unspent debt proceeds	996,801
Cannon Memorial Library Fund	Unspent contributions and private donations	20,248
Total Restricted Cash		<u>\$ 38,788,329</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, 2020. 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 2020-2021 fiscal year was \$0.74 per \$100 valuation.

**5. Allowances for Doubtful Accounts**

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

Based on the County's collection history for Landfill accounts and the aging report as of June 30, 2021, the County expects the total accounts receivable for the Landfill to be collected. The County does not consider accounts uncollectible unless greater than three years. Therefore, an allowance for doubtful accounts has not been recorded for the Landfill. Of the total accounts receivable at June 30, 2021, one credit customer had a balance greater than 90 days past due. This account is expected to be paid in full.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**6. Inventories and Prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. The 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 more than one year. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

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

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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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 Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net 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 Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net 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, 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 Statement of Net Position.

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

#### **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 taken, no liability is recorded for these non-vested benefits.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**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

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2021, \$1,936,721 was related to the General Fund, \$80,174,058 was for County Capital Projects Fund and \$550,882 for other non-major funds.

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

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

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

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

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

*Restricted for Environmental Protection* - portion of fund balance restricted by revenue source for the State White Goods Program for disposal of household appliances and State recycling programs for unspent NC Electronic Management Funds.

*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 Culture and Recreation* – portion of fund balance restricted for Cannon Grant, PLA Grant and Senior Health and Wellness Expo.

*Restricted for Health Services* – portion of fund balance restricted for funds received for Social Services Payees’

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 as of June 30, 2021 by the amount of unspent debt proceeds of \$996,801 and Register of Deeds’ Pension Plan of \$489,469.



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**3. Committed Fund Balance**

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

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

*Committed for General Government* – portion of fund balance budgeted by the governing board for 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 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 County Fair and Arena projects.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

Total fund balance - General Fund	\$ 122,396,120
Less:	
Inventories	172,686
Prepaid items	5,862
Stabilization by state statute	21,953,009
Restricted for debt payments	8,710,813
Restricted for White Goods program	172,224
Restricted for Electronic Recycling program	11,307
Restricted for Building Inspections	7,768,540
Committed for Community Investment Fund	9,770,436
Committed for unpaid tax incentives	3,703,003
Committed for future pension payments	1,576,476
Uncompleted FY21 projects	1,094,349
General Government assignments	6,271,912
Working Capital/Fund Balance policy	45,292,346
Fund balance remaining for appropriation	<u>\$ 15,893,157</u>

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

The County participates in two cost-sharing, multiple employers, 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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**F. Other Resources**

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

**G. Comparative Data/Reclassifications**

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

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

**A. Assets**

**1. Deposits**

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

At June 30, 2021, the carrying amount of the County’s bank deposits, including fiduciary funds, was \$54,999,680 including fiduciary funds and the bank balance was \$54,795,464. Of the bank balance, \$768,671 was covered by federal depository insurance, and \$54,026,793 was covered by collateral, held by authorized escrow agents in the name of the County, under the Pooling Method. At June 30, 2021, the County had \$9,364 cash on hand.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

At June 30, 2021, the carrying amount of the Cabarrus Health Alliance's bank deposits was \$1,229,649 and the bank balance was \$1,313,804. 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, 2021, the Cabarrus Health Alliance had \$3,600 of cash on hand.

**2. Investments**

As of June 30, 2021, the County had the following investments and maturities:

<b>Investment Type</b>	<b>Valuation Measurement Method<sup>2,3</sup></b>	<b>Fair Value</b>	<b>Less Than 6 Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>	<b>4-5 Years</b>
US Government Agencies	Fair Value-Level 2	\$ 50,497,316	\$ -	\$ -	\$ 35,588,486	\$ 14,908,830
Commercial Paper	Fair Value-Level 2	49,928,933	-	49,928,933	-	-
NC Capital Management Trust: Government Portfolio	Fair Value-Level 1	57,886,673	57,746,429	-	-	-
<b>Total</b>		<u>\$ 158,312,922</u>	<u>\$ 57,746,429</u>	<u>\$ 49,928,933</u>	<u>\$ 35,588,486</u>	<u>\$ 14,908,830</u>

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

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

*Credit Risk.* The County's investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, The County's investment in commercial paper were rated A-1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Service as of June 30, 2021. 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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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*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-one percent of the County's investments are held in commercial paper, thirty-one percent in governmental agencies, thirty-five percent in North Carolina Capital Management Trust.

At June 30, 2021, the Cabarrus Health Alliance's investments consisted of \$7,571,128 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's and AAA-mf by Moody's Investor Services as of June 30, 2021. 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,364,388	\$ 1,511,542	\$ 7,875,930
2019	6,479,564	955,736	7,435,300
2020	7,020,426	403,674	7,424,100
2021	6,787,011	-	6,787,011
Total	<u>\$ 26,651,389</u>	<u>\$ 2,870,952</u>	<u>\$ 29,522,341</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
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**4. Receivables**

**a. Government-wide Receivables**

Receivables at the government-wide level for the Primary Government at June 30, 2021, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 3,309,980	\$ 11,979,386	\$ 16,687,704	\$ 4,551,061	\$ 36,528,131
Other governmental	47,003	-	21,904	205,408	274,315
Total receivables	3,356,983	11,979,386	16,709,608	4,756,469	36,802,446
Allowance for doubtful accounts	-	(10,314,867)	-	(2,059,299)	(12,374,166)
Total-governmental activities	<u>\$ 3,356,983</u>	<u>\$ 1,664,519</u>	<u>\$ 16,709,608</u>	<u>\$ 2,697,170</u>	<u>\$ 24,428,280</u>
	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Interest</u>	<u>Total</u>
<b>Business-type Activities:</b>					
Landfill	<u>\$ -</u>	<u>\$ 11,827</u>	<u>\$ 97,926</u>	<u>\$ 3,617</u>	<u>\$ 113,370</u>

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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Local option sales tax	\$ 12,755,776	\$ -
Motor vehicle tax	2,878,908	-
Grants	347,780	-
Other	727,144	-
Solid waste disposal tax	-	12,695
Scrap tire tax	-	85,231
	<u>\$ 16,709,608</u>	<u>\$ 97,926</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
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**Discretely Presented Component Unit CHA**

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2021, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 3,236,794	\$ 1,178,755	\$ 105,523	\$ 4,521,072
Allowance for doubtful accounts	-	(197,886)	-	(197,886)
Total-governmental activities	<u>\$ 3,236,794</u>	<u>\$ 980,869</u>	<u>\$ 105,523</u>	<u>\$ 4,323,186</u>

**5. Capital Assets**

1. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,533,301	\$ 1,021,941	\$ (400)	\$ 22,554,842
Construction in progress	12,692,048	30,439,067	(19,233)	43,111,882
Total capital assets not being depreciated	<u>34,225,349</u>	<u>31,461,008</u>	<u>(19,633)</u>	<u>65,666,724</u>
Capital assets being depreciated:				
Buildings	177,670,518	6,219	(2,661,693)	175,015,044
Building improvements	22,591,742	-	(49,979)	22,541,763
Equipment	21,399,467	683,818	-	22,083,285
Furniture and fixtures	1,477,815	-	-	1,477,815
Land improvements	13,225,146	-	-	13,225,146
Vehicles	15,858,006	2,395,093	(1,131,931)	17,121,168
Reservoir	21,743,730	-	-	21,743,730
Total capital assets being depreciated	<u>273,966,424</u>	<u>3,085,130</u>	<u>(3,843,603)</u>	<u>273,207,951</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Less accumulated depreciation for:				
Buildings	49,623,990	4,293,914	(818,968)	53,098,936
Building improvements	7,501,623	565,576	(21,861)	8,045,338
Equipment	17,844,872	1,458,833	-	19,303,705
Furniture and fixtures	1,314,885	46,165	-	1,361,050
Land improvements	6,946,295	661,889	-	7,608,184
Vehicles	10,965,894	1,910,258	(1,131,931)	11,744,221
Reservoir	522,372	21,765	-	544,137
Total accumulated depreciation	<u>94,719,931</u>	<u>8,958,400</u>	<u>(1,972,760)</u>	<u>101,705,571</u>
Total capital assets, being depreciated, net	<u>179,246,493</u>	<u>(5,873,270)</u>	<u>(1,870,844)</u>	<u>171,502,379</u>
Governmental and Internal Service Fund Capital Assets, net	<u>\$ 213,471,842</u>	<u>\$ 25,587,738</u>	<u>\$ (1,890,477)</u>	<u>\$ 237,169,103</u>

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

Governmental activities:	
General government	\$ 1,593,515
Public safety	5,323,624
Economic & physical development	42,028
Environmental protection development	43,322
Human services	338,443
Culture & recreation	1,617,468
Total depreciation expense - governmental & internal services activities	<u>\$ 8,958,400</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
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Capital asset activity for the year ended June 30, 2021:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Business-type activities:				
Capital assets, not being depreciated:				
Land	<u>\$ 490,447</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	<u>1,256,544</u>	<u>-</u>	<u>-</u>	<u>1,256,544</u>
Total capital assets, being depreciated	<u>5,640,577</u>	<u>-</u>	<u>-</u>	<u>5,640,577</u>
Less accumulated depreciation for:				
Land improvements	1,269,343	93,300	-	1,362,643
Vehicles	1,922,279	-	-	1,922,279
Equipment	235,583	10,500	-	246,083
Buildings	<u>439,452</u>	<u>31,413</u>	<u>-</u>	<u>470,865</u>
Total accumulated depreciation	<u>3,866,657</u>	<u>135,213</u>	<u>-</u>	<u>4,001,870</u>
Total capital assets, being depreciated, net	<u>1,773,920</u>	<u>(135,213)</u>	<u>-</u>	<u>1,638,707</u>
Proprietary capital assets, net	<u><u>\$ 2,264,367</u></u>	<u><u>\$ (135,213)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,129,154</u></u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Construction Commitments**

The government has active construction projects as of June 30, 2021. The projects include New School Construction (West Cabarrus High School, New Middle School), Cabarrus County Courthouse and Governmental Center Skylight Repair. At year-end, the government's commitments with contractors are as follows:

	<u>Spent-To-Date</u>	<u>Remaining Commitment</u>
School new construction	\$ 89,334,067	\$ 17,383,365
Government Center skylight repair	1,784,390	49,537
Cabarrus County Courthouse	22,698,969	70,016,826
Total	<u>\$ 113,817,426</u>	<u>\$ 87,449,728</u>

**Discretely Presented Component Unit**

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 391,287	\$ -	\$ -	\$ 391,287
Vehicles	536,453	41,707	-	578,160
Equipment	1,398,787	5,800	(11,645)	1,392,942
Land improvements	600,505	-	-	600,505
Total capital assets being depreciated	<u>2,927,032</u>	<u>47,507</u>	<u>(11,645)</u>	<u>2,962,894</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Less accumulated depreciation:				
Furniture and fixtures	347,169	18,216	-	365,385
Vehicles	357,456	55,999	(11,645)	401,810
Equipment	1,010,916	103,459	-	1,114,375
Land improvements	589,525	10,508	-	600,033
Total accumulated depreciation	<u>2,305,066</u>	<u>188,182</u>	<u>(11,645)</u>	<u>2,481,603</u>
 Total governmental activities, being depreciated (net)	<u>621,966</u>	<u>(140,675)</u>	<u>-</u>	<u>481,291</u>
 Governmental capital assets, net	<u>\$ 621,966</u>	<u>\$ (140,675)</u>	<u>\$ -</u>	<u>\$ 481,291</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level for the Primary Government at June 30, 2021 were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Other</b>	<b>Total</b>
Governmental Activities:				
General	\$ 3,844,133	\$ 2,840,546	\$ 553,846	\$ 7,238,525
County Capital Projects	2,370,134	-	-	2,370,134
CARES Act Relief Fund	-	174	86,270	86,444
Other governmental	781,828	4,074	1,713,183	2,499,085
Total-governmental activities	<u>\$ 6,996,095</u>	<u>\$ 2,844,794</u>	<u>\$ 2,353,299</u>	<u>\$ 12,194,188</u>
 Business-type activities				
Landfill	<u>\$ 71,435</u>	<u>\$ 11,419</u>	<u>\$ -</u>	<u>\$ 82,854</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2021, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	<u>\$ 244,348</u>	<u>\$ 598,815</u>	<u>\$ 843,163</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 Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
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*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, 2021 was 10.90% of compensation for law enforcement officers and 10.15% 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 \$6,153,223 for the year ended June 30, 2021.

*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, 2021, the County reported a liability of \$29,568,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021 the County's proportion was 0.827% (measured as of June 30, 2020), which was an increase of 0.032% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$10,265,476. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,734,004	\$ -
Changes of assumptions	2,200,489	-
Net difference between projected and actual earnings on pension plan investments	4,160,998	-
Changes in proportion and differences between County contributions and proportionate share of contributions	353,398	74,105
County contributions subsequent to the measurement date	6,153,223	-
Total	<u>\$ 16,602,112</u>	<u>\$ 74,105</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
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\$6,153,223 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 2,911,797
2023	3,888,077
2024	2,343,469
2025	1,231,441
2026	-
Thereafter	-
Total	<u>\$ 10,374,784</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 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 - 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, 2019 valuation, with the exception of the discount rate, 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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2020 are summarized in the following table:

	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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 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.



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**CABARRUS COUNTY, NORTH CAROLINA**  
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*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:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ 59,991,611</u>	<u>\$ 29,568,671</u>	<u>\$ 4,285,068</u>

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

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

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	26
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>207</u>
Total	<u>233</u>

A separate report was not issued for the plan.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 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, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

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

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

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

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

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
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*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 \$436,597 as benefits came due for the reporting period.

At June 30, 2021, the County reported a total pension liability of \$13,003,554. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$1,559,212.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,532,984	\$ 50,814
Changes of assumptions	2,999,535	175,964
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	264,577	-
Total	<u>\$ 4,797,096</u>	<u>\$ 226,778</u>

The County paid \$263,287 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 ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2022	\$ 909,656
2023	923,124
2024	896,536
2025	839,014
2026	715,935
Thereafter	21,476

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**CABARRUS COUNTY, NORTH CAROLINA**  
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*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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate.

	<b>1% Decrease (0.93%)</b>	<b>Discount Rate (1.93%)</b>	<b>1% Increase (2.93%)</b>
Total pension liability	<u>\$ 14,085,640</u>	<u>\$ 13,003,554</u>	<u>\$ 12,011,439</u>
	<b>Total Pension Liability</b>		
Beginning balance	\$ 8,474,799		
Service cost at end of year	379,104		
Interest on the total pension liability	269,162		
Difference between expected and actual experience in the measurement of the total pension liability	1,083,766		
Changes of assumptions or other inputs	3,233,320		
Benefit payments	(436,597)		
Ending balance of the total pension liability	<u>\$ 13,003,554</u>		

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 to 1.93 percent at June 30, 2020.

*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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County has chosen to extend this benefit to all its full and part-time (who are eligible for North Carolina Local Governmental Employees' Retirement System) employees. Contributions by Cabarrus County for the year ended June 30, 2021 were \$4,194,575 which consisted of \$2,991,997 from the County and \$1,202,578 from the employees. Contributions for the year ended June 30, 2021 were \$514,479 from participating Alliance employees. The Alliance's Board reinstated the employer's contribution to this benefit. The Alliance matched up to 2% beginning July 1, 2021. The Alliance contributed \$119,634 to the plan for the year ended June 30, 2021. No amounts were forfeited.

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

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

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

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

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*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 \$30,568 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$516,340 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 2.253%, which was an increase of 0.1810% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$3,909. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 10,521
Net difference between projected and actual earnings on pension plan investments	-	44,181
Changes in proportion and differences between County contributions and proportionate share of contributions	20,231	22,968
County Contributions subsequent to the measurement date	30,568	-
Total	<u>\$ 50,799</u>	<u>\$ 77,670</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
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\$30,568 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ (9,051)
2023	(17,319)
2024	(19,939)
2025	(11,130)
2026	-
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 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, 2019 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 returns 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, 2020 is 1.4%.

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The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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:

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (438,567)</u>	<u>\$ (516,340)</u>	<u>\$ (582,150)</u>

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

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

The net pension liability for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability (asset) for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. 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:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>TOTAL</b>
Proportionate share of net pension liability (asset)	\$ 29,568,671	\$ (516,340)	\$ -	\$ 29,052,331
Proportion of the net pension liability (asset)	0.827%	2.253%	-	-
Total pension liability	-	-	13,003,554	13,003,554
Pension expense	10,265,476	3,909	1,559,212	11,828,597



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At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	TOTAL
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ 3,734,004	\$ -	\$ 1,532,984	\$ 5,266,988
Change of assumptions	2,200,489	-	2,999,535	5,200,024
Net difference between projected and actual earnings on pension plan investments	4,160,998	-	-	4,160,998
Changes in proportion and differences between County contributions and proportionate share of contributions	353,398	20,231	-	373,629
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	6,153,223	30,568	264,577	6,448,368
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 10,521	\$ 50,814	\$ 61,335
Changes of assumptions	-	-	175,964	175,964
Net difference between projected and actual earnings on pension plan investments	-	44,181	-	44,181
Changes in proportion and differences between County contributions and proportionate share of contributions	74,105	22,968	-	97,073

**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.

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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, 2020 the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	98
Inactive members entitled to but not yet receiving benefits	-
Active employees	<u>1,020</u>
Total membership	<u><u>1,118</u></u>

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**Total OPEB Liability**

The County's total OPEB liability (TOL) of \$43,301,564 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

*Actuarial assumptions and other inputs.* The County's total OPEB liability in the June 30, 2020 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 2020 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-2020.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2020 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.

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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

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**Changes in the Total OPEB Liability**

Total OPEB Liability as of June 30, 2020	<u>\$ 34,499,299</u>
Changes for the year:	
Service cost at the end of the year*	1,928,135
Interest on TOL and cash flows	1,298,511
Difference between expected and actual experience	(42,333)
Changes of assumptions or other inputs	6,940,003
Benefits payments	<u>(1,322,051)</u>
Net changes	<u>8,802,265</u>
Total OPEB Liability as of June 30, 2021	<u><u>\$ 43,301,564</u></u>

\* The service cost includes interest for the year.

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

	<b>Health Care Cost Trend Rate Sensitivity</b>		
	<b>1% Decrease (6.00% decreasing to 4.00%)</b>	<b>Current Cost Trend Rate (7.00% decreasing to 5.00%)</b>	<b>1% Increase (8.00% decreasing to 6.00%)</b>
Total OPEB liability	<u>\$ 39,955,123</u>	<u>\$ 43,301,564</u>	<u>\$ 47,795,041</u>

*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 2.21%, as well as what the Plan's TOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Discount Rate Sensitivity</b>		
	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB liability	<u>\$ 48,400,836</u>	<u>\$ 43,301,564</u>	<u>\$ 38,896,585</u>

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

For the year ended June 30, 2021 the County recognized OPEB expense of \$2,349,922. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 82,968	\$ 8,819,062
Changes of assumptions or other inputs	6,549,984	2,253,416
Benefit payments and administrative costs made subsequent to the measurement date	1,142,550	-
Total	<u>\$ 7,775,502</u>	<u>\$ 11,072,478</u>

\$1,142,550 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 ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<b>Measurement Period Ending June 30</b>	<b>Amount</b>
2022	\$ (876,724)
2023	(876,724)
2024	(876,724)
2025	(876,724)
2026	(782,199)
Thereafter	(150,431)

**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

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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, 2019, June 30, 2020 and June 30, 2021, the Alliance contributed .04% of annual covered payroll or \$5,320, \$5,363, and \$6,304 respectively.

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

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

Federal and state laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs are typically paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,646,223 reported as landfill closure and post closure care liability at June 30, 2021 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 80.5% of a (C&D) only cell. This amount is based on what it would cost to perform all closure and post closure care in 2021. 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 2023.

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Charge on refunding of debt	\$ 11,345,213	\$ -
(Pensions, OPEB) - difference between expected and actual experience	5,349,956	8,880,397
(Pensions, OPEB) - change of assumptions	11,750,008	2,429,380
(Pensions) - Net difference between projected and actual investment earnings	4,160,998	44,181
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	373,629	97,073
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	6,183,791	-
Benefit payment   administrative costs paid subsequent to the measurement date (LEOSSA)	264,577	-
Benefit payment   administrative costs paid subsequent to the measurement date (OPEB)	1,142,550	-
Prepaid taxes not yet earned	-	1,037,264
Government-wide deferred outflows and inflows of resources	40,570,722	12,488,295
Taxes receivable, net (General)	-	2,356,620
Ambulance receivable, net (General)	-	1,664,519
Total	<u>\$ 40,570,722</u>	<u>\$ 16,509,434</u>

**5. Risk Management**

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

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 flood, earth movement, boiler, machinery, and the Stough Road location.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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 \$750,000 self-insured retention for any Presumptive Losses.

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

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance 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 torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Alliance carries commercial coverage for all other risks of loss. Fiscal year ended June 30, 1998 was the initial year of operations. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in 2019, 2020 and 2021.

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, 2021 is shown.

	<u>6/30/2020</u>	<u>6/30/2021</u>
Unpaid claims, beginning of fiscal year	\$ 682,767	\$ 671,330
Incurred claims	2,252,885	2,020,511
Claims payments	<u>(2,264,322)</u>	<u>(2,138,287)</u>
Unpaid claims, end of fiscal year	<u>671,330</u>	<u>553,554</u>



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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2021 is shown.

	<u>6/30/2020</u>	<u>6/30/2021</u>
Unpaid claims, beginning of fiscal year	\$ 1,665,864	\$ 1,705,044
Incurred claims	11,276,462	11,026,513
Claims payments	<u>(11,237,282)</u>	<u>(11,666,557)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,705,044</u>	<u>\$ 1,065,000</u>

## **6. Contingent Liabilities**

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

As of June 30, 2021, 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 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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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:

	<b>Governmental Activities</b>
County owned asset:	
Equipment	\$ 691,142
Less: Accumulated depreciation	<u>(368,609)</u>
Total	<u><u>\$ 322,533</u></u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2021, are as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>
2022	\$ 115,191
2023	115,191
2024	<u>115,190</u>
Total minimum lease payments	345,572
Less: amount representing interest	<u>(11,137)</u>
Present value of minimum lease payments	<u><u>\$ 334,435</u></u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
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**b. Operating Leases**

The County leases building, equipment, and office facilities under non-cancelable operating leases. Total costs for the leases were \$1,019,976 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 968,076
2023	969,656
2024	857,359
2025	772,699
2026	743,353
Longer than 5 years	753,278
Total	<u>\$ 5,064,421</u>

**c. General Obligation Indebtedness**

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

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

General Obligation Advance Refunding Bonds (2020) refunded a portion of the 2013 General Obligation Bonds.

The County's general obligation bonds payable at June 30, 2021 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.	\$ 25,440,000
\$6,800,000 (2020) Advance Refunding Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 1.6 percent	<u>6,800,000</u>
Total	<u>\$ 32,240,000</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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For Cabarrus County, the annual debt service payments to maturity as of June 30, 2021, for the County's general obligation bonds are as follows:

<b>Year Ending, June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 6,505,000	\$ 1,178,500
2023	6,595,000	856,670
2024	6,620,000	532,140
2025	6,255,000	303,485
2026	3,385,000	87,710
2027-2031	2,880,000	40,320
Total	<u>\$ 32,240,000</u>	<u>\$ 2,998,825</u>

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

**1. Public Offered Debt**

On April 14, 2011, the Cabarrus County Development Corporation issued \$14,635,000 (2011A) certificates of Participation (COPS) contracts to fund the rehabilitating, repairing, and equipping of approximately eighteen Cabarrus County and six Kannapolis City school facilities. These 15-year COPS are financed under two bullets using Qualified School Construction Bonds. The first bullet, in the amount of \$7,200,000, 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, 2021, the County's trustee held principal payments of \$7,980,000 in a sinking fund; the total principal balance due at June 30, 2021 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 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

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2021 is \$55,345,000.

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, 2021 is \$55,440,000.

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.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2021, for the County's Public Offered Certificates of Participation/Limited Obligation Bonds are as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 7,540,000	\$ 5,741,413
2023	14,735,000	5,364,413
2024	7,535,000	4,620,463
2025	7,070,000	4,318,713
2026	14,505,000	3,965,213
2027-2031	35,340,000	12,479,188
2032-2036	35,320,000	4,709,338
2037-2041	3,375,000	109,688
Total	<u>\$ 125,420,000</u>	<u>\$ 41,308,429</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
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**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, 2021 is \$10,110,000.

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, 2021 is \$16,980,000.

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, 2021 is \$25,775,000.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2021 is \$40,090,000.

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, 2021 is \$44,810,000.

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.

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**CABARRUS COUNTY, NORTH CAROLINA**  
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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, 2021, the County has an outstanding liability of \$54,888,901.

In FY 2022, the County intends to draw the available funds and to liquidate the entire debt using the proceeds from a new permanent financing.

On July 16, 2020, the Cabarrus County Development Corporation issued \$1,325,000 (2020A) Limited Obligation Bonds (LOBS) contracts to refund \$2,505,000 of the 2011B COPS which funded the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the County owned Cabarrus Arena & Events Center. These 2-year LOBS have an interest rate of 1.15%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a 2-year period will be \$1,348,088. Total remaining annual payments of principal and interest is \$1,304,835. The total principal balance due at June 30, 2021 is \$1,290,000.

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 2020A LOBS. The Installment Financing Contract (the "2020A Contract") and the Trust Indenture relating to the 2020A 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 2020A LOBS. After an event of default, the collateral securing the 2020A 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 2020A LOBS. However, under current North Carolina law, no deficiency judgment may be rendered against the County for breach of any obligation under the 2020A Contract. The remedies afforded to the owners of the 2020A 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 2020A LOBS.

On July 16, 2020, the Cabarrus County Development Corporation issued \$6,230,000 (2020B) Limited Obligation Bonds (LOBS) contracts to refund \$7,820,000 (2011C) LOBS which funded the cost of acquiring real property, construction and equipping of Bethel Elementary School, Pitts Road Elementary, Kannapolis Middle School, expansion of two existing elementary school facilities and various real and personal property improvements. These 4-year LOBS have an interest rate of 1.15%. Debt Service is financed by Cabarrus County property tax revenues. Total principal and interest over a the 4-year period will be \$6,372,140. Total remaining annual payments of principal and interest range from approximately \$2,043,230 to \$2,191,645. The total principal balance due at June 30, 2021 is \$6,230,000. Payable

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



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**CABARRUS COUNTY, NORTH CAROLINA**  
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For Cabarrus County, the annual debt service payments to maturity as of June 30, 2021, for the County's Certificates of Participation/Limited Obligation Bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 19,875,000	\$ 3,773,826
2023	73,213,901	3,305,878
2024	18,005,000	2,858,830
2025	15,725,000	2,418,808
2026	15,450,000	2,008,487
2027-2031	42,665,000	4,798,023
2032-2036	10,890,000	1,659,353
2037-2041	4,350,000	199,013
Total	<u>\$ 200,173,901</u>	<u>\$ 21,022,218</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, 2021 was \$2,311,477.

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, 2021 was \$29,502.

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

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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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, 2021 was \$49,000.

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.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2021, for the County's installment financing are as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 176,043	\$ 92,720
2023	101,443	88,557
2024	105,500	84,500
2025	109,720	80,280
2026	114,109	75,891
2027-2031	642,772	307,226
2032-2036	782,032	167,968
2037-2041	358,360	21,642
Total	<u>\$ 2,389,979</u>	<u>\$ 918,784</u>

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed, only \$69,019,564 relates to assets for which the County holds title.

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021:

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>	<b>Due Within One Year</b>
Governmental activities:					
General Obligation Bonds	\$ 37,865,000	\$ 6,800,000	\$ 12,425,000	\$ 32,240,000	\$ 6,505,000
Plus: Premiums on issuance	5,267,041	-	761,500	4,505,541	-
Total General Obligation Bonds	<u>43,132,041</u>	<u>6,800,000</u>	<u>13,186,500</u>	<u>36,745,541</u>	<u>6,505,000</u>
Certificates of Participation/ Limited Obligation Bonds	145,065,000	-	19,645,000	125,420,000	7,540,000
Direct borrowings and direct placements	160,482,493	56,426,408	16,735,000	200,173,901	19,875,000
Plus: Premiums on issuance	17,310,310	-	1,552,429	15,757,881	-
Total Certificates of Participation/ Limited Obligation Bonds	<u>322,857,803</u>	<u>56,426,408</u>	<u>37,932,429</u>	<u>341,351,782</u>	<u>27,415,000</u>
Capital leases	442,302	-	107,867	334,435	109,653
Installment financing	2,900,998	-	511,019	2,389,979	176,043
Compensated absences	4,488,562	4,499,029	3,758,109	5,229,482	3,294,572
Net Pension liability (LGERS)	21,627,785	7,828,525	-	29,456,310	-
Total Pension liability (LEOSSA)	8,474,799	4,528,755	-	13,003,554	-
Total OPEB liability	34,368,202	8,768,816	-	43,137,018	-
Total governmental activities	<u>\$ 438,292,492</u>	<u>\$ 88,851,533</u>	<u>\$ 55,495,924</u>	<u>\$ 471,648,101</u>	<u>\$ 37,500,268</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>	<b>Due Within One Year</b>
Business-type activities					
Compensated absences	\$ 21,405	\$ 16,320	\$ 16,295	\$ 21,430	\$ 13,501
Total pension liability (LGRS)	82,499	29,862	-	112,361	-
Total OPEB liability	131,097	33,449	-	164,546	-
Landfill closure/post-closure	3,724,323	-	78,100	3,646,223	81,001
Total business-type activities	<u>\$ 3,959,324</u>	<u>\$ 79,631</u>	<u>\$ 94,395</u>	<u>\$ 3,944,560</u>	<u>\$ 94,502</u>
	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>	<b>Due Within One Year</b>
Discretely presented component unit:					
Compensated absences	\$ 858,864	\$ 895,545	\$ (748,473)	\$ 1,005,936	\$ 985,817
Total OPEB liability	1,911,771	93,321	14,637	2,019,729	-
Total discretely presented component unit	<u>\$ 2,770,635</u>	<u>\$ 988,866</u>	<u>\$ (733,836)</u>	<u>\$ 3,025,665</u>	<u>\$ 985,817</u>

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

The County's legal debt margin is \$ 1,925,183,079.

**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, 2021, there were no industrial revenue bonds outstanding.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**C. Interfund Balances and Activity**

Transactions between funds are accounted for as follows:

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

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

From the General Fund to the County Capital Projects Fund for various capital expenditures	\$ 32,151,553
From the General Fund to the School Capital Projects Fund for various capital expenditures	4,420,509
From the General Fund to the Community Development Grant Special Revenue Fund for County match	34,857
From the General Fund to the Self-Insured Medical and Dental Fund for operations	68,270
From the General Fund to the Cabarrus Arena and Events Center Special Revenue Fund for the operations of the facility	949,374
From the Public School Building Capital Projects Fund to the General Fund for debt service payments	2,300,000

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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From the Capital Reserve Capital Projects Fund to the LOBS 2018 Fund for capital expenditures	251,094
From the Capital Reserve Capital Projects Fund to the County Capital Projects Fund for capital expenditures	3,157,664
From the Capital Reserve Capital Projects Fund to the School Capital Projects Fund for capital expenditures	1,662,314
From the Capital Reserve Capital Projects Fund to the General Fund to close the Capital Reserve Capital Projects Fund	2,400,530
From the Workers' Compensation and Property Liability Fund to the County Capital Projects Funds	1,065,425
From the Workers' Compensation and Property Liability Fund to the General Fund for capital expenditures	100,725
From the LOBS 2017 Capital Projects Fund to the General Fund to close capital projects	425,484
From the County Capital Projects Fund to the General Fund for capital expenditures	47,500
From the Construction and Renovation Capital Projects Fund to the County Capital Projects Fund to transfer capital projects	9,212,812
From the School Construction Debt Capital Projects Fund to the School Capital Projects Fund to close capital projects	59,112
From the LOBS 2017 Capital Projects Fund to the School Capital Projects Fund to close capital projects	18,528
From the LOBS 2018 Capital Projects Fund to the School Capital Projects Fund to close capital projects	61,256
From the Small Projects Capital Projects Fund to the County Capital Projects Fund for Capital Expenditures	1,000,000
	<u>\$59,387,007</u>

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**D. Net Investment in Capital Assets**

Governmental activity, net investment in capital assets at June 30, 2021, is computed as follows:

Capital assets, net of accumulated depreciation		\$	237,169,103
Deferred outflows of resources			11,345,213
Less: capital debt			
Gross debt	\$	(380,821,737)	
School debt related to assets to which the County does not capitalize		<u>311,802,173</u>	(69,019,564)
Deferred outflows related to school debt			<u>(8,168,553)</u>
Net investment in capital assets			<u><u>\$ 171,326,199</u></u>

Unspent debt proceeds of \$996,801 is not included in the net investment in capital asset calculation as it relates to school related assets and debt.

**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, 2021 the County reported these local option sales taxes within its General Fund and Capital Investment Fund. The County expended the restricted portion of these taxes for public school capital outlays.

**F. Public School Building Capital Fund**

The Public-School Building Capital Fund (PSBCF) is currently the only source of recurring state funding for the capital facility needs (buildings and land) of the local boards of education (local education administration, or LEA). The PSBCF revenue (originally funded from a portion of the Corporate Income Tax) was distributed among the counties in the state according to Average Daily Membership (ADM) and was thus colloquially known as the "ADM Fund." At June 30, 2021 the balance of the County's ADM allocation account was \$3,973.

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, 2021 the Lottery fund had a disbursing account balance of \$5,025,231.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**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, 2021 the self-insured hospitalization / dental internal service fund had an unrestricted net position of \$3,945,839. 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, 2021 the workers' compensation / property liability internal service fund had a net position of \$7,303,209. 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, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$511,565 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 10150 Mallard Creek Road, Suite 400, Charlotte NC 28262.

The County, in conjunction with the State of North Carolina, Rowan-Cabarrus Community College and Rowan County participates in a joint venture to operate the Rowan-Cabarrus Community College. Each of the four participants, except the County who only appoints two members, appoints four members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an *ex-officio* non-voting member of the community college's board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds, Limited Obligation Bonds and Capital Leases to provide financing for new and restructured facilities. Of the 2013 Refunding General Obligation bonds issued, \$849,271 in debt is still outstanding. A portion of the 2013 Refunding General Obligation Bonds were refunded with new series 2020. Of the 2020 Refunding General Obligation bonds \$408,000 in debt is still outstanding. Of the 2018 Limited Obligation bond issued, \$13,370,000 in debt is still outstanding. Of the 2018 Capital Lease, \$0.00 in debt is 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 \$3,653,110 to the community college for operating purposes and \$724,005 for capital outlay during the fiscal year ended June 30, 2021. In addition, the County made combined debt service principal payments of \$1,404,896 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, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at I-85 at Jake Alexander Boulevard South, Salisbury, NC 28145.



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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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In conjunction with Cabarrus County Chamber of Commerce, the County takes part in a joint venture to operate the Cabarrus County Tourism Authority, (dba Cabarrus County Convention and Visitors Bureau), which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Board of Directors for the Tourism Authority is a twelve-member board. The Board of Cabarrus County Commissioners appoints three members, six members are appointed based on the recommendations of the Authority, and three members are appointed based on recommendations by the Cabarrus Regional Chamber of Commerce. The Board of Directors established the Convention and Visitors Bureau to conduct the day-to-day operations for the Tourism Authority. The Authority receives approximately 90% of room occupancy taxes, which are levied and collected by the County. For the year ended June 30, 2021, occupancy taxes totaling \$3,082,864, 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, 2021. Complete financial statements for the Authority can be obtained at Cabarrus County CVB, 10099 Weddington Road Ext., Suite 102, Concord NC 28027.

**Note 4. Jointly Governed Organization**

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

The County, in conjunction with eight other counties and seventy-four municipalities, established the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid to the Council membership fees of \$57,396 and \$22,475 for the County Aging Service Program Match during the fiscal year ended June 30, 2021. The County was the sub recipient of grants totaling \$1,067,233 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.

**Coronavirus Disease (COVID-19)**

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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

**American Rescue Plan (ARP)**

Cabarrus County was awarded \$42,043,458 from the Federal American Rescue Plan (ARP). The County received \$21,021,729 in May 2021. The remaining amount is expected to be received in the next twelve months.

**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 \$20,081,285 in draws since June 30, 2021.

<u>Date of Draw</u>	<u>Amount</u>
7/30/2021	\$ 1,963,345
8/30/2021	7,144,585
9/30/2021	5,437,454
11/1/2021	5,535,901

**Note 7. Change in Accounting Principle**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

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**CABARRUS COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net-Position Increase (Decrease)	General Fund Balance Increase (Decrease)	Nonmajor Special Revenue Fund Balance Increase (Decrease)	Fiduciary Net-Position Custodial Fund Increase (Decrease)	
\$ -	\$ -	\$ -	\$ 1,070,117	Cash, taxes receivable and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position.
-	-	-	46,152	Cash related to funds held for incarcerated inmates was reclassified out of the Agency Fund to a newly created Jail Commissary Custodial Fund. The portion of liabilities attributable to unused funds that are due to the inmate upon release were restated as custodial net position.
159,815	-	159,815	-	Cash received through the Social Services Department under a program that manages the financial affairs of persons unable or incapable of managing on their own were reclassified out of the Agency Fund into a newly created Social Services Payee Special Revenue Fund. The position of liabilities in the Agency Fund representing cash at the beginning of the year was restated as fund balance.

# REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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Schedule of Changes in Total OPEB Liability and Related Ratios

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

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

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

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

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

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



**CABARRUS COUNTY, NORTH CAROLINA**
**EXHIBIT 11**
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FOUR FISCAL YEARS**

	Total OPEB Liability			
	2021	2020	2019	2018
Service cost at the end of the year	\$ 1,928,135	\$ 2,382,844	\$ 2,459,190	\$ 2,650,570
Interest	1,298,511	1,622,016	1,448,147	1,215,771
Difference between expected and actual experience	(42,333)	(11,265,223)	(309,710)	154,492
Changes of assumptions or other inputs	6,940,003	622,675	(1,458,547)	(2,423,124)
Benefits payments	(1,322,051)	(1,109,572)	(1,131,739)	(1,488,105)
<b>Net change in Total OPEB Liability</b>	<b>8,802,265</b>	<b>(7,747,260)</b>	<b>1,007,341</b>	<b>109,604</b>
<b>Total OPEB Liability - beginning</b>	<b>34,499,299</b>	<b>42,246,559</b>	<b>41,239,218</b>	<b>41,129,614</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 43,301,564</b>	<b>\$ 34,499,299</b>	<b>\$ 42,246,559</b>	<b>\$ 41,239,218</b>
 <b>Covered-employee payroll</b>	 \$ 51,283,972	 \$ 49,994,283	 \$ 44,146,565	 \$ 44,146,565
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	<b>84.43%</b>	<b>69.01%</b>	<b>95.70%</b>	<b>93.41%</b>

**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:

<b>Fiscal Year</b>	<b>Rate</b>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

**CABARRUS COUNTY, NORTH CAROLINA****EXHIBIT 12****SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)****LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM****LAST EIGHT FISCAL YEARS <sup>(1), (2), (3)</sup>**

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

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

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

<sup>(3)</sup> This will be the same percentage for all participant employers in the ROD plan.

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**  
**LAST EIGHT FISCAL YEARS<sup>(1)</sup>**

**EXHIBIT 13**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,153,223	\$ 5,088,523	\$ 4,097,992	\$ 3,674,201	\$ 3,472,475	\$ 2,903,772	\$ 2,855,518	\$ 2,836,414
Contributions in relation to the contractually required contribution	<u>6,153,223</u>	<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>	<u>\$ -</u>
County's covered payroll	\$ 59,661,187	\$ 55,609,898	\$ 51,620,898	\$ 47,754,726	\$ 46,557,398	\$ 42,520,688	\$ 39,999,294	\$ 39,888,050
Contributions as a percentage of covered payroll	10.31%	9.15%	7.94%	7.69%	7.46%	6.83%	7.14%	7.11%

<sup>(1)</sup> 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****EXHIBIT 14****SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)****REGISTER OF DEED'S SUPPLEMENTAL PENSION FUND****LAST EIGHT FISCAL YEARS <sup>(1), (2), (3)</sup>**

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	2.253%	2.072%	2.280%	2.387%	2.399%	2.267%	2.143%	2.163%
County's proportionate share of the net pension liability (asset) \$	\$ (516,340)	\$ (408,973)	\$ (377,711)	\$ (407,500)	\$ (448,487)	\$ (525,183)	\$ (485,686)	\$ (462,104)
County's covered payroll	\$ 80,096	\$ 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 <sup>(3)</sup>	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

<sup>(3)</sup> This will be the same percentage for all participant employers in the ROD plan.

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF THE COUNTY CONTRIBUTIONS**  
**REGISTER OF DEED'S SUPPLEMENTAL PENSION FUND**  
**LAST EIGHT FISCAL YEARS <sup>(1)</sup>**

**EXHIBIT 15**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 30,568	\$ 23,488	\$ 19,690	\$ 19,516	\$ 20,743	\$ 19,597	\$ 18,134	\$ 17,494
Contributions in relation to the contractually required contribution	30,568	23,488	19,690	19,516	20,743	19,597	18,134	17,494
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 81,072	\$ 80,096	\$ 79,013	\$ 77,359	\$ 78,422	\$ 71,669	\$ 71,326	\$ 71,286
Contributions as a percentage of covered payroll	37.70%	29.32%	24.92%	25.23%	26.45%	27.34%	25.42%	24.54%

<sup>(1)</sup> 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 FIVE FISCAL YEARS**

**EXHIBIT 16**

	2021	2020	2019	2018	2017
Beginning balance	\$ 8,474,799	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726	\$ 6,532,773
Service cost	379,104	281,417	289,280	249,707	283,709
Interest on the total pension liability	269,162	260,998	220,996	252,149	229,563
Differences between expected and actual experience in the measurement of the total pension liability	1,083,766	724,690	319,266	(145,794)	-
Changes of assumption or other inputs	3,233,320	241,394	(281,484)	416,835	(164,444)
Benefits payments	(436,597)	(407,962)	(334,661)	(288,758)	(204,875)
Ending balance of the total pension liability	<u>\$ 13,003,554</u>	<u>\$ 8,474,799</u>	<u>\$ 7,374,262</u>	<u>\$ 7,160,865</u>	<u>\$ 6,676,726</u>

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

**CABARRUS COUNTY, NORTH CAROLINA****EXHIBIT 17****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE****LAST FIVE FISCAL YEARS**

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	2021	2020	2019	2018	2017
Total pension liability	\$ 13,003,554	\$ 8,474,799	\$ 7,374,262	\$ 7,160,865	\$ 6,676,726
Covered-employee payroll	12,448,861	10,156,862	9,482,279	9,441,196	10,335,413
Total pension liability as a percentage of covered-employee payroll	104.46%	83.44%	77.77%	75.85%	64.60%

**Notes to the Schedule:**

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



# OTHER SUPPLEMENTAL INFORMATION

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

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

	Special Revenue Funds								
	Emergency Telephone System Fund	Community Development Block Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts' Fund	Sheriff's Department Fund	Dept of Aging Fund	Social Services Fund	Inter-governmental Fund	Total Non-major Special Revenue Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 666,913	\$ 52,037	\$ 1,612,103	\$ 30,475	\$ 199,371	\$ 148,390	\$ 202,660	\$ 137,102	\$ 3,049,051
Due from other governments	58,593	-	-	57,945	-	-	-	-	116,538
Accounts receivable	-	-	39,811	-	-	-	-	2,727	42,538
Interest receivable	332	-	902	-	94	76	-	-	1,404
Prepaid items	-	-	15,193	-	-	-	-	-	15,193
Restricted cash	-	-	51,726	-	-	-	-	-	51,726
Total assets	<u>\$ 725,838</u>	<u>\$ 52,037</u>	<u>\$ 1,719,735</u>	<u>\$ 88,420</u>	<u>\$ 199,465</u>	<u>\$ 148,466</u>	<u>\$ 202,660</u>	<u>\$ 139,829</u>	<u>\$ 3,276,450</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 458	\$ 5,700	\$ 105,651	\$ 88,420	\$ 74	\$ -	\$ 34,867	\$ 139,829	\$ 374,999
Contract retainages	-	-	-	-	-	-	-	-	-
Total liabilities	<u>458</u>	<u>5,700</u>	<u>105,651</u>	<u>88,420</u>	<u>74</u>	<u>-</u>	<u>34,867</u>	<u>139,829</u>	<u>374,999</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable									
Prepaid items	-	-	15,193	-	-	-	-	-	15,193
Restricted									
Stabilization by state statute	58,925	-	40,713	57,945	94	76	-	2,727	160,480
Register of Deeds Automation & Enhancement	-	-	-	-	-	-	-	-	-
Emergency Telephone 911	666,455	-	-	-	-	-	-	-	666,455
Sheriff & State Safety programs	-	-	-	-	199,297	-	-	-	199,297
Community Development programs	-	46,337	-	-	-	-	-	-	46,337
Soil and Water programs	-	-	-	-	-	-	-	-	-
School debt and construction	-	-	-	-	-	-	-	-	-
Cabarrus Arena and Events Center	-	-	51,726	-	-	-	-	-	51,726
Library grants	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	167,793	-	167,793
Committed									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	148,390	-	-	148,390
Education	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Assigned									
Culture and recreation	-	-	1,506,452	-	-	-	-	-	1,506,452
Unassigned	-	-	-	(57,945)	-	-	-	(2,727)	(60,672)
Total fund balances	<u>725,380</u>	<u>46,337</u>	<u>1,614,084</u>	<u>-</u>	<u>199,391</u>	<u>148,466</u>	<u>167,793</u>	<u>-</u>	<u>2,901,451</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 725,838</u>	<u>\$ 52,037</u>	<u>\$ 1,719,735</u>	<u>\$ 88,420</u>	<u>\$ 199,465</u>	<u>\$ 148,466</u>	<u>\$ 202,660</u>	<u>\$ 139,829</u>	<u>\$ 3,276,450</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

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

	Capital Projects Funds										Total Non-major Governmental Funds
	Construction and Renovation Fund	School Construction Fund	School Construction Debt Fund	LOBS 2017 Fund	LOBS 2018 Fund	School Capital Projects Fund	Capital Reserve Fund	Small Projects Fund	Cannon Memorial Library Fund	Total Capital Projects Funds	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 1,481,435	\$ 259,317	\$ -	\$ 200,000	\$ 276,514	\$ 4,683,053	\$ -	\$ 2,100,438	\$ -	\$ 9,000,757	\$ 12,049,808
Due from other governments	-	-	-	-	-	-	-	-	-	-	116,538
Accounts receivable	4,465	-	-	-	-	-	-	-	-	4,465	47,003
Interest receivable	-	-	-	-	-	-	-	654	11	665	2,069
Prepaid items	-	-	-	-	-	-	-	-	-	-	15,193
Restricted cash	-	-	-	996,801	-	-	-	-	20,248	1,017,049	1,068,775
Total assets	<u>\$ 1,485,900</u>	<u>\$ 259,317</u>	<u>\$ -</u>	<u>\$ 1,196,801</u>	<u>\$ 276,514</u>	<u>\$ 4,683,053</u>	<u>\$ -</u>	<u>\$ 2,101,092</u>	<u>\$ 20,259</u>	<u>\$ 10,022,936</u>	<u>\$ 13,299,386</u>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 37,879	\$ -	\$ -	\$ -	\$ -	\$ 126,597	\$ -	\$ 21,089	\$ -	\$ 185,565	\$ 560,564
Contract retainages	-	-	-	200,000	-	685,274	-	-	-	885,274	885,274
Total liabilities	<u>37,879</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>811,871</u>	<u>-</u>	<u>21,089</u>	<u>-</u>	<u>1,070,839</u>	<u>1,445,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,626</u>	<u>-</u>	<u>464,626</u>	<u>464,626</u>
<b>FUND BALANCES</b>											
Nonspendable											
Prepaid items	-	-	-	-	-	-	-	-	-	-	15,193
Restricted											
Stabilization by state statute	555,347	-	-	-	-	-	-	654	11	556,012	716,492
Register of Deeds Automation & Enhancement	-	-	-	-	-	-	-	358,503	-	358,503	358,503
Emergency Telephone 911	-	-	-	-	-	-	-	-	-	-	666,455
Sheriff & State Safety programs	-	-	-	-	-	-	-	-	-	-	199,297
Community Development programs	-	-	-	-	-	-	-	-	-	-	46,337
Soil and Water programs	-	-	-	-	-	-	-	108,703	-	108,703	108,703
School debt and construction	-	-	-	996,801	-	-	-	-	-	996,801	996,801
Cabarrus Arena and Events Center	-	-	-	-	-	-	-	-	-	-	51,726
Library grants	-	-	-	-	-	-	-	-	20,248	20,248	20,248
Health Services	-	-	-	-	-	-	-	-	-	-	167,793
Committed											
General government	90,635	-	-	-	-	-	-	-	-	90,635	90,635
Public safety	674,481	-	-	-	-	-	-	-	-	674,481	674,481
Economic and physical development	-	-	-	-	-	-	-	1,147,517	-	1,147,517	1,147,517
Human services	-	-	-	-	-	-	-	-	-	-	148,390
Education	-	259,317	-	-	276,514	3,871,182	-	-	-	4,407,013	4,407,013
Culture and recreation	127,558	-	-	-	-	-	-	-	-	127,558	127,558
Assigned											
Culture and recreation	-	-	-	-	-	-	-	-	-	-	1,506,452
Unassigned	-	-	-	-	-	-	-	-	-	-	(60,672)
Total fund balances	<u>1,448,021</u>	<u>259,317</u>	<u>-</u>	<u>996,801</u>	<u>276,514</u>	<u>3,871,182</u>	<u>-</u>	<u>1,615,377</u>	<u>20,259</u>	<u>8,487,471</u>	<u>11,388,922</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,485,900</u>	<u>\$ 259,317</u>	<u>\$ -</u>	<u>\$ 1,196,801</u>	<u>\$ 276,514</u>	<u>\$ 4,683,053</u>	<u>\$ -</u>	<u>\$ 2,101,092</u>	<u>\$ 20,259</u>	<u>\$ 10,022,936</u>	<u>\$ 13,299,386</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, 2021**

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

	Special Revenue Funds								Total Non-major Special Revenue Funds
	Emergency Telephone System Fund	Community Development Block Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts' Fund	Sheriff's Department Fund	Dept of Aging Fund	Social Services Payee Fund	Inter-governmental Fund	
<b>REVENUES</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 6,087,614	\$ -	\$ -	\$ -	\$ -	\$ 6,087,614
Restricted intergovernmental	703,112	11,600	-	-	70,252	-	297,482	-	1,082,446
Intergovernmental - lottery	-	-	-	-	-	-	-	-	-
Program fees	-	-	177,421	-	897	-	-	1,233,590	1,411,908
Investment earnings	1,449	-	4,988	-	403	341	152	-	7,333
Donations	-	-	10,000	-	-	180	-	-	10,180
Total revenues	<u>704,561</u>	<u>11,600</u>	<u>192,409</u>	<u>6,087,614</u>	<u>71,552</u>	<u>521</u>	<u>297,634</u>	<u>1,233,590</u>	<u>8,599,481</u>
<b>EXPENDITURES</b>									
General government	-	-	-	-	-	-	-	-	-
Public safety	509,402	-	-	6,087,614	54,620	-	-	-	6,651,636
Economic and physical development	-	6,419	-	-	-	-	-	-	6,419
Environmental protection	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	289,656	-	289,656
Education	-	-	-	-	-	-	-	1,233,590	1,233,590
Culture and recreation	-	-	1,301,079	-	-	-	-	-	1,301,079
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal Interest	58,230	-	-	-	-	-	-	-	58,230
Interest and fees	1,296	-	-	-	-	-	-	-	1,296
Total expenditures	<u>568,928</u>	<u>6,419</u>	<u>1,301,079</u>	<u>6,087,614</u>	<u>54,620</u>	<u>-</u>	<u>289,656</u>	<u>1,233,590</u>	<u>9,541,906</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,633</u>	<u>5,181</u>	<u>(1,108,670)</u>	<u>-</u>	<u>16,932</u>	<u>521</u>	<u>7,978</u>	<u>-</u>	<u>(942,425)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Debt proceeds	-	-	-	-	-	-	-	-	-
Transfer in	-	34,857	949,374	-	-	-	-	-	984,231
Transfer (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>34,857</u>	<u>949,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>984,231</u>
Net change in fund balances	<u>135,633</u>	<u>40,038</u>	<u>(159,296)</u>	<u>-</u>	<u>16,932</u>	<u>521</u>	<u>7,978</u>	<u>-</u>	<u>41,806</u>
Fund balance, July 1, as previously reported	589,747	6,299	1,773,380	-	182,459	147,945	-	-	2,699,830
Prior period restatement- change in accounting principle	-	-	-	-	-	-	159,815	-	159,815
Fund balance, July 1, as restated	<u>589,747</u>	<u>6,299</u>	<u>1,773,380</u>	<u>-</u>	<u>182,459</u>	<u>147,945</u>	<u>159,815</u>	<u>-</u>	<u>2,859,645</u>
Fund balance, June 30	<u>\$ 725,380</u>	<u>\$ 46,337</u>	<u>\$ 1,614,084</u>	<u>\$ -</u>	<u>\$ 199,391</u>	<u>\$ 148,466</u>	<u>\$ 167,793</u>	<u>\$ -</u>	<u>\$ 2,901,451</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, 2021**

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

	Capital Projects Funds											
	Public School Building Fund	Construction and Renovations Fund	School Construction Fund	School Construction Debt Fund	Limited Obligation Bonds 2017 Fund	Limited Obligation Bonds 2018 Fund	School Capital Projects Fund	Capital Reserve Fund	Small Projects Fund	Cannon Memorial Library Fund	Total Capital Projects Funds	Total Non-major Governmental Funds
<b>REVENUES</b>												
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 633,493	\$ -	\$ 633,493	\$ 6,721,107
Restricted intergovernmental	-	-	-	-	-	-	-	-	365,248	-	365,248	1,447,694
Intergovernmental - lottery	2,300,000	-	-	-	-	-	-	-	-	-	2,300,000	2,300,000
Program fees	-	110,764	-	-	-	-	-	-	14,675	-	125,439	1,537,347
Investment earnings	-	-	-	-	1,124	98	-	1,170	4,347	47	6,786	14,119
Donations	-	74,999	-	-	-	-	-	43,333	-	-	118,332	128,512
Total revenues	<u>2,300,000</u>	<u>185,763</u>	<u>-</u>	<u>-</u>	<u>1,124</u>	<u>98</u>	<u>-</u>	<u>44,503</u>	<u>1,017,763</u>	<u>47</u>	<u>3,549,298</u>	<u>12,148,779</u>
<b>EXPENDITURES</b>												
General government	-	56,749	-	-	-	-	-	-	185,032	-	241,781	241,781
Public safety	-	84,405	-	-	-	-	-	-	-	-	84,405	6,736,041
Economic and physical development	-	-	-	-	-	-	-	-	117,625	-	117,625	124,044
Environmental protection	-	-	-	-	-	-	-	-	167,598	-	167,598	167,598
Human services	-	-	-	-	-	-	-	-	-	-	-	289,656
Education	-	-	701,777	-	4,316,650	3,299,559	28,914,505	-	-	-	37,232,491	38,466,081
Culture and recreation	-	121,816	-	-	-	-	-	-	-	-	121,816	1,422,895
Capital outlay	-	(2,957,543)	-	-	-	-	-	-	-	-	(2,957,543)	(2,957,543)
Debt service:												
Principal Interest	-	-	-	-	-	-	-	-	-	-	-	58,230
Interest and fees	-	-	-	-	-	-	-	-	-	-	-	1,296
Total expenditures	<u>-</u>	<u>(2,694,573)</u>	<u>701,777</u>	<u>-</u>	<u>4,316,650</u>	<u>3,299,559</u>	<u>28,914,505</u>	<u>-</u>	<u>470,255</u>	<u>-</u>	<u>35,008,173</u>	<u>44,550,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,300,000</u>	<u>2,880,336</u>	<u>(701,777)</u>	<u>-</u>	<u>(4,315,526)</u>	<u>(3,299,461)</u>	<u>(28,914,505)</u>	<u>44,503</u>	<u>547,508</u>	<u>47</u>	<u>(31,458,875)</u>	<u>(32,401,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Debt proceeds	-	-	-	-	-	-	26,810,325	-	-	-	26,810,325	26,810,325
Transfer in	-	-	-	-	-	251,094	6,221,719	-	-	-	6,472,813	7,457,044
Transfer (out)	(2,300,000)	(9,212,812)	-	(59,112)	(444,012)	(61,256)	-	(7,471,602)	(1,000,000)	-	(20,548,794)	(20,548,794)
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(9,212,812)</u>	<u>-</u>	<u>(59,112)</u>	<u>(444,012)</u>	<u>189,838</u>	<u>33,032,044</u>	<u>(7,471,602)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>12,734,344</u>	<u>13,718,575</u>
Net change in fund balances	<u>-</u>	<u>(6,332,476)</u>	<u>(701,777)</u>	<u>(59,112)</u>	<u>(4,759,538)</u>	<u>(3,109,623)</u>	<u>4,117,539</u>	<u>(7,427,099)</u>	<u>(452,492)</u>	<u>47</u>	<u>(18,724,531)</u>	<u>(18,682,725)</u>
Fund balance, July 1, as previously reported	-	7,780,497	961,094	59,112	5,756,339	3,386,137	(246,357)	7,427,099	2,067,869	20,212	27,212,002	29,911,832
Prior period restatement- change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	159,815
Fund balance, July 1, as restated	<u>-</u>	<u>7,780,497</u>	<u>961,094</u>	<u>59,112</u>	<u>5,756,339</u>	<u>3,386,137</u>	<u>(246,357)</u>	<u>7,427,099</u>	<u>2,067,869</u>	<u>20,212</u>	<u>27,212,002</u>	<u>30,071,647</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 1,448,021</u>	<u>\$ 259,317</u>	<u>\$ -</u>	<u>\$ 996,801</u>	<u>\$ 276,514</u>	<u>\$ 3,871,182</u>	<u>\$ -</u>	<u>\$ 1,615,377</u>	<u>\$ 20,259</u>	<u>\$ 8,487,471</u>	<u>\$ 11,388,922</u>



# SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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



**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 3****EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Actual</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>			
Restricted intergovernmental:			
NC 911 service fees	\$ 703,112	\$ 703,112	\$ -
Investment earnings	2,500	1,449	(1,051)
Total revenues	705,612	704,561	(1,051)
<b>EXPENDITURES</b>			
Public Safety:			
Operations	750,405	509,402	241,003
Debt service:			
Principal	58,230	58,230	-
Interest	1,296	1,296	-
Total expenditures	809,931	568,928	241,003
Revenues over (under) expenditures	(104,319)	135,633	239,952
<b>OTHER FINANCING SOURCES (USES)</b>			
Fund balance appropriation	104,319	-	(104,319)
Net change in fund balance	\$ -	135,633	\$ 135,633
Fund balance, July 1		589,747	
Fund balance, June 30		\$ 725,380	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 4****COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Restricted intergovernmental:				
CDBG program fees	\$ 42,352	\$ 42,352	\$ -	\$ 42,352
HOME Consortium grants	340,142	192,347	11,600	203,947
HOME program revenues	54,895	44,495	-	44,495
Total revenues	<u>437,389</u>	<u>279,194</u>	<u>11,600</u>	<u>290,794</u>
<b>EXPENDITURES</b>				
Economic and physical development:				
CDBG:				
Sub-contractor construction	<u>42,352</u>	<u>36,053</u>	<u>5,764</u>	<u>41,817</u>
HOME Consortium:				
Consultants	15,929	7,563	655	8,218
Sub-contractor construction	<u>463,965</u>	<u>279,279</u>	<u>-</u>	<u>279,279</u>
Total HOME consortium	<u>479,894</u>	<u>286,842</u>	<u>655</u>	<u>287,497</u>
Total expenditures	<u>522,246</u>	<u>322,895</u>	<u>6,419</u>	<u>329,314</u>
Revenues over (under) expenditures	(84,857)	(43,701)	5,181	(38,520)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	<u>84,857</u>	<u>50,000</u>	<u>34,857</u>	<u>84,857</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,299</u>	40,038	<u>\$ 46,337</u>
Fund balance, July 1			<u>6,299</u>	
Fund balance, June 30			<u>\$ 46,337</u>	

**CABARRUS COUNTY, NORTH CAROLINA****CABARRUS ARENA AND EVENTS CENTER SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 5****PAGE 1 OF 2**

	<b>Actual</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
<b>Arena and Events Center:</b>			
Donations - Cabarrus Visitors Bureau	\$ 251,950	\$ 177,421	\$ (74,529)
Investment earnings	-	23	23
Total Arena and Events Center	251,950	177,444	(74,506)
<b>County Fair:</b>			
Program fees	677,739	-	(677,739)
Investment earnings	15,000	4,965	(10,035)
Miscellaneous	5,000	-	(5,000)
Total County Fair	697,739	4,965	(692,774)
<b>Visitor Related Events:</b>			
Donations - Cabarrus Visitors Bureau	10,000	10,000	-
Total revenues	959,689	192,409	(767,280)
<b>EXPENDITURES</b>			
Cultural and recreational:			
<b>Arena and Events Center</b>			
Management company	1,062,687	1,047,197	15,490
Other operating expenses	138,637	112,116	26,521
Total Arena & Events Center	1,201,324	1,159,313	42,011
<b>County Fair:</b>			
Salaries and employee benefits	152,385	119,057	33,328
Other operating expenses	545,354	19,939	525,415
Total County Fair	697,739	138,996	558,743



**CABARRUS COUNTY, NORTH CAROLINA****CABARRUS ARENA AND EVENTS CENTER SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 5****PAGE 2 OF 2**

	<b>Actual</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>Visitor Related Events:</b>			
Total visitor-related events	10,000	2,770	7,230
Total expenditures	1,909,063	1,301,079	607,984
Revenues over (under) expenditures	(949,374)	(1,108,670)	(159,296)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in - General Fund	949,374	949,374	-
Net change in fund balance	\$ -	(159,296)	\$ (159,296)
Fund balance, July 1		1,773,380	
Fund balance, June 30		\$ 1,614,084	

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

**SCHEDULE 6**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Actual		Variance
	Budget	Actual	Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes	\$ 6,997,057	\$ 6,087,614	\$ (909,443)
<b>EXPENDITURES</b>			
Public safety	6,997,057	6,087,614	909,443
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, July 1		<u>-</u>	
Fund balance, June 30		<u>\$ -</u>	

## CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE 7

## SHERIFF'S DEPARTMENT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Federal Forfeiture Sharing	\$ 114,390	\$ 97,931	\$ 16,459	\$ 114,390
Federal Forfeiture Sharing - Treasury	257,611	260,868	19,234	280,102
NC Substance Control Tax	480,142	445,953	34,559	480,512
Firing Range fees	34,038	33,141	897	34,038
Investment earnings:				
Federal Forfeiture sharing	7,934	7,912	79	7,991
Federal Forfeiture sharing - Treasury	13,264	13,207	93	13,300
NC Substance Control Tax	59,136	59,037	215	59,252
Firing Range	752	744	16	760
Total revenues	967,267	918,793	71,552	990,345
<b>EXPENDITURES</b>				
Public safety	722,717	455,706	54,620	510,326
Capital outlay:				
Equipment	153,701	153,701	-	153,701
Vehicles	268,300	304,378	-	304,378
Total expenditures	1,144,718	913,785	54,620	968,405
Revenues (under) expenditures	(177,451)	5,008	16,932	21,940
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	285,138	285,138	-	285,138
Transfer (out) - General Fund	(107,687)	(107,687)	-	(107,687)
Total other financing sources (uses)	177,451	177,451	-	177,451
Net change in fund balance	\$ -	\$ 182,459	16,932	\$ 199,391
Fund balance, July 1			182,459	
Fund balance, June 30			\$ 199,391	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 8****DEPARTMENT OF AGING SPECIAL REVENUE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Contributions and private donations	\$ 196,102	\$ 196,102	\$ 180	\$ 196,282
Investment earnings	22,081	22,925	341	23,266
Total revenues	218,183	219,027	521	219,548
<b>EXPENDITURES</b>				
Human Services:				
Special projects	218,183	71,082	-	71,082
Total expenditures	218,183	71,082	-	71,082
Net change in fund balance	\$ -	\$ 147,945	521	\$ 148,466
Fund balance, July 1			147,945	
Fund balance, June 30			\$ 148,466	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 9****SOCIAL SERVICES PAYEE FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 400,000	\$ 297,482	\$ (102,518)
Investment earnings	-	152	152
Total revenues	<u>400,000</u>	<u>297,634</u>	<u>(102,366)</u>
Expenditures:			
Current:			
Human services			
Payments made for the benefit of beneficiaries	<u>400,000</u>	<u>289,656</u>	<u>110,344</u>
Net change in fund balance	<u>\$ -</u>	<u>7,978</u>	<u>\$ 7,978</u>
Fund balance, beginning, as previously reported		-	
Prior period restatement - change in accounting principle		<u>159,815</u>	
Fund balance, beginning, as restated		<u>159,815</u>	
Fund balance, ending		<u>\$ 167,793</u>	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 10****INTERGOVERNMENTAL FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN****FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Sales and services			
Penalties, fines and forfeitures	\$ 1,175,000	\$ 1,233,590	\$ 58,590
<b>EXPENDITURES</b>			
Current:			
General government			
Payments of penalties, fines and forfeitures to the			
Legal Fees	75,000	56,129	18,871
Cabarrus County Schools	950,000	1,051,926	(101,926)
Kannapolis City Schools	150,000	125,535	24,465
Total expenditures	1,175,000	1,233,590	(58,590)
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning, as previously reported			
Prior period restatement - change in accounting principle		-	
Fund balance, beginning, as restated		-	
Fund balance, ending		\$ -	



# CAPITAL PROJECTS FUNDS

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

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

**Construction and Renovations** – accounts for the construction, renovation and equipping 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 2017** - accounts for planning, design, construction and | or renovation of schools and other capital projects that are funded by debt issued in 2017.

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

**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.





**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 11****PUBLIC SCHOOL BUILDING CAPITAL PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Intergovernmental				
Lottery proceeds: state	\$ 12,750,000	\$ 10,450,000	\$ 2,300,000	\$ 12,750,000
Lottery proceeds: Rowan County	300,000	-	-	-
Total revenues	<u>13,050,000</u>	<u>10,450,000</u>	<u>2,300,000</u>	<u>12,750,000</u>
<b>EXPENDITURES</b>				
Capital outlay - education:				
Rowan County projects	300,000	-	-	-
Revenues over expenditures	<u>12,750,000</u>	<u>10,450,000</u>	<u>2,300,000</u>	<u>12,750,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out) - General Fund	(10,600,000)	(8,300,000)	(2,300,000)	(10,600,000)
Transfer (out) - School Construction - CPF	(1,650,000)	(1,650,000)	-	(1,650,000)
Transfer (out) - LOBS 2017 - CPF	(500,000)	(500,000)	-	(500,000)
Total other financing sources (uses)	<u>(12,750,000)</u>	<u>(10,450,000)</u>	<u>(2,300,000)</u>	<u>(12,750,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1			-	
Fund balance, June 30			<u>\$ -</u>	

**CABARRUS COUNTY, NORTH CAROLINA**  
**CONSTRUCTION AND RENOVATIONS CAPITAL PROJETS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 12**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Contributions and private donations	\$ 223,036	\$ 148,036	\$ 74,999	\$ 223,035
Rental Fees	1,056,214	954,005	110,764	1,064,769
Sale of capital assets	1,012,442	1,012,441	-	1,012,441
PARTF Project Grant	350,000	350,000	-	350,000
Total revenues	<u>2,641,692</u>	<u>2,464,482</u>	<u>185,763</u>	<u>2,650,245</u>
<b>EXPENDITURES</b>				
<b>Improvements</b>				
General government	399,969	252,585	56,749	309,334
Public safety	2,553,156	953,565	84,405	1,037,970
Economic & physical development	78,618	78,618	-	78,618
Culture & recreation	371,405	77,287	121,816	199,103
Total improvements	<u>3,403,148</u>	<u>1,362,055</u>	<u>262,970</u>	<u>1,625,025</u>
<b>Capital outlay</b>	<u>10,609,910</u>	<u>13,906,108</u>	<u>(2,957,543)</u>	<u>10,948,565</u>
Total expenditures	<u>14,013,058</u>	<u>15,268,163</u>	<u>(2,694,573)</u>	<u>12,573,590</u>
Revenues (under) expenditures	<u>(11,371,366)</u>	<u>(12,803,681)</u>	<u>2,880,336</u>	<u>(9,923,345)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Lease	3,666,394	3,666,394	-	3,666,394
Transfer in - General Fund	3,914,143	3,914,143	-	3,914,143
Transfer in - Capital Reserve Fund	9,035,939	9,035,939	-	9,035,939
Transfer in - Special Revenue Fund	41,438	41,438	-	41,438
Transfer in - Capital Project Funds	3,926,264	3,926,264	-	3,926,264
Transfer (out) - Capital Projects Fund	(9,212,812)	-	(9,212,812)	(9,212,812)
Total other financing sources (uses)	<u>11,371,366</u>	<u>20,584,178</u>	<u>(9,212,812)</u>	<u>11,371,366</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,780,497</u>	<u>(6,332,476)</u>	<u>\$ 1,448,021</u>
Fund balance, July 1			<u>7,780,497</u>	
Fund balance, June 30			<u>\$ 1,448,021</u>	

\* Prior years is updated for account closings

## CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE 13

## SCHOOL CONSTRUCTION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>EXPENDITURES</b>				
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	3,497,179	124,566	3,621,745
RCCC Cabarrus Business Technical Center	330,000	205,000	56,684	261,684
RCCC South Campus Fire Alarm	112,000	-	112,000	112,000
Mt. Pleasant Elementary School	1,615,108	1,205,193	408,527	1,613,720
JN Fries Middle School	300,000	300,000	-	300,000
AL Brown High School	621,653	432,903	-	432,903
Total expenditures	8,354,894	7,393,799	701,777	8,095,576
Revenues (under) expenditures	(8,354,894)	(7,393,799)	(701,777)	(8,095,576)
<b>OTHER FINANCING SOURCES (USES)</b>				
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	6,053,512	-	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	8,354,893	-	8,354,893
Net change in fund balance	\$ -	\$ 961,094	(701,777)	\$ 259,317
Fund balance, July 1			961,094	
Fund balance, June 30			\$ 259,317	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 14****SCHOOL CONSTRUCTION DEBT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Interest on investments	\$ 502,599	\$ 502,599	\$ -	\$ 502,599
<b>EXPENDITURES</b>				
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	41,568,518	41,568,519	-	41,568,519
Legal fees	740,370	740,370	-	740,370
Total expenditures	99,518,374	99,518,374	-	99,518,374
Revenues (under) expenditures	(99,015,775)	(99,015,775)	-	(99,015,775)
<b>OTHER FINANCING SOURCES (USES)</b>				
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	(209,948)	(150,836)	(59,112)	(209,948)
Total other financing sources (uses)	99,015,775	99,074,887	(59,112)	99,015,775
Net change in fund balance	\$ -	\$ 59,112	(59,112)	\$ -
Fund balance, July 1			59,112	
Fund balance, June 30			\$ -	

**CABARRUS COUNTY, NORTH CAROLINA**  
**LIMITED OBLIGATION BONDS 2017**

**SCHEDULE 15**  
**PAGE 1 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Interest on investments	\$ 1,530,418	\$ 1,530,418	\$ 1,124	\$ 1,531,542
<b>EXPENDITURES</b>				
Legal fees	741,339	741,339	-	741,339
General Government	1,653,083	1,653,083	-	1,653,083
<b>Education</b>				
Performance Learning Center	3,811,311	3,811,311	-	3,811,311
West Cabarrus High School	76,291,995	70,979,668	4,316,650	75,296,318
Total Education	80,103,306	74,790,979	4,316,650	79,107,629
<b>Capital Outlay:</b>				
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	90,229,405	4,316,650	94,546,055
Revenues (under) expenditures	(94,011,314)	(88,698,987)	(4,315,526)	(93,014,513)

**CABARRUS COUNTY, NORTH CAROLINA**  
**LIMITED OBLIGATION BONDS 2017**

**SCHEDULE 15**  
**PAGE 2 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>OTHER FINANCING SOURCES (USES)</b>				
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	2,650,083	-	2,650,083
Transfer in - Capital Reserve Fund	9,291,915	9,291,915	-	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)	(2,534,370)	-	(2,534,370)
Transfer (out) - School Construction Fund	(1,358,825)	(1,340,296)	(18,528)	(1,358,824)
Transfer (out) - County Capital Project Fund	(148,543)	(148,544)	-	(148,544)
Transfer (out) - General Fund	(431,919)	(6,435)	(425,484)	(431,919)
Total other financing sources (uses)	94,011,314	94,455,326	(444,012)	94,011,314
Net change in fund balance	\$ -	\$ 5,756,339	(4,759,538)	\$ 996,801
Fund balance, July 1			5,756,339	
Fund balance, June 30			\$ 996,801	

**CABARRUS COUNTY, NORTH CAROLINA**  
**LIMITED OBLIGATION BONDS 2018**

**SCHEDULE 16**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Interest on investments	\$ 236,160	\$ 236,160	\$ 98	\$ 236,258
<b>EXPENDITURES</b>				
Hickory Ridge Elementary	35,295,150	33,681,738	1,533,119	35,214,857
RCCC Advanced Technology Center	17,017,484	15,939,859	906,496	16,846,355
RCCC Land	1,721,000	1,721,000	-	1,721,000
Mount Pleasant High School - HVAC	3,691,183	3,691,183	-	3,691,183
Multiple School Mobile Units	2,095,676	2,095,676	-	2,095,676
JN Fries - HVAC	3,597,029	2,712,092	859,944	3,572,036
Legal Fees	416,293	416,293	-	416,293
Total expenditures	63,833,815	60,257,841	3,299,559	63,557,400
Revenues (under) expenditures	(63,597,655)	(60,021,681)	(3,299,461)	(63,321,142)
<b>OTHER FINANCING SOURCES (USES)</b>				
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	7,942,288	7,691,194	251,094	7,942,288
Transfer in - School Construction Fund	668,032	668,033	-	668,033
Transfer (out) - General Fund	(3,451)	(3,451)	-	(3,451)
Transfer (out) - School Construction Fund	(590,214)	(528,958)	(61,256)	(590,214)
Total other financing sources (uses)	63,597,655	63,407,818	189,838	63,597,656
Net change in fund balance	\$ -	\$ 3,386,137	(3,109,623)	\$ 276,514
Fund balance, July 1			3,386,137	
Fund balance, June 30			\$ 276,514	



**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 17****SCHOOL CAPITAL PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>EXPENDITURES</b>				
Roberta Road Middle School	\$ 55,294,362	\$ 4,500,150	\$ 26,946,776	\$ 31,446,926
New High School	5,219,790	5,181,921	70,768	5,252,689
R. Brown McAllister Elementary	1,950,000	-	55,588	55,588
Cabarrus County School Maintenance	3,009,823	-	997,448	997,448
Kannapolis City School Maintenance	556,897	-	388,604	388,604
Rowan Cabarrus Community College Maintenance	705,000	-	455,321	455,321
Total expenditures	<u>66,735,872</u>	<u>9,682,071</u>	<u>28,914,505</u>	<u>38,596,576</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from LOBS 2020A	49,635,043	5,053,214	26,810,325	31,863,539
Proceeds from LOBS 2022A	6,496,609	-	-	-
Transfer in - General Fund	4,420,509	-	4,420,509	4,420,509
Transfer in - Capital Projects	9,522,511	9,383,614	138,896	9,522,510
Transfer in - Capital Reserve	1,662,314	-	1,662,314	1,662,314
Transfer (out) - Capital Reserve	<u>(5,001,114)</u>	<u>(5,001,114)</u>	<u>-</u>	<u>(5,001,114)</u>
Total other financing sources (uses)	<u>66,735,872</u>	<u>9,435,714</u>	<u>33,032,044</u>	<u>42,467,758</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (246,357)</u>	4,117,539	<u>\$ 3,871,182</u>
Fund balance, July 1			<u>(246,357)</u>	
Fund balance, June 30			<u>\$ 3,871,182</u>	

**CABARRUS COUNTY, NORTH CAROLINA**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**

**SCHEDULE 18**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Contribution - Tourism Authority	\$ 1,947,264	\$ 1,903,931	\$ 43,333	\$ 1,947,264
Contribution - City of Concord	3,000,000	3,000,000	-	3,000,000
Investment earnings	969,242	968,072	1,170	969,242
Total revenues	5,916,506	5,872,003	44,503	5,916,506
Revenues over expenditures	5,916,506	5,872,003	44,503	5,916,506
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	53,951,568	53,951,568	-	53,951,568
Transfer in - School Construction Fund	385,307	385,307	-	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	(25,291,933)	(25,291,933)	-	(25,291,933)
Transfer (out) - School Construction Fund	(6,053,458)	(6,053,458)	-	(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)	(9,291,915)	-	(9,291,915)
Transfer (out) - Limited Obligation Bonds 2018	(7,942,288)	(7,691,194)	(251,094)	(7,942,288)
Transfer (out) - Community Investment Fund	(2,400,530)	-	(2,400,530)	(2,400,530)
Transfer (out) - County Capital Projects Fund	(3,657,664)	(500,000)	(3,157,664)	(3,657,664)
Transfer (out) - School Capital Projects Fund	(1,662,314)	-	(1,662,314)	(1,662,314)
Total other financing sources (uses)	(5,916,506)	1,555,096	(7,471,602)	(5,916,506)
Net change in fund balance	\$ -	\$ 7,427,099	(7,427,099)	\$ -
Fund balance, July 1			7,427,099	
Fund balance, June 30			\$ -	

**CABARRUS COUNTY, NORTH CAROLINA**  
**SMALL PROJECTS CAPITAL PROJECTS FUND**

**SCHEDULE 19**  
**PAGE 1 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
<b>Board of Elections:</b>				
Investment earnings	\$ 34,130	\$ 34,126	\$ 2	\$ 34,128
<b>Register of Deeds:</b>				
Automation & enhancement fees	2,015,437	1,851,228	196,419	2,047,647
Investment earnings	67,793	67,273	1,284	68,557
Total Register of Deeds	2,083,230	1,918,501	197,703	2,116,204
<b>Community Development:</b>				
Program fees	14,110	630	13,480	14,110
<b>Soil &amp; Water:</b>				
Grants	687,225	534,225	153,000	687,225
Stewardship Fund	52,250	36,421	15,829	52,250
Deferred tax collections	436,558	436,558	-	436,558
Program fees	16,583	15,424	1,195	16,619
Contribution and donations	2,898	2,898	-	2,898
Investment earnings	1,693	1,693	-	1,693
Total Soil & Water	1,197,207	1,027,219	170,024	1,197,243
<b>Elma Lomax Incubator Farm:</b>				
Deferred tax collections	187,000	107,000	80,000	187,000
<b>Local Agriculture Preservation:</b>				
Deferred tax collections	3,241,461	3,070,259	553,493	3,623,752
Investment earnings	126,447	124,634	3,061	127,695
Total Soil & Water	3,367,908	3,194,893	556,554	3,751,447
Total revenues	6,883,585	6,282,369	1,017,763	7,300,132

**CABARRUS COUNTY, NORTH CAROLINA**  
**SMALL PROJECTS CAPITAL PROJECTS FUND**

**SCHEDULE 19**  
**PAGE 2 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>EXPENDITURES</b>				
Operations:				
General Govt - Board of Elections	86,316	111,677	-	111,677
General Govt - Register of Deeds	2,160,735	1,572,669	185,032	1,757,701
Economic Development - Community Development	69,012	2,744	37,625	40,369
Economic Development - Elma Lomax	187,000	107,000	80,000	187,000
Environmental Protection - Soil & Water	1,283,352	920,942	167,598	1,088,540
Environ Protect - Local Agric Preservation	571,709	-	-	-
Total Operations	<u>4,358,124</u>	<u>2,715,032</u>	<u>470,255</u>	<u>3,185,287</u>
Capital Outlay:				
Equipment and furniture	152,899	127,530	-	127,530
Total expenditures	<u>4,511,023</u>	<u>2,842,562</u>	<u>470,255</u>	<u>3,312,817</u>
Revenues over (under) expenditures	<u>2,372,562</u>	<u>3,439,807</u>	<u>547,508</u>	<u>3,987,315</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	293,837	293,837	-	293,837
Transfer in - Capital Reserve Fund	150,000	150,000	-	150,000
Transfer (out) - General Fund	(25,000)	(25,000)	-	(25,000)
Transfer (out) - Capital Project Fund	<u>(2,791,399)</u>	<u>(1,790,775)</u>	<u>(1,000,000)</u>	<u>(2,790,775)</u>
Total other financing sources (uses)	<u>(2,372,562)</u>	<u>(1,371,938)</u>	<u>(1,000,000)</u>	<u>(2,371,938)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,067,869</u>	<u>(452,492)</u>	<u>\$ 1,615,377</u>
Fund balance, July 1			<u>2,067,869</u>	
Fund balance, June 30			<u>\$ 1,615,377</u>	

**CABARRUS COUNTY, NORTH CAROLINA****SCHEDULE 20****CANNON MEMORIAL LIBRARY CAPITAL PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Year</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Contributions and donations	\$ 935,089	\$ 935,089	\$ -	\$ 935,089
Investment earnings	204,622	203,290	47	203,337
Total revenues	<u>1,139,711</u>	<u>1,138,379</u>	<u>47</u>	<u>1,138,426</u>
<b>EXPENDITURES</b>				
Cultural and Recreation:				
Special projects	<u>113,627</u>	<u>105,676</u>	<u>-</u>	<u>105,676</u>
Revenues over expenditures	<u>1,026,084</u>	<u>1,032,703</u>	<u>47</u>	<u>1,032,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - General Fund	9,740	9,740	-	9,740
Transfer (out) - General Fund	<u>(1,035,824)</u>	<u>(1,022,231)</u>	<u>-</u>	<u>(1,022,231)</u>
Total other financing sources (uses)	<u>(1,026,084)</u>	<u>(1,012,491)</u>	<u>-</u>	<u>(1,012,491)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 20,212</u>	<u>47</u>	<u>\$ 20,259</u>
Fund balance, July 1			<u>20,212</u>	
Fund balance, June 30			<u>\$ 20,259</u>	

# CUSTODIAL FUNDS

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Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds are used to account for assets the County holds on behalf of others that meet certain criteria.

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**Undistributed Taxes** – is used to account for property taxes collected before they are distributed to local municipalities.

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2021**

**SCHEDULE 21**

	<u>Undistributed Taxes</u>	<u>Jail Commissary</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,536,425	\$ 55,708	\$ 1,592,133
Taxes receivable for other governments, net	1,233,897	-	1,233,897
Total assets	<u>2,770,322</u>	<u>55,708</u>	<u>2,826,030</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	98	-	98
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	2,770,224	55,708	2,825,932
Total net position	<u>\$ 2,770,224</u>	<u>\$ 55,708</u>	<u>\$ 2,825,932</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 22**

	<u>Undistributed Taxes</u>	<u>Jail Commissary</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>			
Ad valorem taxes for other governments	\$ 115,462,422	\$ -	\$ 115,462,422
Collections on behalf of inmates	-	603,046	603,046
Total additions	<u>115,462,422</u>	<u>603,046</u>	<u>116,065,468</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	113,762,315	-	113,762,315
Payments on behalf of inmates	-	593,490	593,490
Total deductions	<u>113,762,315</u>	<u>593,490</u>	<u>114,355,805</u>
Net increase (decrease) in fiduciary net position	<u>1,700,107</u>	<u>9,556</u>	<u>1,709,663</u>
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	<u>1,070,117</u>	<u>46,152</u>	<u>1,116,269</u>
Net position, beginning, as restated	<u>1,070,117</u>	<u>46,152</u>	<u>1,116,269</u>
Net position, ending	<u>\$ 2,770,224</u>	<u>\$ 55,708</u>	<u>\$ 2,825,932</u>

# INTERNAL SERVICE FUNDS

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

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

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



**CABARRUS COUNTY, NORTH CAROLINA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**SCHEDULE 23**

	<b>Workers' Compensation and Property Liability Fund</b>	<b>Medical Dental Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,843,519	\$ 5,093,456	\$ 12,936,975
Interest receivable	3,985	2,142	6,127
Prepaid expenses	-	234,579	234,579
Total current assets	<u>7,847,504</u>	<u>5,330,177</u>	<u>13,177,681</u>
Capital assets:			
Vehicles and equipment	29,664	-	29,664
Less: Accumulated depreciation	(19,776)	-	(19,776)
Total capital assets (net)	<u>9,888</u>	<u>-</u>	<u>9,888</u>
Total assets	<u>7,857,392</u>	<u>5,330,177</u>	<u>13,187,569</u>
<b>LIABILITIES</b>			
Accounts payable	629	319,338	319,967
Amounts payable for future claims	<u>553,554</u>	<u>1,065,000</u>	<u>1,618,554</u>
Total liabilities	<u>554,183</u>	<u>1,384,338</u>	<u>1,938,521</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,888	-	9,888
Unrestricted	<u>7,293,321</u>	<u>3,945,839</u>	<u>11,239,160</u>
<b>Total Net Position</b>	<u>\$ 7,303,209</u>	<u>\$ 3,945,839</u>	<u>\$ 11,249,048</u>

**CABARRUS COUNTY, NORTH CAROLINA**
**SCHEDULE 24**
**INTERNAL SERVICE FUNDS**
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Workers' Compensation and Property Liability Fund	Medical Dental Fund	Total
<b>Operating revenues:</b>			
Insurance premiums	\$ 2,589,337	\$ 13,359,075	\$ 15,948,412
Program fees	-	28,543	28,543
Insurance refunds	944,880	901,226	1,846,106
Total operating revenues	3,534,217	14,288,844	17,823,061
<b>Operating expenses:</b>			
Depreciation	5,933	-	5,933
General administrative and other	975,957	2,683,616	3,659,573
Claims	677,852	11,221,857	11,899,709
Total operating expenses	1,659,742	13,905,473	15,565,215
Operating income (loss)	1,874,475	383,371	2,257,846
<b>Nonoperating revenues:</b>			
Investment earnings	16,967	9,870	26,837
Total nonoperating revenues	16,967	9,870	26,837
Income (loss) before contributions	1,891,442	393,241	2,284,683
<b>Transfers:</b>			
Transfers in	-	68,270	68,270
Transfers out - General Fund	(1,166,150)	-	(1,166,150)
Change in net position	725,292	461,511	1,186,803
Net position, July 1	6,577,917	3,484,328	10,062,245
Net position, June 30	\$ 7,303,209	\$ 3,945,839	\$ 11,249,048

**CABARRUS COUNTY, NORTH CAROLINA****SELF-INSURED WORKERS' COMPENSATION AND LIABILITY INTERNAL SERVICES FUND****SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP)****FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 25****PAGE 1 OF 2**

	<b>2021</b>		
	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
<b>Property Liability:</b>			
Operating revenues:			
Insurance premiums	\$ 1,114,936	\$ 1,153,918	\$ 38,982
Insurance refunds	954,424	943,505	(10,919)
Total operating revenues	<u>2,069,360</u>	<u>2,097,423</u>	<u>28,063</u>
Nonoperating revenues:			
Investment earnings	<u>20,000</u>	<u>16,967</u>	<u>(3,033)</u>
Total nonoperating revenues	<u>20,000</u>	<u>16,967</u>	<u>(3,033)</u>
<b>Workers Compensation</b>			
Operating revenues:			
Insurance premiums	1,361,607	1,435,419	73,812
Insurance refunds	-	1,375	1,375
Total operating revenues	<u>1,361,607</u>	<u>1,436,794</u>	<u>75,187</u>
Total revenues	<u>3,450,967</u>	<u>3,551,184</u>	<u>100,217</u>
<b>Expenditures:</b>			
<b>Property Liability:</b>			
General and administrative - Premiums	757,541	757,550	(9)
Claims	277,670	176,318	101,352
Consultants	19,000	18,500	500
Total liability	<u>1,054,211</u>	<u>952,368</u>	<u>101,843</u>

**CABARRUS COUNTY, NORTH CAROLINA****SELF-INSURED WORKERS' COMPENSATION AND LIABILITY INTERNAL SERVICES FUND****SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP)****FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 25****PAGE 2 OF 2**

	<b>2021</b>	
	<b>Financial Plan</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Workers Compensation</b>		
General and administrative - premiums	185,167	14,090
Purchased services	9,000	7,670
Claims	1,139,440	637,906
Consultant	28,000	500
Total workers compensation	1,361,607	660,166
 Total expenditures	 2,415,818	 762,009
 Revenues over (under) expenditures	 1,035,149	 862,226
 Fund Balance Appropriated	 131,001	 (131,001)
<b>Transfers:</b>		
Transfers out - Capital Projects Fund	(1,065,425)	-
Transfers out - General Fund	(100,725)	-
 Revenues and transfers over (under) expenditures	 \$ -	 \$ 731,225
 <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>		
 Reconciling items:		
Depreciation		(5,933)
 Total reconciling items		 (5,933)
 Change in net position		 \$ 725,292

**CABARRUS COUNTY, NORTH CAROLINA**  
**SELF-INSURED MEDICAL AND DENTAL INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 26**

	2021		
	Financial Plan	Actual	Variance Favorable (Unfavorable)
<b>MEDICAL</b>			
Operating revenues:			
Insurance premiums	\$ 12,849,742	\$ 12,860,338	\$ 10,596
Insurance refunds	737,000	901,226	164,226
Program fees	30,216	28,543	(1,673)
Total operating revenues	<u>13,616,958</u>	<u>13,790,107</u>	<u>173,149</u>
<b>DENTAL</b>			
Operating revenues:			
Insurance premiums	<u>495,500</u>	<u>498,737</u>	<u>3,237</u>
Total operating revenues	<u>14,112,458</u>	<u>14,288,844</u>	<u>176,386</u>
Nonoperating revenues:			
Investment earnings	<u>25,000</u>	<u>9,870</u>	<u>(15,130)</u>
Total revenues	<u>14,137,458</u>	<u>14,298,714</u>	<u>161,256</u>
<b>MEDICAL</b>			
General and administrative	2,617,242	2,612,499	4,743
Claims	<u>11,996,436</u>	<u>10,796,604</u>	<u>1,199,832</u>
Total hospitalization	<u>14,613,678</u>	<u>13,409,103</u>	<u>1,204,575</u>
<b>DENTAL</b>			
General and administrative	71,540	71,117	423
Claims	<u>423,960</u>	<u>425,253</u>	<u>(1,293)</u>
Total dental	<u>495,500</u>	<u>496,370</u>	<u>(870)</u>
Total expenditures	<u>15,109,178</u>	<u>13,905,473</u>	<u>1,203,705</u>
Income (loss) before contributions	(971,720)	393,241	1,364,961
<b>Transfers:</b>			
Transfers in - General Fund	<u>68,270</u>	<u>68,270</u>	<u>-</u>
Revenues and transfers over (under) expenditures	(903,450)	461,511	1,364,961
Fund balance appropriated	<u>903,450</u>	<u>-</u>	<u>903,450</u>
Change in net position	<u>\$ -</u>	<u>\$ 461,511</u>	<u>\$ 461,511</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 27**

	<b>Workers' Compensation and Property Liability Fund</b>	<b>Medical Dental Fund</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ -	\$ 2,327	\$ 2,327
Cash received from departments	3,534,237	14,347,413	17,881,650
Cash paid to suppliers for goods and services	(1,770,957)	(14,339,725)	(16,110,682)
Net cash provided (used) for operating activities	<u>1,763,280</u>	<u>10,015</u>	<u>1,773,295</u>
<b>Cash flows from noncapital financing:</b>			
Transfer in	-	68,270	68,270
Transfer out	(1,166,150)	-	(1,166,150)
Net cash provided (used) from noncapital financing	<u>(1,166,150)</u>	<u>68,270</u>	<u>(1,097,880)</u>
<b>Cash flows from investing activities:</b>			
Interest received on investments	<u>29,923</u>	<u>18,049</u>	<u>47,972</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>627,053</u>	<u>96,334</u>	<u>723,387</u>
Cash and cash equivalents, July 1	<u>7,216,466</u>	<u>4,997,122</u>	<u>12,213,588</u>
Cash and cash equivalents, June 30	<u>\$ 7,843,519</u>	<u>\$ 5,093,456</u>	<u>\$ 12,936,975</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 1,874,475</u>	<u>\$ 383,371</u>	<u>\$ 2,257,846</u>
Depreciation expense	5,933	-	5,933
(Increase) decrease in accounts receivable and prepaid expenses	20	60,895	60,915
Increase (decrease) in accounts payable and accrued liabilities	(117,148)	(434,251)	(551,399)
Total adjustments	<u>(111,195)</u>	<u>(373,356)</u>	<u>(484,551)</u>
Net cash provided by (used for) operating activities	<u>\$ 1,763,280</u>	<u>\$ 10,015</u>	<u>\$ 1,773,295</u>

# OTHER SCHEDULES

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

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

**Community Investment Fund** – sub fund of the general fund and accounts for sales tax | lottery revenue dedicated to school capital and property tax revenues for debt | capital projects. This fund also accounts for debt service expenditures and transfers to Capital Projects Funds.

**County Capital Projects Fund** – accounts for construction, renovations, and larger Capital projects for the County using debt and non-debt sources.

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

**Landfill Fund** - accounts for the operations that are financed and operated in a manner like private business or where the board has decided that the determination of revenues earned, costs incurred and | or net income is necessary for management accountability. The schedule presents the results of operation for the Landfill on the modified accrual basis for comparison to the legally adopted budget. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows the schedule.



**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2021**

**SCHEDULE 28**

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2020</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2021	\$ -	\$ 215,499,321	\$ 213,522,265	\$ 1,977,056
2020	2,289,006	-	1,470,783	818,223
2019	428,587	-	164,855	263,732
2018	626,017	-	58,737	567,280
2017	133,214	-	36,639	96,575
2016	136,143	-	23,088	113,055
2015	138,203	-	17,164	121,039
2014	125,472	-	10,850	114,622
2013	210,472	-	9,605	200,867
2012	151,517	-	8,047	143,470
2011	202,673	-	202,673	-
Total	<u>\$ 4,441,304</u>	<u>\$ 215,499,321</u>	<u>\$ 215,524,706</u>	<u>4,415,919</u>
Less: Allowance for uncollectible accounts:				
General Fund				<u>(2,059,299)</u>
Ad valorem taxes receivable (net):				
General Fund				<u>\$ 2,356,620</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 214,594,269
Penalties collected on ad valorem taxes - Agency Fund				597,742
Total ad valorem taxes and penalties				<u>215,192,011</u>
Reconciling items:				
Deferred taxes				451,783
Interest collected				(711,284)
Taxes written-off				199,524
Abatement of prior year taxes				323,421
Collection of tax previously written-off				(9,895)
NCVTS refunds				79,146
Total reconciling items				<u>332,695</u>
Total collections and credits				<u>\$ 215,524,706</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT YEAR LEVY**  
**COUNTY-WIDE LEVY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 29**  
**PAGE 1 OF 2**

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 28,858,239,607	\$ 0.7400	\$ 213,482,360	\$ 195,062,160	\$ 18,420,200
Penalties	-		131,892	131,892	-
Total	28,858,239,607		213,614,252	195,194,052	18,420,200
Discoveries:					
Current year taxes	83,079,842	0.7400	650,913	650,228	685
Prior year taxes	-		1,789,282	1,789,282	-
Penalties	-		314,187	314,187	-
Total	83,079,842		2,754,382	2,753,697	685
Releases	(116,259,244)		(869,313)	(869,294)	(19)
Total property valuation	<u>\$ 28,825,060,205</u>				
Net levy			215,499,321	197,078,455	18,420,866
Uncollected taxes at June 30, 2021			1,977,056	1,977,056	-
Current year's taxes collected			<u>\$ 213,522,265</u>	<u>\$ 195,101,399</u>	<u>\$ 18,420,866</u>
Current levy collection percentage			99.08%	99.00%	100.00%

**CABARRUS COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT YEAR LEVY**  
**COUNTY-WIDE LEVY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 29**  
**PAGE 2 OF 2**

**Secondary market disclosures:**

Assessed valuation:

Assessment ratio <sup>1</sup>	100%
Real property	\$ 23,576,844,027
Personal property	4,786,125,942
Public service companies <sup>2</sup>	<u>462,090,236</u>
Total assessed valuation	\$ 28,825,060,205
Tax rate per \$100	<u>0.7400</u>
Levy (includes discoveries, releases and abatements) <sup>3</sup>	<u><u>\$ 215,499,321</u></u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

Fire protection districts <sup>4</sup>	<u><u>\$ 5,531,516</u></u>
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<sup>1</sup> Percentage of appraised value has been established by statute.

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

<sup>3</sup> Levy includes penalties.

<sup>4</sup> Levy excludes motor vehicle taxes.

**CABARRUS COUNTY, NORTH CAROLINA**  
**TEN LARGEST TAXPAYERS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 30**

Secondary market disclosures (continued):

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Corning, Incorporated	Manufacturing	\$ 481,112,231	1.67%
Mall at Concord Mills LP	Retail Center	228,268,926	0.79%
Charlotte Motor Speedway Inc	Sports - Racing	207,600,396	0.72%
Castle & Cooke NC LLC / David H Murdock	Real Estate	202,393,282	0.70%
Celgard LLC	Manufacturing	186,162,638	0.65%
Duke Energy Corp	Public Service Co	161,769,642	0.56%
Weinstein Properties	Real Estate	134,484,530	0.47%
The Silverman Group	Real Estate Developers	120,950,510	0.42%
Great Wolf Lodge of the Carolinas	Amusement / Entertainment	113,579,945	0.39%
Hendrick Automotive	Automotive Sales	110,081,301	0.38%
Totals		<u>\$ 1,946,403,401</u>	<u>6.75%</u>

<sup>1</sup>More information about principal property taxpayers can be found on Table 7.

## CABARRUS COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

## SCHEDULE 31

PAGE 1 OF 11

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
<b>Ad Valorem Taxes:</b>			
Taxes - current	\$ 208,200,084	\$ 212,498,499	\$ 4,298,415
Taxes - delinquent	1,391,781	1,384,486	(7,295)
Interest	588,337	711,284	122,947
Total	210,180,202	214,594,269	4,414,067
<b>Local Option Sales Taxes:</b>			
Sales tax - one cent	19,162,232	23,045,578	3,883,346
Sales tax - half cent (40)	7,918,087	9,245,682	1,327,595
Sales tax - half cent (42)	4,776,702	5,829,683	1,052,981
Sales tax - half cent (44)	-	84	84
Sales tax fire districts	977,680	1,266,513	288,833
Total	32,834,701	39,387,540	6,552,839
<b>Other Taxes:</b>			
Franchise fees	528,000	467,059	(60,941)
Gross receipts tax	225,000	250,378	25,378
Heavy equipment tax	80,000	93,109	13,109
Total	833,000	810,546	(22,454)
<b>Intergovernmental Revenues:</b>			
Federal and state grants	20,480,068	20,014,503	(465,565)
Court facilities fees	350,000	223,063	(126,937)
ABC profit distribution	220,442	220,443	1
Other intergovernmental	5,116,204	5,697,563	581,359
Total	26,166,714	26,155,572	(11,142)
<b>Permits and Fees:</b>			
Inspection fees	4,785,100	5,907,509	1,122,409
Register of Deeds	3,182,500	4,312,716	1,130,216
Other permits	269,927	492,377	222,450
Total	8,237,527	10,712,602	2,475,075



**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 2 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Sales and Services:</b>			
Rental fees	54,850	51,800	(3,050)
Ambulance fees	6,150,000	6,780,285	630,285
Jail fees	1,552,000	647,647	(904,353)
Library fees	100,000	26,583	(73,417)
Recreation fees	615,233	249,626	(365,607)
Human services	162,748	126,488	(36,260)
Transportation	1,036,000	813,671	(222,329)
Tax collection fees	285,000	252,944	(32,056)
Other sales and services	3,559,822	3,679,759	119,937
Total	13,515,653	12,628,803	(886,850)
<b>Investment Earnings:</b>			
Interest on investments	582,961	137,731	(445,230)
<b>Miscellaneous:</b>			
Private contributions and donations	206,600	244,530	37,930
Sale of materials and capital assets	39,225	264,793	225,568
Gain (loss) on foreclosures	-	(2,245)	(2,245)
Other	118,781	105,671	(13,110)
Total	364,606	612,749	248,143
<b>Total revenues</b>	292,715,364	305,039,812	12,324,448
<b>EXPENDITURES</b>			
<b>General Government</b>			
Board of Commissioners			
Personnel services	399,905	384,488	15,417
Operations	830,638	695,013	135,625
Total	1,230,543	1,079,501	151,042
County Manager			
Personnel services	1,868,124	1,824,166	43,958
Operations	976,494	316,644	659,850
Total	2,844,618	2,140,810	703,808

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 3 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Communications & Outreach			
Personnel services	563,471	548,247	15,224
Operations	257,497	138,466	119,031
Total	820,968	686,713	134,255
Human Resources			
Personnel services	876,528	849,648	26,880
Operations	230,424	144,875	85,549
Capital outlay	18,258	17,064	1,194
Total	1,125,210	1,011,587	113,623
Tax Collector			
Personnel services	584,593	555,694	28,899
Operations	641,856	624,067	17,789
Total	1,226,449	1,179,761	46,688
Tax Administration			
Personnel services	2,361,432	2,323,630	37,802
Operations	331,918	267,270	64,648
Total	2,693,350	2,590,900	102,450
Board of Elections			
Personnel services	1,035,324	906,994	128,330
Operations	522,683	429,480	93,203
Total	1,558,007	1,336,474	221,533
Register of Deeds			
Personnel services	577,105	573,137	3,968
Operations	86,209	84,177	2,032
Total	663,314	657,314	6,000
Finance			
Personnel services	1,236,427	1,226,974	9,453
Operations	259,730	214,290	45,440
Total	1,496,157	1,441,264	54,893

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 4 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Information Technology Services			
Personnel services	2,964,083	2,953,797	10,286
Operations	4,235,615	3,751,763	483,852
Capital outlay	36,735	36,735	-
Total	<u>7,236,433</u>	<u>6,742,295</u>	<u>494,138</u>
Grounds Maintenance			
Personnel services	586,241	576,833	9,408
Operations	961,885	690,422	271,463
Capital outlay	82,520	82,519	1
Total	<u>1,630,646</u>	<u>1,349,774</u>	<u>280,872</u>
Infrastructure and Asset Management			
Personnel services	598,072	589,404	8,668
Operations	1,343,930	1,254,812	89,118
Total	<u>1,942,002</u>	<u>1,844,216</u>	<u>97,786</u>
Street Sign Maintenance			
Personnel services	125,540	121,556	3,984
Operations	49,528	45,212	4,316
Total	<u>175,068</u>	<u>166,768</u>	<u>8,300</u>
Building Maintenance			
Personnel services	856,027	824,603	31,424
Operations	1,688,003	1,174,374	513,629
Capital outlay	63,447	63,447	-
Total	<u>2,607,477</u>	<u>2,062,424</u>	<u>545,053</u>
Facility Services			
Personnel services	1,414,793	1,361,318	53,475
Operations	402,999	298,933	104,066
Capital outlay	30,268	29,468	800
Total	<u>1,848,060</u>	<u>1,689,719</u>	<u>158,341</u>

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 5 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Fleet Maintenance			
Personnel services	478,303	465,861	12,442
Operations	59,437	53,918	5,519
Capital outlay	581,703	536,199	45,504
Total	<u>1,119,443</u>	<u>1,055,978</u>	<u>63,465</u>
Other General Government			
Personnel services	1,210,705	1,210,705	-
Contingency	33,629	-	33,629
Other operations	258,019	157,439	100,580
Capital outlay	256,250	1,000	255,250
Total	<u>1,758,603</u>	<u>1,369,144</u>	<u>389,459</u>
<b>Total General Government</b>	<u>31,976,348</u>	<u>28,404,642</u>	<u>3,571,706</u>
<b>Public Safety</b>			
County Sheriff			
Personnel services	13,731,006	13,630,969	100,037
Operations	2,970,099	2,506,777	463,322
Capital outlay	1,813,193	1,412,944	400,249
Total	<u>18,514,298</u>	<u>17,550,690</u>	<u>963,608</u>
Jail			
Personnel services	10,126,498	10,008,727	117,771
Operations	2,343,182	2,011,753	331,429
Capital outlay	158,661	78,585	80,076
Total	<u>12,628,341</u>	<u>12,099,065</u>	<u>529,276</u>
Animal Control			
Personnel services	724,332	715,924	8,408
Operations	84,874	64,612	20,262
Capital outlay	154,227	95,501	58,726
Total	<u>963,433</u>	<u>876,037</u>	<u>87,396</u>

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 6 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Animal Shelter			
Personnel services	487,417	442,177	45,240
Operations	129,875	112,840	17,035
Total	617,292	555,017	62,275
Courts			
Personnel services	35,106	34,644	462
Operations	309,679	118,939	190,740
Total	344,785	153,583	191,202
Construction Standards			
Personnel services	2,468,112	2,430,294	37,818
Operations	521,140	315,637	205,503
Capital outlay	259,600	-	259,600
Total	3,248,852	2,745,931	502,921
Emergency Management			
Personnel services	310,998	303,164	7,834
Operations	459,128	186,201	272,927
Total	770,126	489,365	280,761
Fire Department			
Personnel services	1,127,114	1,093,255	33,859
Operations	401,298	378,142	23,156
Total	1,528,412	1,471,397	57,015
Emergency Medical Services			
Personnel services	8,658,290	8,635,832	22,458
Operations	1,678,013	1,503,633	174,380
Capital outlay	543,218	353,566	189,652
Total	10,879,521	10,493,031	386,490
Other Public Safety			
Personnel services (LEO Retirees)	523,164	505,127	18,037
Operations (LEO Retirees)	1,436	2,583	(1,147)
Juvenile Crime Prevention Council	444,427	423,189	21,238

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 7 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Humane Society	20,000	20,000	-
Medical Examiner	122,500	135,200	(12,700)
Forester	83,202	57,867	25,335
Fire District	1,377,680	1,266,513	111,167
Total	2,572,409	2,410,479	161,930
<b>Total Public Safety</b>	52,067,469	48,844,595	3,222,874
<b>Economic and Physical Development</b>			
Planning and Development Services			
Personnel services	686,956	616,060	70,896
Operations	85,669	50,604	35,065
Total	772,625	666,664	105,961
Community Development			
Personnel services	213,599	211,957	1,642
Operations	536,810	349,894	186,916
Total	750,409	561,851	188,558
Soil & Water Conservation			
Personnel services	235,742	231,675	4,067
Operations	51,378	13,647	37,731
Total	287,120	245,322	41,798
Zoning Administration			
Personnel services	224,845	222,819	2,026
Operations	17,139	9,350	7,789
Total	241,984	232,169	9,815
Economic Development			
Personnel services	357,352	322,856	34,496
Incentives	4,297,818	2,469,648	1,828,170
Other	1,872,792	1,754,292	118,500
Total	6,527,962	4,546,796	1,981,166
<b>Total Economic and Physical Development</b>	8,580,100	6,252,802	2,327,298

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 8 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Environmental Protection</b>			
Waste Reduction/Recycling			
Personnel services	297,031	293,059	3,972
Operations	304,068	231,782	72,286
Capital outlay	183,500	163,500	20,000
Total	<u>784,599</u>	<u>688,341</u>	<u>96,258</u>
<b>Total Environmental Protection</b>	<u>784,599</u>	<u>688,341</u>	<u>96,258</u>
<b>Human Services</b>			
Veterans Services			
Personnel services	297,555	294,325	3,230
Operations	12,114	7,498	4,616
Total	<u>309,669</u>	<u>301,823</u>	<u>7,846</u>
Transportation			
Personnel services	1,998,520	1,568,968	429,552
Operations	1,212,308	433,136	779,172
Capital outlay	393,000	-	393,000
Total	<u>3,603,828</u>	<u>2,002,104</u>	<u>1,601,724</u>
Cooperative Extension			
Personnel services	378,160	341,585	36,575
Operations	69,241	37,029	32,212
Total	<u>447,401</u>	<u>378,614</u>	<u>68,787</u>
HS - Administration Operations			
Personnel services	2,738,228	2,696,237	41,991
Operations	2,668,525	2,456,699	211,826
Total	<u>5,406,753</u>	<u>5,152,936</u>	<u>253,817</u>
HS - Economic Family Support Services			
Personnel services	1,380,794	1,331,221	49,573
Operations	1,769,405	1,121,668	647,737
Total	<u>3,150,199</u>	<u>2,452,889</u>	<u>697,310</u>

**CABARRUS COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 31**

**PAGE 9 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
HS - Child Welfare			
Personnel services	6,953,685	6,845,927	107,758
Operations	2,784,599	2,325,353	459,246
Total	9,738,284	9,171,280	567,004
HS - Child Support Services			
Personnel services	1,739,074	1,725,726	13,348
Operations	270,735	223,739	46,996
Total	2,009,809	1,949,465	60,344
HS - Economic Services			
Personnel services	7,076,431	7,008,062	68,369
Operations	1,237,867	915,458	322,409
Total	8,314,298	7,923,520	390,778
HS - Adult and Family Services			
Personnel services	1,870,648	1,848,688	21,960
Operations	141,513	101,806	39,707
Total	2,012,161	1,950,494	61,667
HS Aging - Nutrition Title III			
Personnel services	309,916	304,976	4,940
Operations	408,645	413,056	(4,411)
Total	718,561	718,032	529
HS Aging - Senior Services			
Personnel services	323,706	319,911	3,795
Operations	482,104	332,094	150,010
Total	805,810	652,005	153,805
Other Human Services			
Public Health Authority	8,543,021	8,543,021	-
Mental Health Center	471,348	471,348	-
Other	2,796,546	2,550,443	246,103
Total	11,810,915	11,564,812	246,103
<b>Total Human Services</b>	<b>48,327,688</b>	<b>44,217,974</b>	<b>4,109,714</b>



**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 10 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Culture &amp; Recreation</b>			
Active Living and Parks - Operations			
Personnel services	1,347,230	1,330,600	16,630
Operations	450,300	279,882	170,418
Capital outlay	121,000	49,985	71,015
Total	<u>1,918,530</u>	<u>1,660,467</u>	<u>258,063</u>
Active Living and Parks - Senior Centers			
Personnel services	556,090	462,694	93,396
Operations	287,204	124,188	163,016
Total	<u>843,294</u>	<u>586,882</u>	<u>256,412</u>
Library System			
Personnel services	3,254,206	3,181,899	72,307
Operations	930,876	851,136	79,740
Total	<u>4,185,082</u>	<u>4,033,035</u>	<u>152,047</u>
Other Culture and Recreation			
Cabarrus Arts Council	26,000	26,000	-
<b>Total Culture &amp; Recreation</b>	<u>6,972,906</u>	<u>6,306,384</u>	<u>666,522</u>
<b>Education</b>			
Schools - Current Expense			
Cabarrus County Schools	74,649,650	74,649,650	-
Kannapolis City Schools	9,403,789	9,216,495	187,294
Rowan Cabarrus Community College	3,660,832	3,660,832	-
Total	<u>87,714,271</u>	<u>87,526,977</u>	<u>187,294</u>
Schools - Other			
Cabarrus County Schools	134,405	134,405	-
<b>Total Education</b>	<u>87,848,676</u>	<u>87,661,382</u>	<u>187,294</u>
<b>Total expenditures</b>	<u>236,557,786</u>	<u>222,376,120</u>	<u>14,181,666</u>

**CABARRUS COUNTY, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 31****PAGE 11 OF 11**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Excess of revenues over expenditures	56,157,578	82,663,692	26,506,114
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	148,225	148,225	-
Transfers out - Other Funds	(30,474,571)	(30,474,563)	8
Transfers out - Community Investment Fund	(46,046,763)	(46,046,763)	-
Total other financing sources (uses)	(76,373,109)	(76,373,101)	8
Fund balance appropriated	20,215,531	-	(20,215,531)
Net change in fund balance	\$ -	6,290,591	\$ 6,290,591
Fund balance, June 1		97,624,280	
Fund balance, June 30		\$ 103,914,871	

**CABARRUS COUNTY, NORTH CAROLINA  
COMMUNITY INVESTMENT FUND**

**SCHEDULE 32  
PAGE 1 OF 2**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
<b>Local Option Sales Taxes:</b>			
Sales tax - half cent (40)	\$ 2,733,911	\$ 3,962,435	\$ 1,228,524
Sales tax - half cent (42)	6,007,414	8,744,524	2,737,110
Sales tax - half cent (46)	7,267,594	10,413,436	3,145,842
Total	<u>16,008,919</u>	<u>23,120,395</u>	<u>7,111,476</u>
<b>Intergovernmental Revenues:</b>			
Other intergovernmental	<u>720,000</u>	<u>730,239</u>	<u>10,239</u>
<b>Other Taxes:</b>			
Occupancy tax	<u>-</u>	<u>144,088</u>	<u>144,088</u>
Interest on investments	<u>-</u>	<u>69,657</u>	<u>69,657</u>
Total revenues	<u>16,728,919</u>	<u>24,064,379</u>	<u>7,335,460</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Other General Government			
Other operations	<u>6,801,375</u>	<u>-</u>	<u>6,801,375</u>
<b>Education</b>			
Schools - Capital Outlay			
Cabarrus County Schools	1,020,000	1,020,000	-
Kannapolis City Schools	100,000	100,000	-
Rowan Cabarrus Community College	100,000	100,000	-
Total	<u>1,220,000</u>	<u>1,220,000</u>	<u>-</u>

**CABARRUS COUNTY, NORTH CAROLINA  
COMMUNITY INVESTMENT FUND**

**SCHEDULE 32  
PAGE 2 OF 2**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Debt Service</b>			
Principal	37,550,657	37,550,656	1
Interest and other charges	13,245,869	12,331,456	914,413
Total	50,796,526	49,882,112	914,414
 Total expenditures	 58,817,901	 51,102,112	 7,715,789
 Revenues over (under) expenditures	 (42,088,982)	 (27,037,733)	 15,051,249
 <b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Debt	14,355,000	14,355,000	-
Transfer in - General Fund	46,046,763	46,046,763	-
Transfer in - Other Funds	5,126,014	5,126,014	-
Transfer out	(9,250,000)	(7,150,000)	2,100,000
Payment to escrow agent	(14,188,795)	(14,188,795)	-
 Total other financing sources (uses)	 42,088,982	 44,188,982	 2,100,000
 Net change in fund balance	 \$ -	 17,151,249	 \$ 17,151,249
 Fund balance, July 1		-	
 Fund balance, June 30		17,151,249	
 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		<u>\$ 18,481,249</u>	

**CABARRUS COUNTY, NORTH CAROLINA  
COUNTY CAPITAL PROJECTS FUND**

**SCHEDULE 33  
PAGE 1 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>EXPENDITURES</b>				
<b>Improvements</b>				
General Government	\$ 16,271,836	\$ -	\$ 1,773,066	\$ 1,773,066
Public Safety	1,268,000	1,500	556,171	557,671
Parks	2,045,328	(37,053)	-	(37,053)
Legal fees	952,508	652,508	-	652,508
Total improvements	20,537,672	616,955	2,329,237	2,946,192
<b>Capital outlay</b>				
Land	3,650,151	-	1,002,026	1,002,026
Turf fields	1,834,937	1,834,937	-	1,834,937
Total capital outlay	5,485,088	1,834,937	1,002,026	2,836,963
<b>Construction in progress</b>				
Skylight repair - Government Center	2,183,853	545,990	1,406,791	1,952,781
Courthouse	134,859,518	9,186,162	22,271,632	31,457,794
Operation Center Building	5,382,656	-	4,746,736	4,746,736
Sheriff Training & Firing Range Project	2,450,000	-	1,661,205	1,661,205
Emergency Medical Services Headquarters	6,170,000	-	851,811	851,811
Northeast Area Park	2,164,024	-	-	-
Mental Health Facility	3,097,554	-	-	-
Camp Spencer Improvement	525,000	-	299,179	299,179
Frank Liske Park	4,734,424	-	235,204	235,204
Turf fields	2,566,811	258,931	1,950,477	2,209,408
Library	2,400,000	-	-	-
Total construction in progress	166,533,840	9,991,083	33,423,035	43,414,118
Total capital outlay	172,018,928	11,826,020	34,425,061	46,251,081
Total expenditures	192,556,600	12,442,975	36,754,298	49,197,273

**CABARRUS COUNTY, NORTH CAROLINA  
COUNTY CAPITAL PROJECTS FUND**

**SCHEDULE 33  
PAGE 2 OF 2**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues (under) expenditures	(192,556,600)	(12,442,975)	(36,754,298)	(49,197,273)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from LOBS 2020A	77,592,977	964,279	22,061,084	23,025,363
Proceeds from LOBS 2020A	52,351,452	-	-	-
Transfer in - Capital Projects	27,606,063	17,393,252	10,212,812	27,606,064
Transfer in - Capital Reserve	3,657,664	500,000	3,157,664	3,657,664
Transfer in - General Fund	32,415,519	263,966	32,151,553	32,415,519
Transfer in - Internal Service Fund	1,065,425	-	1,065,425	1,065,425
Transfer (out) - General Fund	(47,500)	-	(47,500)	(47,500)
Transfer (out) - Capital Reserve	(2,085,000)	(2,085,000)	-	(2,085,000)
Total other financing sources (uses)	192,556,600	17,036,497	68,601,038	85,637,535
Net change in fund balance	\$ -	\$ 4,593,522	31,846,740	\$ 36,440,262
Fund balance, July 1			4,593,522	
Fund balance, June 30			\$ 36,440,262	

**CABARRUS COUNTY, NORTH CAROLINA**
**SCHEDULE 34**
**CARES ACT RELIEF FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
<b>Restricted intergovernmental:</b>				
CARES Act Relief Funds	\$ 7,972,670	\$ 1,278,429	\$ 6,694,241	\$ 7,972,670
Cares Act Relief Payment - ARP	42,043,458	-	-	-
US Treasury Emergency Asst - ERA21	6,528,517	-	694,234	694,234
US Treasury Emergency Asst - ERA22	5,165,710	-	-	-
Interest Earned on CARES Act Relief Funds	3,499	-	3,499	3,499
Total revenues	<u>61,713,854</u>	<u>1,278,429</u>	<u>7,391,974</u>	<u>8,670,403</u>
<b>EXPENDITURES</b>				
Salaries and benefits	3,714,458	285,077	3,306,447	3,591,524
Capital Outlay	241,740	-	241,740	241,740
Other Public Health Emergency	55,777,772	795,935	2,061,320	2,857,255
Municipal distribution	<u>1,979,884</u>	<u>197,417</u>	<u>1,782,467</u>	<u>1,979,884</u>
Total expenditures	<u>61,713,854</u>	<u>1,278,429</u>	<u>7,391,974</u>	<u>8,670,403</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1			-	
Fund balance, June 30			<u>\$ -</u>	

**CABARRUS COUNTY, NORTH CAROLINA****LANDFILL FUND****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021****SCHEDULE 35****PAGE 1 OF 2**

	<b>2021</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 819,000	\$ 758,218	\$ (60,782)
Items for sale	75,000	54,138	(20,862)
Waste disposal fee	110,000	121,644	11,644
Total operating revenues	1,004,000	934,000	(70,000)
Nonoperating revenues:			
Landfill disposal tax	42,000	36,160	(5,840)
Landfill state tax distribution	52,000	51,460	(540)
Solid waste franchise fee	30,000	30,000	-
Tire disposal fees	290,000	308,263	18,263
Investment earnings	28,508	16,005	(12,503)
Miscellaneous revenue	-	35	35
Total nonoperating revenues	442,508	441,923	(585)
Total revenues	1,446,508	1,375,923	(70,585)
<b>Expenditures:</b>			
Salaries and benefits	392,954	388,276	4,678
Operations	1,080,909	515,705	565,204
Total expenditures	1,473,863	903,981	569,882



**CABARRUS COUNTY, NORTH CAROLINA  
LANDFILL FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE 35  
PAGE 2 OF 2**

	<b>2021</b>	
	<b>Budget</b>	<b>Actual</b>
		<b>Variance Favorable (Unfavorable)</b>
Revenues over (under) expenditures	(27,355)	471,942
Appropriated net position	27,355	-
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>\$ 471,942</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>		
Reconciling items:		
Depreciation		(135,213)
(Increase) in net pension liability		(29,862)
Increase in deferred outflows of resources - pension		14,029
Decrease in deferred inflow - pension		205
Increase in compensated absences payable		(26)
(Decrease) in deferred outflow - OPEB		(1,767)
Increase in deferred outflow - OPEB		22,806
(Decrease) in deferred outflow - OPEB		(68)
Decrease in deferred inflow - OPEB		1,707
Decrease in deferred infow- OPEB		5,098
(Increase) in OPEB liability		(33,449)
Total reconciling items		<u>(156,540)</u>
Change in net position		<u>\$ 315,402</u>

# STATISTICAL SECTION

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# STATISTICAL SECTION

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This part of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health

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

- Net position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity** – these tables contain information to help the reader assess the government's, most significant local revenue source, property taxes.

- Assessed Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

**Debt Capacity** – these tables contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- Ratios of General Bonded Debt Outstanding
- Ratios of Outstanding Debt by Type
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information

**Demographic and Economic Information** – these tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers

**Operating Information** – these tables contain information about the County's operations and resources to help the reader understand how the County's financial information related to the services the County provides and the activities it performs.

- Full-time Equivalent County Government Employees by Function | Program
- Operating Indicators by Function
- Capital Asset Statistics by Function | Program



**CABARRUS COUNTY, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 1**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 171,326,199
Restricted	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	122,256,741
Unrestricted	(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)	(315,933,619)
Total governmental activities net position	<u>\$ (65,093,245)</u>	<u>\$ (39,238,848)</u>	<u>\$ (18,094,453)</u>	<u>\$ 14,134,538</u>	<u>\$ 32,814,912</u>	<u>\$ (3,351,675)</u>	<u>\$ (50,149,036)</u>	<u>\$ (68,735,218)</u>	<u>\$ (64,884,563)</u>	<u>\$ (22,350,679)</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 2,129,154
Unrestricted	45,035	343,174	724,114	1,005,864	694,368	832,692	1,385,260	2,043,617	2,825,277	3,275,892
Total business-type activities net position	<u>\$ 3,646,678</u>	<u>\$ 3,563,459</u>	<u>\$ 3,743,972</u>	<u>\$ 3,889,905</u>	<u>\$ 3,311,542</u>	<u>\$ 3,514,645</u>	<u>\$ 3,931,085</u>	<u>\$ 4,443,197</u>	<u>\$ 5,089,644</u>	<u>\$ 5,405,046</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 173,455,353
Restricted	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	122,256,741
Unrestricted	(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)	(312,657,727)
Total primary government net position	<u>\$ (61,446,567)</u>	<u>\$ (35,675,389)</u>	<u>\$ (14,350,481)</u>	<u>\$ 18,024,443</u>	<u>\$ 36,126,454</u>	<u>\$ 162,970</u>	<u>\$ (46,217,951)</u>	<u>\$ (64,292,021)</u>	<u>\$ (59,794,919)</u>	<u>\$ (16,945,633)</u>
Component Unit										
Net investment in capital assets	\$ 1,152,374	\$ 959,140	\$ 771,532	\$ 698,177	\$ 591,994	\$ 415,038	\$ 454,265	\$ 332,666	\$ 621,966	\$ 481,291
Restricted	4,077,601	982,679	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317
Unrestricted	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	3,397,185
Total component unit net position	<u>\$ 7,817,500</u>	<u>\$ 7,247,394</u>	<u>\$ 7,454,106</u>	<u>\$ 6,779,832</u>	<u>\$ 7,490,467</u>	<u>\$ 8,068,949</u>	<u>\$ 7,248,516</u>	<u>\$ 6,939,671</u>	<u>\$ 5,657,875</u>	<u>\$ 7,220,793</u>

**CABARRUS COUNTY, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 2**  
**PAGE 1 OF 2**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 33,792,440
Public safety	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	69,942,162
Economic and physical development	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	6,495,321
Environmental protection	583,412	547,558	259,725	457,082	396,644	654,645	509,267	1,371,094	690,214	879,312
Human Services	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	45,911,170
Education	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	127,347,465
Cultural and recreation	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	9,484,202
Interest on long term debt	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	13,264,142
Total governmental activities	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	307,116,214
Business-type activities:										
Solid Waste	1,096,968	957,890	823,069	833,661	1,673,170	866,076	778,768	1,040,485	937,658	1,060,521
Total primary government expenses	\$ 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	\$ 308,176,735
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	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	5,885,165
Public safety	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	17,983,682
Economic and physical development	36,062	46,169	76,791	53,589	137,487	458,680	500,476	555,219	560,492	557,613
Environmental protection	53,770	42,172	63,757	54,978	28,143	45,345	56,403	37,958	27,775	41,027
Human Services	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	1,296,637
Education	793,610	33,170	-	-	-	-	-	-	-	1,233,590
Cultural and recreation	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	276,209
Operating grants and contributions:										
General government	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	7,142,816
Public safety	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	1,562,779
Economic and physical development	999,754	593,672	483,393	671,151	671,661	689,873	1,148,056	577,179	386,740	559,246
Environmental protection	8,425	6,912	7,373	8,808	11,054	12,263	9,690	13,414	14,062	7,532
Human Services	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	23,809,777
Education	743,081	770,920	786,774	714,643	847,822	717,727	718,883	721,581	724,279	730,239
Cultural and recreation	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	617,610
Capital grants and contributions:										
Public safety	-	-	-	-	-	38,619	29,504	-	-	-
Human Services	260,866	329,566	357,278	352,184	423,803	305,137	112,585	222,423	-	-
Education	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	2,300,000
Cultural and recreation	-	-	-	-	150,000	-	-	-	-	-
Total governmental activities program revenues	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	64,003,922
Business-type activities:										
Charges for Services - Solid Waste	704,647	674,272	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832	934,000
Operating grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	704,647	674,272	691,618	682,265	741,644	676,295	812,407	1,007,575	1,065,832	934,000
Total primary government program revenues	\$ 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	\$ 64,937,922
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (243,112,292)
Business-type activities	(392,321)	(283,618)	(131,451)	(151,396)	(931,526)	(189,781)	33,639	(32,910)	128,174	(126,521)
Total primary government net (expense)/revenue	\$ (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)	\$ (243,238,813)

**CABARRUS COUNTY, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 2**  
**PAGE 2 OF 2**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 221,375,407
Local option sales tax	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	62,507,935
ABC revenues	86,842	90,926	155,755	90,185	99,766	128,382	122,995	147,027	130,203	220,443
Other taxes and licenses	752,711	760,314	754,194	796,167	844,478	897,888	950,776	903,350	824,515	810,546
Unrestricted investment earnings	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	259,485
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	312,545
Transfers In/Out	25,615	122,200	-	-	-	-	-	-	-	-
Total governmental activities:	<u>171,430,321</u>	<u>173,473,696</u>	<u>181,423,827</u>	<u>188,345,751</u>	<u>193,436,140</u>	<u>204,195,687</u>	<u>212,312,097</u>	<u>229,966,688</u>	<u>241,708,142</u>	<u>285,486,361</u>
Business-type activities:										
Other taxes and licenses	350,141	313,218	300,666	315,597	338,457	360,626	375,397	404,695	409,159	425,883
Unrestricted investment earnings	8,495	9,381	11,298	4,909	14,706	32,258	55,092	140,327	109,114	16,040
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers In/Out	(25,615)	(122,200)	-	-	-	-	-	-	-	-
Total business-type activities	<u>333,021</u>	<u>200,399</u>	<u>311,964</u>	<u>320,506</u>	<u>353,163</u>	<u>392,884</u>	<u>430,489</u>	<u>545,022</u>	<u>518,273</u>	<u>441,923</u>
Total primary government	<u>\$ 171,763,342</u>	<u>\$ 173,674,095</u>	<u>\$ 181,735,791</u>	<u>\$ 188,666,257</u>	<u>\$ 193,789,303</u>	<u>\$ 204,588,571</u>	<u>\$ 212,742,586</u>	<u>\$ 230,511,710</u>	<u>\$ 242,226,415</u>	<u>\$ 285,928,284</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 42,374,069
Business-type activities	(59,300)	(83,219)	180,513	169,110	(578,363)	203,103	464,128	512,112	646,447	315,402
Total primary government	<u>\$ 5,908,273</u>	<u>\$ 28,947,676</u>	<u>\$ 21,324,908</u>	<u>\$ 37,994,423</u>	<u>\$ 16,525,535</u>	<u>\$ (30,103,488)</u>	<u>\$ (21,286,799)</u>	<u>\$ (18,074,070)</u>	<u>\$ 4,497,102</u>	<u>\$ 42,689,471</u>
<b>Expenses</b>										
Component Unit:										
Cabarrus Health Alliance	<u>\$ 23,482,772</u>	<u>\$ 18,091,226</u>	<u>\$ 17,848,876</u>	<u>\$ 18,276,621</u>	<u>\$ 19,906,309</u>	<u>\$ 23,208,662</u>	<u>\$ 23,680,278</u>	<u>\$ 23,680,278</u>	<u>\$ 23,702,637</u>	<u>\$ 24,084,142</u>
<b>Program Revenues</b>										
Component Unit:										
Charges for Services	\$ 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	\$ 9,915,841
Operating grants and contributions	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	15,707,492
Capital grants and contributions	8,220,193	87,418	-	-	-	-	-	-	-	-
Total component unit	<u>\$ 22,794,182</u>	<u>\$ 16,666,099</u>	<u>\$ 17,237,308</u>	<u>\$ 18,669,416</u>	<u>\$ 20,550,899</u>	<u>\$ 23,692,429</u>	<u>\$ 23,583,482</u>	<u>\$ 23,583,482</u>	<u>\$ 21,326,530</u>	<u>\$ 25,623,333</u>
<b>Net (Expense)   Revenue</b>										
Component Unit:										
Total component unit	<u>\$ (688,590)</u>	<u>\$ (1,425,127)</u>	<u>\$ (611,568)</u>	<u>\$ 392,795</u>	<u>\$ 644,590</u>	<u>\$ 483,767</u>	<u>\$ (96,796)</u>	<u>\$ (96,796)</u>	<u>\$ (2,376,107)</u>	<u>\$ 1,539,191</u>
<b>General Revenues and Other Changes in Net Position</b>										
Component Unit:										
General Revenues										
Unrestricted investment earnings	\$ 2,176	\$ 12,948	\$ 2,033	\$ 6,283	\$ 18,393	\$ 34,710	\$ 95,743	\$ 95,743	\$ 104,186	\$ 4,223
Special Item	-	-	-	-	-	-	-	-	1,000,000	-
Miscellaneous	414,004	842,073	816,247	21,333	47,652	60,005	55,723	55,723	(9,875)	19,504
Total General Revenues	<u>416,180</u>	<u>855,021</u>	<u>818,280</u>	<u>27,616</u>	<u>66,045</u>	<u>94,715</u>	<u>151,466</u>	<u>151,466</u>	<u>1,094,311</u>	<u>23,727</u>
Special Item	-	-	-	-	-	-	-	-	-	-
Total component unit	<u>\$ 416,180</u>	<u>\$ 855,021</u>	<u>\$ 818,280</u>	<u>\$ 27,616</u>	<u>\$ 66,045</u>	<u>\$ 94,715</u>	<u>\$ 151,466</u>	<u>\$ 151,466</u>	<u>\$ 1,094,311</u>	<u>\$ 23,727</u>
<b>Change in Net Position</b>										
Component Unit:										
Total component unit	<u>\$ (272,410)</u>	<u>\$ (570,106)</u>	<u>\$ 206,712</u>	<u>\$ 420,411</u>	<u>\$ 710,635</u>	<u>\$ 578,482</u>	<u>\$ 54,670</u>	<u>\$ 54,670</u>	<u>\$ (1,281,796)</u>	<u>\$ 1,562,918</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 3**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 198,809	\$ 383,680	\$ 231,522	\$ 244,553	\$ 359,001	\$ 383,345	\$ 557,448	\$ 261,337	\$ 354,585	\$ 178,548
Restricted	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	39,257,660
Committed	6,606	-	-	172,493	4,912,643	7,975,354	4,175,361	4,484,945	5,944,972	15,502,497
Assigned	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	6,271,912
Unassigned	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	61,185,503
Total General Fund	<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>	<u>\$ 122,396,120</u>
All Other Governmental Funds										
Nonspendable	\$ 648,200	\$ -	\$ -	\$ 510,000	\$ -	\$ -	\$ -	\$ 17,812	\$ 8,971	\$ 15,193
Restricted	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	83,506,413
Committed	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	6,595,594
Assigned	549,755	594,899	758,630	797,361	3,202,731	6,411,469	1,446,067	1,655,365	4,043,024	1,506,452
Unassigned	(292,024)	-	(34,772)	(55,116)	(287,944)	(57,671)	(5,167,699)	(43,414)	(246,357)	(43,794,468)
Total all other governmental funds	<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>	<u>\$ 47,829,184</u>

Note:

The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011

**CABARRUS COUNTY, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**TABLE 4**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 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	\$ 221,315,376
Other taxes and licenses	34,360,229	37,634,537	36,939,920	43,368,922	44,990,458	48,482,477	48,676,368	52,653,957	53,794,595	63,462,569
Intergovernmental	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	38,025,479
Permits and fees	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	10,712,602
Sales and services	10,073,950	11,830,022	11,364,724	10,882,609	11,813,400	12,695,122	13,552,117	13,892,819	14,316,244	14,166,150
Investment earnings	235,440	266,534	277,771	211,522	476,243	976,381	1,933,054	3,790,853	2,451,326	221,507
Donations	390,239	628,598	649,853	506,259	696,118	559,896	571,705	602,438	415,049	373,042
Miscellaneous	589,467	1,039,992	487,090	444,037	1,078,357	386,890	1,099,121	1,162,952	699,466	368,219
Total Revenues	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	348,644,944
Expenditures										
General Government	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	32,201,956
Public Safety	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	61,746,314
Economic & Phy Dev	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	6,376,846
Environmental Prot.	524,881	537,717	222,128	399,128	377,117	610,380	438,565	1,332,525	637,270	855,939
Human Services	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	44,507,630
Education	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	7,729,279
Culture and recreation	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	127,347,463
Capital Outlay	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	31,467,518
Debt Service:										
Principal	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	36,278,886
Interest	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	12,332,752
Total Expenditures	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	360,844,583
Excess of revenues over (under) expenditures	(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)	(12,199,639)
Other Financing Sources (Uses)										
Debt Proceeds	-	-	-	-	-	-	-	-	6,017,493	63,226,409
Lease Financing issue	-	-	-	-	-	-	-	652,796	-	-
Transfers in	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	59,318,737
Transfers out	(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)	(58,220,857)
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	(37,431,142)	(72,479,619)	-	(133,494,948)	-	-	-	-	-	-
Disbursements to Escrow Agent	-	-	-	-	-	-	-	-	-	(14,188,795)
Issuance of Certificates of Participation	-	-	-	-	-	-	-	-	-	-
Issuance of Installment Financings	-	-	-	-	-	-	-	-	-	-
Issuance of lease	603,312	-	-	-	-	841,553	930,000	-	-	-
Total other financing sources (uses)	(1,097,580)	306,580	-	590,052	84,944,452	841,553	134,804,879	854,480	6,223,215	50,135,494
Net change in fund balances	\$ (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)	\$ 37,935,855
Debt service as a percentage of noncapital expenditures	25.20%	21.30%	19.24%	19.46%	16.14%	14.93%	15.97%	16.42%	16.16%	14.76%

**CABARRUS COUNTY, NORTH CAROLINA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**TABLE 5**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies <sup>(2)</sup></b>	<b>Total Assessed Valuation</b>	<b>County Total Direct Tax Rate <sup>(3)</sup></b>
2012	\$ 18,049,710,020	\$ 2,668,575,911	\$ 285,837,655	\$ 21,004,123,586	\$ 0.6300
2013 <sup>(1)</sup>	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 <sup>(1)</sup>	17,490,495,184	3,673,234,986	381,343,745	21,545,073,915	0.7000
2018	18,030,699,506	3,874,032,498	407,469,337	22,312,201,341	0.7000
2019	18,654,406,653	4,031,847,588	420,009,900	23,106,264,141	0.7200
2020	19,335,275,287	4,392,660,440	456,471,377	24,184,407,104	0.7400
2021	23,576,844,027	4,786,125,942	462,090,236	28,825,060,205	0.7400

**Notes:**

- <sup>(1)</sup> Cabarrus County typically reassesses property every four years. Increases or decreases in value are due to revaluation
- <sup>(2)</sup> Public service companies' valuations are provided to the County by the North Carolina Department of Revenue and include both real and personal property
- <sup>(3)</sup> The County total direct tax rate is per \$100 of assessed valuation

**CABARRUS COUNTY, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

**TABLE 6**

	Fiscal Year									
	2012	2013 <sup>(1)</sup>	2014	2015	2016	2017 <sup>(1)</sup>	2018	2019	2020	2021 <sup>(1)</sup>
<b>County Total Direct Rate <sup>(2)</sup></b>	\$ 0.6300	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7200	\$ 0.7400	\$ 0.7400
<b>Fire Protection Districts <sup>(3)</sup></b>	0.0616	0.0616	0.0651	0.0651	0.0722	0.0751	0.0848	0.0947	0.0975	0.0975
<b>Municipal Rates: <sup>(4)</sup></b>										
Concord	0.4200	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Kannapolis	0.4900	0.5600	0.5600	0.6000	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300
Harrisburg	0.1350	0.1585	0.1585	0.1585	0.1585	0.1585	0.1585	0.3550	0.3550	0.3550
Mt. Pleasant	0.4400	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050	0.5050
Midland	0.1400	0.1600	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2200	0.2200
Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600

Notes:

<sup>(1)</sup> Real property was revalued on January 1

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

<sup>(3)</sup> Most property in the unincorporated areas is subject to one of sixteen fire protection district taxes. The fire protection districts direct rate is a combined rate as the impact of each individual fire district is considered insignificant. The average tax rate for the districts is recorded above. The Cabarrus County Board of Commissioners set each fire district rate. This rate, combined with the County rate, is the totally overlapping tax rate

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

**CABARRUS COUNTY, NORTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

**TABLE 7**

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2012		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Corning, Incorporated	Fiber optics manufacturer	\$ 481,112,231	1	1.83%	\$ 134,312,630	6	0.51%
Castle & Cooke North Carolina, LLC / David H Murdock	Land developer	228,268,926	2	0.87%	237,066,640	3	0.90%
Mall at Concord Mills LP	Shopping center	207,600,396	3	0.79%	341,541,827	1	1.30%
Charlotte Motor Speedway, Incorporated	Auto racing	202,393,282	4	0.77%	337,689,377	2	1.29%
Celgard LLC	Battery manufacturer	186,162,638	5	0.71%	-		0.00%
Duke Energy Corporation	Public service company	161,769,642	6	0.62%	94,324,021	8	0.36%
Silverman	Real Estate	134,484,530	7	0.51%	-		0.00%
Great Wolf Lodge of the Carolinas	Amusement park/hospitality	120,950,510	8	0.46%	-		0.00%
Weinstein Properties	Property management	113,579,945	9	0.43%	135,389,748	5	0.52%
Hendricks Automotive	Auto racing	110,081,301	10	0.42%	-		0.00%
Wal-mart/Sams	Retail Sales	-		-	65,260,226	10	0.25%
JQH-Concord Development LLC	Hospitality	-		-	66,684,496	9	0.25%
Phillip Morris, Incorporated	Cigarette manufacturer	-		-	120,404,413	7	
		-		-	195,000,000	4	0.74%
Totals		<u>\$ 1,946,403,401</u>		<u>7.42%</u>	<u>\$ 1,727,673,378</u>		<u>6.13%</u>

Source:

Cabarrus County Tax Administration Department

**CABARRUS COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**TABLE 8**

Fiscal Year	Taxes Levied for the				Collected within the Fiscal		Collections in Subsequent Years	Total Collections to Date		Uncollected								
	Fiscal Year (Original Levy)	Discoveries	Releases	Total Adjusted Levy	Year of the Levy													
					Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy									
2012	\$	133,644,514	\$	1,150,154	\$	(1,615,063)	\$	133,179,605	\$	128,622,399	96.58%	\$	4,405,689	\$	133,028,088	99.89%	\$	151,517
2013		130,560,111		2,110,895		(1,331,736)		131,339,270		126,968,672	96.67%		4,160,126		131,128,798	99.84%		210,472
2014		138,496,852		1,624,863		(673,856)		139,447,859		134,327,532	96.33%		4,994,855		139,322,387	99.91%		125,472
2015		137,821,405		1,364,427		(240,129)		138,945,703		135,223,699	97.32%		3,583,801		138,807,500	99.90%		138,203
2016		142,057,414		1,711,206		(261,433)		143,507,187		140,909,405	98.19%		2,461,639		143,371,044	99.91%		136,143
2017		151,766,267		2,984,909		(1,731,216)		153,019,960		151,567,896	99.05%		1,318,850		152,886,746	99.91%		133,214
2018		156,492,609		1,730,690		(720,773)		157,502,526		155,797,502	98.92%		1,079,007		156,876,509	99.60%		626,017
2019		166,041,841		2,611,618		(439,783)		168,213,676		167,031,329	99.30%		753,760		167,785,089	99.75%		428,587
2020		178,561,795		2,217,488		(333,442)		180,445,841		178,156,835	98.73%		-		178,156,835	98.73%		2,289,006
2021		213,614,252		2,754,382		(869,313)		215,499,321		213,522,265	99.08%		-		213,522,265	99.08%		1,977,056

Source:  
Cabarrus County Finance Department

**CABARRUS COUNTY, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

**TABLE 9**

<b>Fiscal Year</b>	<b>General Obligation Bonds <sup>(1)</sup></b>	<b>Percentage of Actual Taxable Value of Property <sup>(2)</sup></b>	<b>Per Capita <sup>(3)</sup></b>
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
2021	36,745,541	0.13%	166

**Notes:**

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

<sup>(2)</sup> See Table 5 for total assessed value of property

<sup>(3)</sup> See Table 13 for population data

**CABARRUS COUNTY, NORTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**TABLE 10**

Fiscal Year	Governmental Activities					Total Primary Government	Per Capita <sup>(2)</sup>	Percentage of Personal Income <sup>(2)</sup>
	General Obligation Bonds <sup>(1)</sup>	Certificates Of Participation/ Limited Obligation Bonds	Installment Financing	Notes Payable	Capital Leases			
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	3.99%
2020	43,132,041	322,857,803	2,900,998	-	442,302	369,333,144	1,706	*
2021	36,745,541	341,351,782	2,389,979	-	334,435	380,821,737	1,719	*

Notes:

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

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

\* Calendar year 2018 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, 2021**

**TABLE 11**

<b>Governmental Unit <sup>(1)</sup></b>	<b>Outstanding Debt <sup>(2)</sup></b>	<b>Estimated Percentage Applicable <sup>(3)</sup></b>	<b>Amount Applicable to Primary Government</b>
City of Concord	\$ 25,309,436	49.86%	\$ 12,618,045
City of Kannapolis	133,983,691	18.03%	24,153,689
Town of Harrisburg	34,162,554	9.72%	3,319,790
Town of Mt. Pleasant	1,073,262	0.63%	6,795
City of Locust	1,551,129	0.25%	3,926
Town of Midland	553,315	2.00%	11,084
Subtotal, overlapping debt			40,113,329
Cabarrus County direct debt			380,821,737
Total direct and overlapping debt			<u>\$ 420,935,066</u>

**Notes:**

- <sup>(1)</sup> Overlapping governments are those that coincide, at least in part, with geographic boundaries within the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Cabarrus County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- <sup>(2)</sup> Total outstanding Governmental activities debt is provided by each governmental unit.
- <sup>(3)</sup> The percentage of the overlapping debt is calculated by dividing the governmental unit's assessed valuation by the County's assessed valuation (overlapping portion of the government's revenue base / total revenue base of the overlapping government).

**CABARRUS COUNTY, NORTH CAROLINA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**TABLE 12**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 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	\$ 28,825,060,205
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	2,306,004,816
Debt applicable to debt limitations:										
Total Bonded Debt	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	36,745,541
Total Installment Payment Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Total Notes Payable	-	-	-	457,323	365,858	274,393	182,928	91,463	-	-
Total Capital Leases	494,381	379,877	259,514	133,013	-	334,814	334,814	713,127	442,302	334,435
Total Installment Financing	3,036,726	2,968,195	2,896,923	2,822,780	2,745,710	3,166,929	3,909,320	3,407,393	2,900,998	2,389,979
Total Certificates of Participation/ Limited Obligation Bonds	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	341,351,782
Total debt applicable to limitations	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	380,821,737
Legal debt limit	\$ 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	\$ 1,925,183,079
Total net debt applicable to the limit as a percentage of debt limit	\$ 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%	\$ 1,925,183,079 16.51%

**Note:**

NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority

**CABARRUS COUNTY, NORTH CAROLINA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**TABLE 13**

<b>Year</b>	<b>Population<sup>(1)</sup></b>	<b>Personal Income<sup>(2)</sup></b>	<b>Per Capita Personal Income<sup>(2)</sup></b>	<b>Public School Enrollment<sup>(3)</sup></b>	<b>Unemployment Rate<sup>(4)</sup></b>	<b>Number of Building Inspections Performed<sup>(5)</sup></b>
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	10,089,975	46,615	32,955	3.8%	64,131
2020	216,453	*	*	33,579	7.6%	71,036
2021	221,479	*	*	32,555	4.4%	72,520

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

**Notes:**

<sup>(1)</sup> United States Census Bureau

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

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

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

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

**CABARRUS COUNTY, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**TABLE 14**

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cabarrus County Schools	4,264	1	4.23%	3,800	3	4.70%
Atrium Health (formerly Carolinas HealthCare)	4,131	2	4.10%	4,500	1	5.56%
Amazon	2,500	3	2.48%	-	-	-
Cabarrus County Government	1,220	4	1.21%	975	4	0
Wal-Mart	1,200	5	1.19%	-	-	0.00%
City of Concord	1,106	6	1.10%	936	5	1.16%
Shoe Show	1,000	7	0.99%	700	9	0.87%
Fedex Ground and Fedex Smartpost	807	8	0.80%	-	-	-
Kannapolis City Schools	751	9	0.74%	750	8	0.93%
Corning	650	10	0.64%	-	-	-
Concord Mills Mall	-	-	-	4,000	2	4.94%
State of North Carolina	-	-	-	771	7	0.95%
S&D Coffee and Tea	-	-	-	575	10	0.71%
Connexions	-	-	-	900	6	1.11%
Total	17,629		17.48%	17,907		22.13%

Source:

NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2012 CAFR

**CABARRUS COUNTY, NORTH CAROLINA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**TABLE 15**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	166	159	161	168	171	176	180	190	192	205
Cultural and Recreation	51	60	62	68	69	71	74	76	78	81
Public Safety	419	421	445	453	472	496	505	514	524	582
Economic and Physical Development	15	16	16	15	18	19	19	19	19	19
Human Services	297	289	299	302	308	317	330	340	347	356
Environmental Protection	8	7	5	7	7	7	8	9	9	9
Total	956	952	988	1,013	1,045	1,086	1,116	1,148	1,169	1,252

Note:

Vacant positions are included in the above numbers. Full-time personnel work 2,080 hours per year (less vacation and sick leave)

Source:

Cabarrus County Finance Department

**CABARRUS COUNTY, NORTH CAROLINA  
OPERATING INDICATORS BY FUNCTIONAL AREA  
LAST TEN FISCAL YEARS**

**TABLE 16**

Functional Area	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Tax Collection Rate	96.58%	96.67%	96.33%	97.32%	98.19%	99.05%	98.92%	99.30%	98.73%	99.08%
Land Records Recorded <sup>(1)</sup>	34,086	34,533	28,397	32,188	33,207 *	35,324 *	32,719 *	32,668 *	44,916 *	55,845
Culture & Recreation										
Circulation of Library Materials-All Branches	681,192	701,278	699,884	668,249	675,234	771,850	812,539	848,068	758,135	716,997
Acres of Park Land-Developed/Undeveloped	381/310	381/310	381/310	381/310	356/257	356/257	356/27	356/270	553/100	553/715
Public Safety										
Sheriff Average Response Time (includes Fire and EMS)	7:13	7:50	7:35	6:41	6:48	6:52	7:28	7:34	6:01	7:13
Detention Center Average Daily Population	358	367	369	326	285	336	347	351	303	202
Animals Picked Up (Animal Shelter)	3,505	3,408	2,817	2,865	2,955	2,596	2,685	3,414	2,815	2,585
Building Inspections Completed	26,568	30,780	42,541	46,267	55,966	57,167	62,516	64,129	71036	72520
EMS Average Response Time Countywide	6	7	7	7	7	7.2	7.5	7.4	7.42	8.2
Economic & Physical Development										
Construction Permits Issued <sup>(4)</sup>	10,350	10,119	13,695	15,217	16,971	16,183	18,152	18,762	20,807	20,078
Zoning Permits Issued <sup>(4)</sup>	295	313	367	450	444	536	538	406	544	652
Human Services										
Veteran /Dependent Contacts	9,901	9,950	9,312	9,477	9,610	9,852	10,241	9,142	8,506	9,807
Human Service Transportation Trips <sup>(2)</sup>	86,316	74,839	82,123	87,544	92,402	81,353	74,158	75,501	65,309	52,682
Family Medicaid Cases	16,039	17,659	17,553	9,805	18,662	17,197	17,197	19,050	22,401	22,276
Adult Medicaid Cases <sup>(3)</sup>	6,101	6,273	6,483	7,090	10,817	8,326	7,234	9,525	9,804	9,915
WFFA (formerly AFDC)	263	275	304	193	273	235	203	209	301	163
Child Protective Service Reports Investigated	2,955	2,389	1,224	1,217	1,748	1,185	1,953	2,066	2,043	1,380
Adoptions Completed	1	3	3	12	16	10	7	13	13	15
Food Stamp Cases	11,652	11,700	11,900	11,288	11,450	12,150	9,564	8,573	9,153	11,494
Adult Protective Services Reports	226	199	181	388	380	388	411	381	422	394
Environmental Protection										
Tons of MSW and C&D Waste Managed	21,454	17,876	17,756	16,511	16,126	15,327	16,845	19,097	21,089	19,952
Tons of Recyclable Materials Collected	4,250	4,196	3,507	3,114	3,461	3,774	3,700	3,200	4,787	4,659
Education										
Per Pupil Current Expense Funding	\$ 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	\$ 2,040.84
Per Pupil Capital Outlay Funding	\$ 32.20	\$ 110.89	\$ 90.93	\$ 58.27	\$ 137.18	\$ 182.14	\$ 129.36	\$ 29.73	\$ 26.71	\$ 27.21
Per Pupil Debt Service Funding	\$ 1,011.39	\$ 967.27	\$ 878.93	\$ 857.03	\$ 848.80	\$ 1,010.11	\$ 1,067.35	\$ 1,085.19	\$ 697.43	\$ 968.53
Per Pupil - Server Space	-	\$ 0.81	\$ 2.78	\$ 2.30	\$ 2.28	\$ 2.28	\$ 1.18	\$ 1.09	\$ 1.08	\$ 1.10
Per Pupil - Fines & Forfeitures	-	\$ 43.19	\$ 41.13	\$ 41.07	\$ 41.35	\$ 40.75	\$ 39.17	\$ 37.40	\$ 34.99	\$ 28.60
Per Pupil - School Nurses	-	-	\$ 48.66	\$ 55.33	\$ 64.59	\$ 68.87	\$ 71.93	\$ 69.38	\$ 72.81	\$ 86.48

**Source:** County Departments

**Notes:** <sup>(1)</sup> Data is Calendar Year from Register of Deeds Department  
<sup>(2)</sup> County Department Starting in 2004, previously under DSS and private contractor  
<sup>(3)</sup> Social Security began managing SSI Medicaid cases in 1998; Medicaid income limits changed to 100%  
<sup>(4)</sup> New measure beginning 2011  
- Data Not Available, \* Estimate

**CABARRUS COUNTY, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

**TABLE 17**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Parks <sup>(1)</sup></b>										
Park facility <sup>(4)</sup>	5	5	5	5	5	6	6	6	6	7
Tennis courts	6	6	6	6	6	6	6	6	6	6
Picnic shelters <sup>(3)</sup>	24	24	24	28	28	29	29	29	25	25
Softball fields	8	8	8	8	8	8	8	4	4	4
Playgrounds	10	10	10	10	10	11	11	13	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
<b>Fire protection <sup>(1)</sup></b>										
Stations <sup>(2)</sup>	10	10	11	11	11	11	11	11	11	11
<b>Sheriff <sup>(1)</sup></b>										
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	135	145	181	170	173	202	214	192	213

**Notes:**

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

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

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

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

# COMPLIANCE SECTION

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

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

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

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

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 24, 2021. 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  
November 24, 2021

# 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, 2021. 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, 2021.

### **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  
November 24, 2021



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

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

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

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

To the Board of Commissioners  
Cabarrus County  
Concord, North Carolina

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

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, 2021. 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, 2021.

### **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  
November 24, 2021



## CABARRUS COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

#### 1. Summary of Auditor's Results

##### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness identified?

No

- Significant deficiency identified?

None reported

Non-compliance material to financial statements noted?

No

##### Federal Awards

Internal control over major federal programs:

- Material weakness identified?

No

- Significant deficiency identified?

None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

## CABARRUS COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

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

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
SNAP Cluster	10.561
Low Income Housing Energy Assistance Program LIHEAP	93.568
Social Services Block Grant	93.667
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
COVID-19 Coronavirus Relief Fund (CRF)	20.019
Medicaid Cluster	93.778
Children's Health Insurance Program – N.C. Health Choice	93.767

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

Auditee qualified as low-risk auditee?	Yes
--	-----

#### State Awards

Internal control over major state programs:

- |                                      |               |
|--------------------------------------|---------------|
| • Material weakness identified?      | No            |
| • Significant deficiency identified? | None reported |

Type of auditor's report issued on compliance for major state programs	Unmodified
---	------------

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	No
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## **CABARRUS COUNTY, NORTH CAROLINA**

### **SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021**

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

Identification of major state programs:

**Program Name**

Medicaid Cluster

Children's Health Insurance Program – N.C. Health Choice

Social Services Block Grant

Foster Care and Adoption 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, 2021**

None

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>FEDERAL AWARDS</b>						
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program (SNAP) Cluster:						
State Administrative Matching Grants						
for the Supplemental Nutrition Assistance Program	10.561	WC302	\$ 1,848,721	\$ -	\$ -	\$ 3,518,929
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			<u>1,848,721</u>	<u>-</u>	<u>-</u>	<u>3,518,929</u>
Total U.S. Department of Agriculture			<u>1,848,721</u>	<u>-</u>	<u>-</u>	<u>3,518,929</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Rural Areas and Tribal Transit Program - Administrative	20.509	21-CT-042	114,585	7,164	-	-
Formula Grant for rural areas and Tribal Transit Program - COIVD-19 -Cares Act Program	20.509	20-CA-042	<u>214,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Federal Transit Cluster						
Federal Transit Formula Grants -Cares Act Funding - Transportation 5307	20.507		<u>317,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Transit Cluster			<u>317,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Highway Safety Cluster						
State and Community Highway Safety Program - TRAFU	20.600	PT-20-06.28	<u>136,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Highway Safety Cluster			<u>136,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Transportation			<u>783,767</u>	<u>7,164</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF TREASURY</b>						
Direct Program:						
Emergency Rental Assistance Program	21.023		<u>694,234</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed-through the NC Office of State Budget and Management:						
NC Pandemic Recovery Office:						
COVID 19 - Coronavirus Relief Fund (CRF)	21.019	02 13	<u>6,694,241</u>	<u>-</u>	<u>2,539,038</u>	<u>-</u>
Passed-through the N.C. Department of Transportation						
Passed-through Craven County						
COVID 19 - Coronavirus Relief Fund (CRF)	21.019	49458.9.1.2	<u>7,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Treasury			<u>7,395,728</u>	<u>-</u>	<u>2,539,038</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
Passed-through N.C. Department of Public Safety:						
Division of Emergency Management						
Emergency Management Performance Grant	97.042	EMA-2020-EP-00009	72,864	-	-	81,253
COVID-19 Disaster Grant - Public Assistance - (Presidentially Declared Disasters)	97.036	EMPA-2020	<u>13,850</u>	<u>-</u>	<u>-</u>	<u>130,385</u>
Total U.S. Department of Homeland Security			<u>86,714</u>	<u>-</u>	<u>-</u>	<u>211,638</u>



**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>State/Pass Through Grantor's Number</b>	<b>Federal Direct and Pass Through Expenditures</b>	<b>State Expenditures</b>	<b>Passed-through to Sub recipients</b>	<b>Local Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Division of Aging and Adult Services						
Passed-through Centralina Council of Governments:						
National Family Caregiver Support, Title III, Part E	93.052	FY21 Region F County 013	45,461	3,031	-	5,388
National Family Caregiver Support, Title III, Part E - Cares Act Funding - BOE	93.052	FY21 Region F County 013	9,039	-	-	1,004
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	FY21 Region F County 013	3,868	228	-	455
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III, Part C						
Nutrition Services	93.045	FY21 Region F County 013	164,114	77,049	-	26,796
COVID-19 CARES Act Funding - Congregate Nutrition	93.045	FY21 Region F County 013	115,902	-	-	12,878
Special Programs for the Aging - Title III, Part B						
Grants for Supportive Services and Senior Centers:						
Transportation Grant	93.044	FY21 Region F County 013	129,640	28,199	-	17,538
Adult Day Services	93.044	FY21 Region F County 013	28,337	42,308	-	7,849
In-Home Aide I&II	93.044	FY21 Region F County 013	75,141	112,187	-	20,814
Housing   Housing Improvement	93.044	FY21 Region F County 013	20,227	30,200	-	5,603
Senior Center Operations Grant	93.044	FY21 Region F County 013	35,360	52,792	-	9,795
COVID-19 Cares Act Funding - Senior Center Operations Grant	93.044	FY21 Region F County 013	14,955	-	-	1,662
Nutrition Services Incentive Program	93.053	FY21 Region F County 013	41,852	-	-	-
Senior Center Operations Grant   General Purpose			-	7,009	-	-
Total Aging Cluster			625,528	349,744	-	102,935
Total Division of Aging and Adult Services			683,896	353,003	-	109,782
Passed Through N.C. Department of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families (TANF)						
Temporary Assistance for Needy Families (TANF) State Programs						
Administration:						
Temporary Assistance Needy Families (TANF)	93.558	2002NCTANF	205,731	-	-	238,524
Services:						
Temporary Assistance Needy Families (TANF)	93.558	2002NCTANF	1,343,163	-	-	1,318,507
Total TANF			1,548,894	-	-	1,557,031
Child Support Enforcement - Section IV-D Administration	93.563	WC302	1,644,580	723	-	846,485
Refugee and Entrant Assistance Cluster (Note 4)						
Refugee and Entrant Assistance State Replacement Designee Administered Programs	93.566	WC302	2,879	-	-	-
Total Refugee and Entrant Assistance Cluster (Note 4)			2,879	-	-	-

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>						
Low-Income Home Energy Assistance:						
Administration	93.568	21B1NCLIEA	97,553	-	-	-
Energy Assistance	93.568	21B1NCLIEA	398,481	-	-	-
Crisis Intervention Program	93.568	21B1NCLIEA	408,122	-	-	-
COVID-19 CARES Act Funding - LIEAP	93.568	21B1NCLIEA	240,380	-	-	-
Total Low-Income Energy Assistance			<u>1,144,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed through NCDHHS/ NC Department of Environmental Quality						
Low-Income Home Energy Assistance:						
Weatherization Assistance for Low Income Persons	93.568	21B1NCLIEA	109,950	-	-	-
Heating and Air Repair and Replacement Program	93.568	21B1NCLIEA	85,983	-	-	-
COVID-19 CARES Act Funding - Weatherization	93.568	21B1NCLIEA	19,500	-	-	-
Total Dept of Environmental Quality			<u>215,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Low-Income Energy Assistance			<u>1,359,969</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Children Adoption Fund Cluster (note 4)						
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645	G2001NCCWSS	67,636	-	-	22,545
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	G2001NCFPSS	188	-	-	-
Total Special Children Adoption Fund Cluster (note 4)			<u>67,824</u>	<u>-</u>	<u>-</u>	<u>22,545</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood						
Administration	93.674	G2001NC1420	20,242	5,060	-	-
Direct Benefit Payment	93.674	G2001NC1420	1,064	-	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood Program			<u>21,306</u>	<u>5,060</u>	<u>-</u>	<u>-</u>
Social Service Block Grant (SSBG) - In Home Services						
SSBG- Adult Day Care (Division of Adult and Aging Services)	93.667	G2001NCSOSR	26,479	24,411	-	7,270
SSBG- In-Home Services	93.667	G2001NCSOSR	104,070	813	-	14,054
SSBG- Adult Protective Services	93.667	G2001NCSOSR	589	-	-	11,886
SSBG- Child Protective Services - TANF to SSBG	93.667	G2001NCSOSR	325,144	-	-	2,847
SSBG- Social Services Block Grant Administration	93.667	G2001NCSOSR	474,832	-	-	158,277
Total Social Services Block Grant (SSBG) In Home Services			<u>931,114</u>	<u>25,224</u>	<u>-</u>	<u>194,334</u>
Total Division of Social Services - Other Programs			<u>5,576,566</u>	<u>31,007</u>	<u>-</u>	<u>2,620,395</u>
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	93.658	2001NCFOST	17,322	-	-	17,322
Foster Care Title IV - E Child Protective Services	93.658	2001NCFOST	283,993	76,426	-	207,567
Foster Care Title IV - E Foster Care and Training	93.658	2001NCFOST	4,938	-	-	1,646
Foster Care Title IV - E Foster Care and Off Training	93.658	2001NCFOST	447,008	-	-	447,008
Adoption Assistance- Training	93.659	WC302	55,448	-	-	55,448
Adoption Assistance	93.659	WC302	109,378	-	-	468,488

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>State/Pass Through Grantor's Number</b>	<b>Federal Direct and Pass Through Expenditures</b>	<b>State Expenditures</b>	<b>Passed-through to Sub recipients</b>	<b>Local Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>						
Direct Benefits:						
COVID-19 - Foster Care Title IV-E	93.658	2001NCFOST	45,600	-	-	-
Foster Care - Title IV-E	93.658	2001NCFOST	486,695	122,905	-	122,341
Total Foster Care and Adoption Cluster (Note 4)			1,450,382	199,331	-	1,319,820
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	93.596	WC302	220,069	-	-	-
Total Subsidized Child Care Cluster /Child Care Development Fund Cluster (Note 4)			220,069	-	-	-
Division of Social Services:						
Medicaid Cluster:						
Medical Assistance Program	93.778	WC302	5,418,709	-	-	1,922,693
Medical Assistance Program	93.778	WC302	37,227	11,116	-	26,111
Total Medicaid Cluster			5,455,936	11,116	-	1,948,804
Division of Social Services:						
Administration						
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP	294,046	914	-	58,949
Total Children's Insurance Program - N.C. Health Choice			294,046	914	-	58,949
Health Resources and Service Administration:						
Direct Program:						
COVID-19 - Provider Relief Funds - US HHS Stimulus (EMS)	93.498	HHS-29443421478	141,264	-	-	-
Total U.S. Department of Health and Human Services			13,822,159	595,371	-	6,057,750
<b>U.S. DEPARTMENT OF ENERGY</b>						
Passed Through N.C. Department of Environmental Quality						
Weatherization Assistance for Low-Income Persons	81.042	DEEE0007939	74,344	-	-	-
Total U.S. Department of Energy			74,344	-	-	-
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>						
Passed-through the NC State Board of Elections:						
HAVA Election Security Grants	90.404		252,877	-	-	-
HAVA Home Election Security Funds	90.404	NC20101001-013	128,541	-	-	-
Total U.S. Election Assistance Commission			381,418	-	-	-
<b>U.S. Department of Housing and Urban Development</b>						
Passed through N.C. Department of Commerce						
Division of Community Planning and Development						
HOME Investment Partnership Program			655	-	-	-
Total Housing and Urban Development	14.239	M-20-DC-37-0209	655	-	-	-
<b>TOTAL FEDERAL AWARDS</b>			24,393,506	602,535	2,539,038	9,788,317

**CABARRUS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>STATE AWARDS</b>						
<b>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Division of Social Services:						
Child Welfare/CPS/CS		XXXX	-	159,169	-	-
County Funded Programs		XXXX	-	-	-	3,793,941
Non-Allocating County Cost		XXXX	-	-	-	680,022
DCD Smart Start		XXXX	-	75,351	-	-
Work First Non Reimbursement		XXXX	-	-	-	2,168,836
Total Division of Social Services			-	234,520	-	6,642,799
Division of Aging and Adult Services						
Fan /Heat Program			-	1,077	-	-
Total N. C. Department of Health and Human Services			-	235,597	-	6,642,799
<b>N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY</b>						
Division of Waste Management:						
Electronics Recycling Management Funds		XXXX	-	3,079	-	-
Total Division of Waste Management			-	3,079	-	-
Division of Environmental Assistance and Customer Service						
Regional Recycling Stream Contamination Reduction		0281	-	8,600	-	2,140
Total Division of Environmental Assistance and Customer Service			-	8,600	-	2,140
Soil and Water Conservation		XXXX	-	3,600	-	-
Soil and Water Conservation - Water Quality Cost Share Grant		XXXX	-	26,880	-	214,842
Total NC Department of Environmental Quality and Natural Resources			-	42,159	-	216,982
<b>N.C. DEPARTMENT OF PUBLIC SAFETY</b>						
Division of Juvenile Justice and Delinquency Prevention:						
Juvenile Crime Prevention Programs:						
Shift Mentoring		XXXX	-	58,948	58,948	-
JCPC Admin		XXXX	-	4,251	4,251	-
Fostering Solutions		XXXX	-	38,745	38,745	-
Rowan County Youth Services		XXXX	-	37,250	37,250	-
Get Hired-Youth Employability		XXXX	-	37,000	37,000	-
Kids at Work		XXXX	-	56,299	56,299	-
Sex Offender		XXXX	-	8,906	8,906	-
Teen Court		XXXX	-	37,250	37,250	-
Teen Court Resolve Program		XXXX	-	68,329	68,329	-
Teens Together		XXXX	-	1,702	1,702	-
YDI Afterschool Academy		XXXX	-	65,032	65,032	-
YDI Family Life Skills Academy		XXXX	-	57,934	57,934	-
Cabarrus County:						
JCPC Certification		XXXX	-	15,500	-	-
Total N.C. Department of Public Safety			-	487,146	471,646	-

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Fiscal Year Ended June 30, 2021

Grantor/Pass Through Grantor/Program Title	Federal AL Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Sub recipients	Local Expenditures
<b>STATE AWARDS (continued)</b>						
<b>N.C. DEPARTMENT OF INSURANCE</b>						
Division of Seniors Health Insurance Information Program						
SHIIP Grant		XXXX	-	11,473	-	-
Total N.C. Department of Insurance			-	11,473	-	-
<b>N.C. DEPARTMENT OF CULTURAL AND NATURAL RESOURCES</b>						
Division of State Library						
ALA Census Grant			-	2,000	2,000	-
COVID19 - Grants to States - SLNC Project Grant - Internet for Students			-	71,400	-	-
State Aid to Libraries		DCR-4	-	196,499	-	3,600,052
Total N.C. Department of Cultural and Natural Resources			-	269,899	2,000	3,600,052
<b>N.C. DEPARTMENT OF ADMINISTRATION</b>						
Veterans Service Grant		VA 2021	-	2,084	-	299,740
Total N.C. Department of Administration			-	2,084	-	299,740
<b>N.C. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>						
NC Agriculture Development and Farmland Preservation Trust Fund Grant						
Barrier Farm - Protect Farmland Easement		16-030-4020	-	54,000	-	-
Hill Farm - Perpetual Conservation Easement		17-095-4033	-	99,000	-	-
Total N.C. Department of Agriculture and Consumer Services			-	153,000	-	-
<b>N.C. DEPARTMENT OF PUBLIC INSTRUCTION</b>						
Public School Building Capital Fund						
Lottery proceeds			-	2,300,000	-	-
Total N.C. Department of Public Instruction			-	2,300,000	-	-
<b>TOTAL STATE AWARDS</b>			-	3,501,358	473,646	10,759,573
<b>TOTAL FEDERAL AND STATE AWARDS</b>			\$ 24,393,506	\$ 4,103,893	\$ 3,012,684	\$ 20,547,890

**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, 2021. 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, Special Children adoption Fund, Subsidized Child Care.