

June 1, 2026

Addressing Budget Myths

Board of Education Meeting

*Dr. John Kopicki, Superintendent
Phillip Penn, Chief Financial Officer*

○○○○○○
@ccabccoschools

In a few minutes, I'm going to ask the Board to adopt an interim budget resolution for the 2026-27 year. I'll also explain why we're doing that and give you the statutory reference that allows for it.

Before we do that, however, I think it's important to correct some information that been shared with the Board via email and posted on social media. I'm choosing to do that because I think the public needs to be aware of the truth, and because certain individuals have chosen to sully the reputation of the Finance team, many whom are at the back of this room right now. I'm choosing to give them a voice tonight, because they've more than earned that.



Budget and Variance Analysis: Three Critical Factors

- **Context**
- **Process**
- **Details**

As I think I shared with you in a recent meeting, I've been doing budgets since 1992, so for 34 years. One of the great lessons I've learned about studying someone else's budget is that there are three critical factors needed to analyze a budget correctly. Context. Process. And details. Without a solid grounding in all three of these, the analysis will be deeply flawed, which I believe I am about demonstrate.

Unfamiliarity with any of these, either intentionally or unintentionally, will result in a flawed analysis.

@cabcoschools

2



Understanding Our Budget Templates

Tips to fill out your request:

- **Be Specific:** When you fill out the request, be as specific as possible. For example, if you are requesting a new computer, specify the make, model, and quantity.
- **Justify the Request:** Explain why you need the item and how it will be used. This helps the Finance team understand the need and make a decision.
- **Be Realistic:** Consider the school's budget and the availability of funds. Make sure your request is reasonable and achievable.
- **Be Timely:** Submit your request well in advance of the school year to allow for processing and approval.
- **Be Clear:** Use clear, concise language and avoid jargon. Make sure your request is easy to understand.

Financial Data Summary			
Category	Amount	Unit	Total
Instructional Materials	2,100.00	100	210,000.00
Professional Development	1,500.00	100	150,000.00
Technology	3,000.00	100	300,000.00
Facilities	4,000.00	100	400,000.00
Food Service	5,000.00	100	500,000.00
Transportation	6,000.00	100	600,000.00
Utilities	7,000.00	100	700,000.00
Insurance	8,000.00	100	800,000.00
Security	9,000.00	100	900,000.00
Other	10,000.00	100	1,000,000.00
Total	45,000.00	4,500	4,500,000.00

Let's start with a grounding in how our budget templates work. Each of 60 schools and departments are given a template to complete and send back to the Finance team. The template has three sections. The first has detailed instructions on how to complete the template. The second, for schools, has instructional supplies and materials, and for departments, continuation requests. And lastly, a third section that covers any new budget requests that would be part of an expansion request or the capital budget.

Request Form - Department			
Category	Amount	Unit	Total
Instructional Materials	2,100.00	100	210,000.00
Professional Development	1,500.00	100	150,000.00
Technology	3,000.00	100	300,000.00
Facilities	4,000.00	100	400,000.00
Food Service	5,000.00	100	500,000.00
Transportation	6,000.00	100	600,000.00
Utilities	7,000.00	100	700,000.00
Insurance	8,000.00	100	800,000.00
Security	9,000.00	100	900,000.00
Other	10,000.00	100	1,000,000.00
Total	45,000.00	4,500	4,500,000.00



Understanding Our Budget Templates

Tips to fill out your request:

Schools should seek input and guidance from school improvement teams (SIT) when compli

For Informational Purpose Only: This information is provided to help you see your buc

Input from Requester: This is your opportunity to request items needed that are outside

Does this Support the Strategic Plan? All requests must align with the District Strategic I

Strategic Priority: Which Strategic Priority does the request support - use the Drop Down Box to answer.

Briefly, how does this apply to the Strategic Plan? Give a brief description of how the request applies to the Strategic Plan.

Type of Request: Use the Drop Down Box to answer -

Operational Expansion - includes staff development, subscriptions, supplies, etc. Does NOT include salaries or positions

Capital - includes equipment, furniture, etc. with a cost of \$5,000 or greater per item.

Technology - includes computers, TV's, software, etc.

Brief Description of Request: Give a brief description of the item being requested.

Amount Requested: An estimated cost of the item being requested.

One-Time Cost? Most requests are a one-time cost except for subscriptions and software that are multi-year. Use the Drop Down Box to answer.

Notes: Free form space to notate anything that you think Finance may need to know about your request.

In the instructions, the principal or department head is given an opportunity to request items that would not be covered by their instructional supplies or mileage reimbursement. However, as you'll also see here, there are a series of questions that need to be answered when adding something to the template.

@cabcoschools

4



@cabcoschools

Understanding Our Budget Templates

On slide 5, you'll see how the last two fiscal years of data are presented.

Account Code Name	Account Code	For Informational Purposes			
		Budget	Expenses	Budget	Expenses
Computer Software & Supplies	2.5110.061.418.304.000.00.0	-	320.00		
Field Trips	2.5110.061.333.304.000.00.0	-	-		3,796.10
Furniture And Equipment - Inventoried	2.5110.061.461.304.000.00.0	-	1,239.32		426.93
Computer Equipment - Inventoried	2.5110.061.462.304.000.00.0				13,303.89
Copier & Duplicate Costs	2.5110.061.315.304.000.00.0	-	13,573.33		50,741.18
Supplies And Materials	2.5110.061.411.304.000.00.0	66,114.00	40,465.64	70,086.00	301.89
Mileage Reimbursement	2.5110.812.332.304.000.00.0	1,550.00	1,045.52	1,566.00	
Total		67,664.00	56,643.81	71,652.00	68,569.99



@cabcoschools

5

○○○☒○○○@cabcoschools

Understanding Our Budget Templates

What are your needs above what is allotted in your Instructional Supply and Mileage Reimbursement?				Input from Requester			Notes	Finance Notes
School	Does this Support the Strategic Plan?	Strategic Priority	Briefly, how does this apply to the Strategic Plan?	Briefly, how does this relate to your SIP strategy?	Budget Requested	Planned Time		
11 Area Elementary	Yes	1 Student Veterans	implemented and validated a comprehensive Multi-Tiered System of Support to respond to student needs (behaviorally, academically, and socio-emotionally)	By May 2026, ATA will increase reading proficiency across targeted grade levels (K, 1, 2, 4, and 5) as measured by the DEBELS and MC EOG Reading assessments Kindergarten will increase from 73% to 85%; 1st Grade will increase from 73% to 80%; 2nd Grade will increase from 60% to 65%; 4th Grade will increase from 60% to 65%; 5th Grade will increase from 55-7% to 60%;	80,000	1 year	As a school that has historically had a position in this position via Title Funding of ESSEF funds, the position is critical to the effectiveness of the MTSS system and structure. This is the first year we have not had ODE position in this role and it has been difficult. We have multiple people adding components of the MTSS to the position and it is difficult to have it funded consistently in FY23	Currently has an MTSS coach and is looking to have it funded consistently in FY23

And, on slide 6, you'll see how the request for new items gets completed. Schools and departments are asked to make these requests as detailed as possible, and every single one of them gets reviewed in detail in the budget meetings we have with principals and department heads. This is the third year we've used this template, and it has proven to be a highly effective way of ensuring that asks align to strategic priorities.

@cabcoschools

6


 @cabcoschools



With that as background, let's move to slide 7, where I've added the verbatim comments that were received from one commissioner through email. The claim is that we can save between \$4 and \$6 million per year by rightsizing the budgets for supplies and materials. Rubbish. [Follow first two rebuttal points]

Supplies, Mileage

Departments consistently and workshops. You have not finalized you previous years show the same pattern. This of your departments. Right-sizing those line recurring savings of \$3.93M to \$6.03M. I at departments (and I believe you've seen the when only \$3,226 was spent in FY 25), but budget spreadsheet. Screenshot below for

The second point raised is that we have a \$90,000 contingency account in the Superintendent's budget area, and the commissioner is questioning why it was increased from \$45,000 the prior year.

[Follow third rebuttal point]

In addition to that, as you are all well aware, we are not sitting on a \$97 million unassigned fund balance like the County is (and we'll talk more about that later). Our fund balance fell out of compliance with our policy at the end of the 2024-2025 year for reasons that are well documented in the reports I shared with the Board at that time. This contingency account serves as a key buffer to what could go wrong in the upcoming year, and I think it would be a very risky move to reduce or eliminate it until the fund balance is back on better footing.

Missing Context:

- We intentionally froze spending in supplies, mileage, travel and workshops in December 2024 because of the budget challenges we had identified at that point in the year.
- Most of the supplies covered by the Local operating budget are for schools, from which they have to cover a wide array of expenses, including copier leases. Others include custodial and shop supplies for FMD and Transportation.
- The \$90,000 is the only contingency account we hold in the Local operating budget. Contingencies, by definition, can't be easily predicted. What was spent the year prior was irrelevant. The \$90,000 reflects what had been one-tenth of one percent (.001) of the budget, and the approximate cost of a social worker. This is especially true given the current status of our fund balance.

@cabcoschools

7



@cabcoschools



On slide 8 I've added verbatim comments around membership dues.

[First two bullet points]

In addition, in the Superintendent's contract he has two required memberships and is encouraged to maintain memberships in others. If you don't see the linkage between schools and the rest of the community, you aren't looking hard enough.

[Last bullet point] So I appreciate the commissioner's efforts to point out what we already said we were going to do four weeks ago.

Membership Dues

My departments have multiple membership dues and fees. I believe you have seen the Rotary membership taxpayers recommend you consider setting a policy that allows for a different level of staff, and capping either the amount or tips. For instance, capping cabinet level and above to members to one or less.

Missing Context:

- Most of the memberships we hold enable us to take advantage of professional development at discounted rates vs. non-members; further, these are primarily district memberships, not individual ones.
- Other memberships enable us to be more integrated into key developments within Cabarrus County that have an impact on the school system.
- We had already identified \$143,000 in membership reductions during the May 4 Board of Education meeting.

@cabcoschools

8



@cabcoschools



This one is a bit confusing, but I think the commissioner is saying we could generate \$6.9 million a year in saving by freezing administrator salaries. However, our total salary pool for administrators is only \$16 million, including all the principals and assistant principals. You would have to lay off 45% of that entire group to hit that savings level within a year.
[Follow remaining three bullets]

Salary Freezes/RIF

But let's go a bit deeper into how salaries are funded.

Consider salary optimization by keeping admin, coordinators, and director pays completely flat (adhering to required adjustments dictated by the state). Using this approach, you could potentially pay for teachers, EC, and speech raises that would completely offset this. I understand this may be tricky considering how you currently top-load state funded requests – but it is worth looking into. The numbers are maximum savings of \$6.94M, recurring, but again – some of this is dependent on what the state requires and how you request funds. See screenshot – this is not a recommendation, just an example – since the state budget is supposedly going to cover a lot of this (will offset other costs further).

	Proposed Raise	Additional Cost	Notes
Teachers + EC + 215 FTE	2.5%	\$790k	Direct Student Facing priority
Instructional Support	3.0%	\$135k	Direct Student Support roles
Non-Funded	—	\$395k	Fully covered by savings
Coordinators	0%	\$0	Pay remains completely flat

Missing Context:

- The total salary value of the salaries of all administrators, coordinators, directors, principals and assistant principals is \$15.6 million. To save \$6.9 million per year would require a RIF (reduction in force) of 45% of that staff, or 74 people.
- Coordinators have mandated State salary schedules and required legislative increases; they are not optional or subject to local discretion.
- Freezing district-level administrators would put us well below market compared with neighboring districts.
- We ~~directly~~ ^{indirectly} ~~optimize~~ ^{maximize} the use of State funds, particularly with respect to position allocations at ccbcoschools.



Salaries are paid in accordance with state salary tables. You see the ones here setting base salaries for principals and assistant principals. They are matrices of size of school, performance and educational achievement.

Understanding State Salary Tables

PRINCIPAL SALARY
(Monthly Schedules)
FY 2025-26
Effective July 1, 2025

ADM Range	Schedule/ Pay Level	Base Monthly Salary	Schedule/ Pay Level	Growth Met Monthly Salary	Schedule/ Pay Level	Growth Exceeded Monthly Salary
up to 200	B0	\$6,482.67	G0	\$7,130.83	E0	\$7,779.17
201 to 400	B1	\$6,806.75	G1	\$7,487.42	E1	\$8,168.08
401 to 700	B2	\$7,130.83	G2	\$7,844.00	E2	\$8,557.08
701 to 1,000	B3	\$7,455.08	G3	\$8,200.50	E3	\$8,946.08
1,001 to 1,600	B4	\$7,779.17	G4	\$8,557.08	E4	\$9,335.00
over 1,600	B5	\$8,103.25	G5	\$8,913.58	E5	\$9,723.92

PRINCIPAL SALARY
(Annual Schedules)
FY 2025-26
Effective July 1, 2025

ADM Range	Schedule/ Pay Level	Base Annual Salary	Schedule/ Pay Level	Growth Met Annual Salary	Schedule/ Pay Level	Growth Exceeded Annual Salary
up to 200	B0	\$77,792	G0	\$85,570	E0	\$93,350
201 to 400	B1	\$81,681	G1	\$89,849	E1	\$98,017
401 to 700	B2	\$85,570	G2	\$94,128	E2	\$102,685
701 to 1,000	B3	\$89,461	G3	\$98,406	E3	\$107,353
1,001 to 1,600	B4	\$93,350	G4	\$102,685	E4	\$112,020
over 1,600	B5	\$97,239	G5	\$106,963	E5	\$116,687

ASSISTANT PRINCIPALS
SALARY SCHEDULE
FY 2025-26
Effective July 1, 2025

Years of Exp	Assist. Principals (MASTER)		Assist. Principals (ADVANCED)		Assist. Principals (DOCTORATE)	
	10	10	10	10	10	10
	Annual Salary (10 months)	Annual Salary (10 months)	Annual Salary (10 months)	Annual Salary (10 months)	Annual Salary (10 months)	Annual Salary (10 months)
0	\$4,879	\$48,790	\$5,005	\$50,050	\$5,132	\$51,320
1	\$4,968	\$49,680	\$5,094	\$50,940	\$5,221	\$52,210
2	\$5,058	\$50,580	\$5,184	\$51,840	\$5,311	\$53,110
3	\$5,147	\$51,470	\$5,273	\$52,730	\$5,400	\$54,000
4	\$5,236	\$52,360	\$5,362	\$53,620	\$5,489	\$54,890
5	\$5,325	\$53,250	\$5,451	\$54,510	\$5,578	\$55,780
6	\$5,441	\$54,410	\$5,567	\$55,670	\$5,694	\$56,940
7	\$5,549	\$55,490	\$5,675	\$56,750	\$5,802	\$58,020
8	\$5,656	\$56,560	\$5,782	\$57,820	\$5,909	\$59,090
9	\$5,764	\$57,640	\$5,890	\$58,900	\$6,017	\$60,170
10	\$5,873	\$58,730	\$5,999	\$59,990	\$6,126	\$61,260
11	\$5,980	\$59,800	\$6,106	\$61,060	\$6,233	\$62,330
12	\$6,088	\$60,880	\$6,214	\$62,140	\$6,341	\$63,410
13	\$6,195	\$61,950	\$6,321	\$63,210	\$6,448	\$64,480
14	\$6,303	\$63,030	\$6,429	\$64,290	\$6,556	\$65,560
15	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
16	\$6,412	\$64,120	\$6,538	\$65,380	\$6,650	\$66,650
17	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
18	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
19	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
20	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
21	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
22	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
23	\$6,412	\$64,120	\$6,538	\$65,380	\$6,665	\$66,650
24	\$6,412	\$64,120	\$6,538	\$65,380	\$6,685	\$66,650
25+	\$6,658	\$66,580	\$6,784	\$67,840	\$6,911	\$69,110



@cabcoschools



@cabcoschools

You'll see state maximums here for other administrators, with the decision made locally where the position should fall.

Anything above the state maximum must be paid via local funds.

You wouldn't get anyone to do these jobs at the cabinet level for the state max only.

Understanding State Salaries

FY 2025-26 Salary Schedules
CENTRAL OFFICE ADMINISTRATOR SALARY RANGES
ASSOCIATE SUPERINTENDENTS, ASSISTANT SUPERINTENDENTS,
DIRECTORS, SUPERVISORS, COORDINATORS AND FINANCE OFFICERS
Effective July 1, 2025

Classification	Maximum Monthly Salary
School Administrator I	\$7,573
School Administrator II	\$8,024
School Administrator III	\$8,502
School Administrator IV	\$8,834
School Administrator V	\$9,187
School Administrator VI	\$9,731
School Administrator VII	\$10,120

NOTES:

1. Salary determinations shall be made by the local board of education within the salary range which corresponds to the School Administrator assignment.
2. ADD \$126 per month for an appropriate advanced license.
3. ADD \$253 per month for an appropriate advanced license and an earned doctorate
4. The range maximums do not include advanced (\$126) or doctoral (\$253) monthly supplements.

NOTE: FINANCE OFFICERS

1. State Board Policy FMO-000 requires the State Board of Education shall classify the finance officers in terms of uniform pay grades include the salary schedule of the State Human Resources Commission
2. The salary of the finance officer is aligned to the Accounting Director I and II
3. Pay Grade Minimum NC24 (\$82,011)
4. Maximum pay grade NC25 (\$188,429)
5. The maximum salary paid from State Funds shall not exceed the maximum allowable per legislation paid for the superintendent at the Local Education Agency.



@cabcoschools



@cabcoschools

And lastly, the state maximum funding for the superintendent.

That State max is \$162K for running a top-12 sized district in the State.

Understanding State Salaries

FY 2025-26 Salary Schedules
SUPERINTENDENT SALARY RANGES
Effective July 1, 2025

Classification	Maximum Monthly Salary
Superintendent I (Up to 2,500 ADM)	\$10,727
Superintendent II (2,501 - 5,000 ADM)	\$11,366
Superintendent III (5,001 - 10,000 ADM)	\$12,049
Superintendent IV (10,001 - 25,000 ADM)	\$12,773
Superintendent V (Over 25,000 ADM)	\$13,541

Notes:

1. Salary Assignment: Superintendents are paid within salary ranges determined by the ADM of the local education agency (LEA) to which they are assigned. ADM is based on the higher of the best one of the first two months projected ADM, or the best one of the first two months prior year actual ADM. Placement within the ADM salary ranges is determined by the local board of education.
2. ADD \$126 per month for an advanced superintendent's certificate (AS).
3. ADD \$253 per month for an advanced superintendent's certificate based on an earned doctorate degree (DAS).
4. The range maximums do not include advanced (\$126) or doctoral (\$253) monthly supplements.



@cabcoschools

12



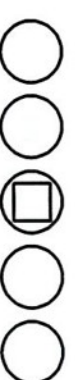
@cabcoschools

So How Are CCS Administrators Paid?

- We have a total of 173 administrators in CCS.
- Of those, 134 (84%) are principals or assistant principals working in our 44 schools. Within that group, 85% of the funding for their salaries come from the State; the remaining 15% are certified supplements that are required to be paid from Local funds.
- 39 are administrators that work in Central Office. That group includes all the cabinet members, assistant superintendents, directors and coordinators.
- The average salary for this group is \$142,296; the average locally-funded portion of the salary is \$119,183. The remainder comes from State, Federal and other funding sources, like the School Nutrition Program and Kids Plus.

@cabcoschools

13



@cabcoschools



This is the first example where lack of knowledge of our budget process caused a deeply flawed analysis.

[Follow bullets]

MTSS Positions

There are some line items (for example MTSS Staff) that was previously funded by grants, but it is not clear to me why they have been shifted to local funding. The request is not clear to me, and the MTSS specifically appears to be allocated across multiple budgets. This seems to be a major expansion request across multiple schools that likely needs an explanation. See screenshot.

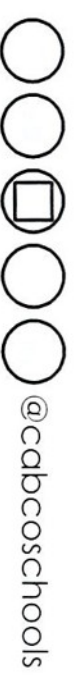
Finance Notes
Currently has an MTSS coach and is funding through title 1 or an allotment but would like to have it funded differently in FY27

Missing Context and Process:

- This is an expansion request made by one of the schools. The entry clearly says the position is currently paid for by Title I funds.
- Several schools, elementary in particular, would like to see funding restored for MTSS positions.
- **The position was not added to the Local Operating budget and was not included in the expansion requests.**

@cabcoschools

14



Slide 11 has the second example where lack of knowledge of process caused a flawed analysis.

[Follow bullets]

Finance Notes

Some line items appear to be duplicated across departments. This may be because of how you allocate across the district, but I can find a few that appear to be a double-up. See screenshot from AT Allen, indicating the double-up. Recommend an audit to ensure no duplication.

This request is included on Sarah Reeves budget spreadsheet and has been mentioned multiple times by other schools.

Missing Process:

- As we go through the 60 meetings with each school and department, we often make notes to ensure nothing gets duplicated, or any required follow-up takes place. This is also why we have all central office departments participating in the meeting, to chime in on any conflicts.
- As we start to aggregate all the information, we go back through the notes to make sure all the follow-up items were completed. **There was no double up.**

@cabcoschools

15



[Follow bullets]

And thanks once again to the commissioner for pointing out something we had already planned to do since the beginning of May.

Conferences

You are spending an inordinate amount of money on Conferences. I believe they are important to identify trends in education but recommend a similar policy of limiting the amount of conferences dependent on staff level.

Missing Context:

- Inordinate is a subjective term; what benchmark data is the Commissioner using to make that assertion?
- We scale back the requested professional development as a standard practice in our budget development process.
- Several areas require professional development for their staff to maintain licenses and certifications. These include our trades people in FMD (electricians, plumbers, HVAC technicians, pesticide managers, etc.), school psychologists, counselors, social workers and bus mechanics, to name a few.
- We had already identified \$422,000 in planned professional development reductions during the May 4 Board of Education meeting.

@cabcoschools

16

○○○○○○@cabcoschools



[Follow bullets]
But let's go a little deeper on how that 700 broke down.

EC 125
Intervention or Encore
225
VEX, Robotics or AIG
200
Students in
Specialized settings
50

And oh, by the way, there was no funding at all for computers in the budget presentation the acting county manager presented. So somehow this iPad issue will get spun up to affect a lot of other kids and staff, too.

iPads

I have yet to understand the need for 1:1 iPads for K-3 students nor a sufficient explanation. When KCS was asked how this was handled for them, the response was "we have carts."

Missing Details:

- The explanation for the iPads requested in the 2026-27 budget was provided in the Appendix of our budget presentation. A screenshot appears below.
- This seems to confirm that the Commissioner never read the presentation.

18,000

Over time, many schools have purchased iPad 6 devices for various uses throughout the school. This includes iPads for robotics, student assessments in K-2, and various school-specific initiatives. These iPads are end-of-life and will no longer be operable. Elementary schools did receive 5,100 iPads in Fall 2024 for K-2 students. This proposal would replace roughly 700 iPads across our 43 schools.

@cabcoschools

17

○○○○@cabcoschools



Slide 18 just shows where in the presentation to the commissioners that note was located, on page 47.

But I guess you had to be there to know that. As a reminder, we were asked to leave the room. So we weren't there.

iPads

Appendix: Equipment Purchases w/Justification

Bus Camera System Upgrade	Transportation	\$ 850,000	Bus camera system upgrade of 288 systems for live video feed and complete replacement of 42 older systems. This will allow for our fleet of 310 cameras to have live viewing abilities and for remote downloads. Total cost for system upgrade, replacement systems, first year of cell service and cloud service \$850,000.
Staff Devices - remainder not reflected in 24-25	Technology	\$ 1,950,000	District-based staff devices are essential tools for instruction, communication, and daily operations. Teachers and instructional staff rely on them for lesson design, instructional delivery, assessment, and collaboration, while school and central office staff depend on them to operate student information, finance, HR, and other internal systems. A consistent refresh cycle is necessary to ensure equity, performance, and cost control; however, recent refresh activity has been sporadic and a significant gap: - 25 schools refreshed in 2024-25 - 22 schools refreshed in 2023-24 - 27 schools last refreshed in 2022-23 or earlier The proposal would refresh 1,500 staff devices in central office and the 22 schools last refreshed four years ago.
Student Devices (Chromebooks) - (All Schools - 2nd, 6th, 8th grades)	Technology	\$ 4,042,695	The district proposes the purchase of 8,000 Chromebooks, representing approximately one-third of the district's student devices, as part of a 3-year refresh cycle necessary to sustain equity, reliability, and learning. Chromebooks are essential for instructional delivery due to their portability, durability, and consistent updates, and enable access to digital resources, collaborative learning, and individualized learning paths. Refreshing these devices is critical to ensure that all students have access to reliable technology for learning. Modernized mobile devices enhance instructional effectiveness, support remote learning, and ensure equitable access to digital resources. The investment ensures equitable access to reliable devices, supports robust connectivity across schools, and reflects responsible long-term capital planning for district technology infrastructure.
Existing Alarm Systems - (8 Schools)	Technology	\$ 425,000	CP 7126 funding represented the first year of a multi-year project to refresh 40 cameras over a 5-year period by replacing 13 legacy systems. The proposal would refresh legacy systems for another 10 years, replacing six-year-old current legacy infrastructure to be replaced by the end of the next 4 years.
Security Cameras - (All Schools)	Technology	\$ 800,000	Continuing camera expansion and replacement of aging hardware. This also includes expanding storage capacity to meet 30-day minimum storage requirements.
Replace Outdated TVs and Interactive Displays - (All Schools)	Technology	\$ 470,000	Approximately 170 displays. Full replacement of all classroom TVs and interactive displays is estimated to cost between \$75 and \$10 million.
End of Life Pad E replacements - (All Schools)	Technology	\$ 400,000	Over time, many schools have outdated iPad E devices for various uses throughout the school. This includes pads for students, student assessments in K-2, and various administrative utilities. These pads are unreliable and will no longer be operable. Elementary schools will receive 5,100 iPads in Fall 2024 for K-2 students. The proposal would replace roughly 700 iPad E across over 43 schools.
Total		\$ 8,945,696	

47

@cabcoschools

@cabcoschools

18



@cabcoschools



This next one on Slide 19 bothers me a lot. I've already covered with you how schools and departments can request items to go on an expansion request or to the capital budget. This marquee was one of them.

[Follow bullets]

Electronic Marquee at CC Griffin

- There are what appear to be capital requests in your operational budgets across many departments. Screenshot below is from CC Griffin. I had one teacher reach out to me to try and get their classrooms painted (states 25 years old – can't confirm) but CCS is budgeting for a digital sign. I believe that is a prioritization problem. I did not calculate the totals for capital requests indicated in each operational budget, but it appears to be a consistent theme and a significant number.

Funds would be used to purchase an electronic marquee sign for the entrance of the school.	81,000	4	Yes	N/A

Missing Details:

- Had the Commissioner looked one column to the left of his screen shot, he would have realized this was a capital request (and therefore an expansion item) from the school.
- Despite what the Commissioner claimed in his social media post, this wasn't included in the **Operating budget. It wasn't included in the Expansion or Capital budget requests, either.**

@cabcoschools

19

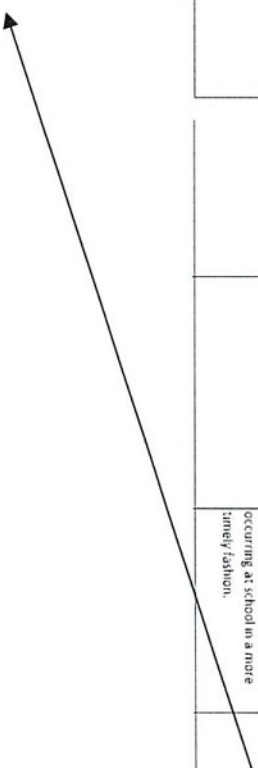


On slide 20, you see the full entry, clearly demonstrating it was a capital budget request.

Electronic Marquee at CC Griffin

Yes	Community Engagement	It aligns to community engagement, specifically a way to increase parental and community involvement.	As a result of increased family engagement through the usage of an electronic marquee, families will have access to current happenings and events occurring at school in a more timely fashion.	Capital	Funds would be used to purchase an electronic marquee sign for the entrance of the school.	81,000
-----	----------------------	---	---	---------	--	--------

Capital	Funds would be used to purchase an electronic marquee sign for the entrance of the school.	81,000
---------	--	--------



Electronic Marquee at CC Griffin

And on slide 21, you can see where things got interesting on social media with this commissioner claiming we were cutting Vex robotics and had kept the digital display in the budget.

That's pure political theater.



@cabcoschools

21

8:28

5G

<

Ian Patrick for Cabarrus

...

Q

All

Photos

Reels

Mentions

Ian Patrick for Cabarrus

I just provided the Cabarrus County School Board a summary of my budget findings. I also met with the Chair, Vice Chair, Superintendent, and Finance Director on Wednesday alongside Chair Lindsey (we meet monthly).

Overall, I believe we simply have a mindset and spending problem, not a funding problem.

Here's a perfect example:

Vex Robotics (\$66k/year) was proposed for elimination to achieve the 4.5% budget increase (which is an INCREASE in funding the BOC is prepared to fully fund, by the way, even after last year's 12.5% increase).

Yet one department is requesting \$81k for a digital display—which was kept in the budget instead of Vex Robotics (screenshots from the proposed cuts and actual budget spreadsheets).

Home

Reels

Friends

Marketplace

Notifications

Profile

8:28

5G

<

Ian Patrick for Cabarrus

...

Q

All

Photos

Reels

Mentions

Ian Patrick for Cabarrus

What does a reasonable person who cares about the children think of cutting \$66k for Vex while keeping \$81k for a digital display? Personally, I'd cut the display, not the program. I think most people would too - I'll even bet the person who proposed the display would gladly give that money to Vex. Never-mind band cuts, athletic cuts, field trip cuts, and all the other proposed student-facing cuts presented.

Like I said—it's a mindset and spending problem, not a funding one. I'm fully prepared to get yelled at Monday at the Commissioner's meeting for "not caring about education," but facts are facts and numbers are numbers.

We have an obligation to fund the schools AND protect taxpayers. We're doing both.

Home

Reels

Friends

Marketplace

Notifications

Profile

@cabcoschools

Electronic Marquee at CC Griffin

Things got even more interesting on social media when a former Board of Education candidate accused our school system of being full of filth, dirt and waste. That's charming. Come say that to me and my team in person and see what kind of response it gets you. [Hint: lawyer up first.]

Incredibly, Ed Emery then tries to set the record straight by correctly saying it was never in the budget. Ed's here tonight, and he knows something about how our school budgets work

abcoschools

22

6:45



Ian Patrick for Cabarrus
May 15 · 9

Deborah Allen · 1w · 0 by Author

Schools have become image bearers where superficially it looks good, but go deeper inside and you find the filth, dirt, and waste. Dr. Kopicki publicly stating "needs over wants?" How is this display sign a need, Mr. Superintendent? Keep at it, Ian!

Reply · 0 19

Ed Emery · 1w

Deborah Allen Expansion budget items are wants. It was denied. End of story. It is not even relevant.

Reply · 0 2

Deborah Allen · 1w

Ed Emery How is an 80K+ display sign a need, and the Vex program itself proposed to be cut? Riddle me this, Batman.

Reply · 0 1

Ed Emery · Deborah Allen · 1w

Deborah Allen the sign was on

Write a comment...



6:46



Ian Patrick for Cabarrus
May 15 · 9

Deborah Allen · 1d · 7 Auth

Deborah Allen I honestly it were as clean as Ed proposes. It simply isn't. Things get put in all kinds buckets because of fund sources and "playing with numbers." Here is a prime example of something not live in expansion. I wish it as simple as he states. It'



Currently has an M155 search and a building 001 for an ad client but would like to know if I'd like to try on 12/7

Reply · 0 2

Deborah Allen · Ian Patrick

Cabarrus not

Ian Patrick for Cabarrus

Understanding school budgets is not within my

Write a comment...



because he was part of the Finance team full time for 10 years before he retired, including his final role as assistant finance office. When he says something about school budgets, you may want to pay attention.

Incredibly though, the commissioner the doubles down with a comment that we're 'playing with the numbers.' Once again, the keyboard warrior might want to come say that to me in person, because he has zero grounds for questioning my integrity or that of any member of my team in that manner.



Final point on this before this before I move on. This is the expansion list we had in our budget presentation on page 31. The whole list.

Anyone see a marquee for CC Griffin on there? No? Double check, because I want you to be absolutely sure. Ok then.

Let me be 100% clear. Anyone who persists in saying we kept this marquee in the budget is lying to you, and you should call them out as such.

Electronic Marquee at CC Griffin Expansion Requests

2026-27 Expansion Requests

	One-Time	Ongoing	Total
<i>Student Safety</i>			
Additional School Social Workers (3)	\$0	\$244,777	\$244,777
Section 504 Specialists (3)	\$0	\$331,173	\$331,173
Radios for bus fleet (replace cell phones)	\$63,000	\$55,000	\$118,000
<i>Student Learning and Engagement</i>			
Additional Spanish language interpreter	\$0	\$62,000	\$62,000
Math curriculum (remainder of grade levels)	\$1,250,000	\$0	\$1,250,000
<i>Teacher Compensation</i>			
Increase certified supplement for teachers to 14.00%	\$0	\$1,848,000	\$1,848,000
<i>Districtwide Efficiency</i>			
Document automation software, district license	\$0	\$89,000	\$89,000
<i>IT/Network Security</i>			
Additional IT technician	\$0	\$71,352	\$71,352
Additional network security software	\$0	\$20,280	\$20,280
Totals	\$1,313,000	\$2,721,582	\$4,034,582

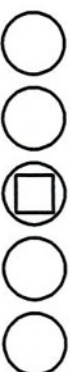


@cabcoschools

23

31

@cabco



@cabcoschools

[Follow three bullets]

Thanks again for
confirming what we
already said we were
going to do a month ago.

Software

- Your software costs appear to be oversized for your needs. I have personal experience with my children in this arena – with some teachers using powerschool, some canvas, and some completely different programs. The up-shot is that parents can't hold their own children accountable when trying to ensure their children are completing their assignments. Recommend consolidation and policies on required programs. I think you would be surprised about the software expansion asks in this budget compared to previous years. Let me know if you want me to total it.

Missing Context:

- 'Appear to be' is a subjective term, not a quantitative one. I'd question what IT or education expertise the Commissioner has to determine what the software needs of a large school system are.
- The two most targeted industries for network intrusion and fraud are healthcare and government, more specifically PK12 school systems; they are perceived as soft targets.
- We had already tasked the IT area with a planned \$150,000 reduction in their software costs in the May 4 Board of Education meeting.

@cabcoschools

24

○○○☒○○○@cabcoschools



[Follow three bullets]

Text Messages

This one regarding text messages actually made me laugh. Industry

standard is 4.5 cents a

text. Industry standard

from when, 2013?

[Follow three bullets]

Worth \$450,000

- I can't find the line item specifically, but the texts the district sends would

certainly be a cost savings. Industry standard is about 4.5 cents per text (i.e. per phone). I receive about 3-4 texts from the school weekly that also show up as emails, as does my wife. Consider an opt-out feature (depending on your subscription package) and even eliminating them completely.

Missing Details:

- You can't find the line item **because it doesn't exist.**
- We pay a flat annual fee for our communications platform, ParentsSquare. There is no charge for each individual text. The default communication method is a message through the ParentsSquare app, but we have sent more than 10 million so far this year.
- **Parents already can opt out of text messages.**

@cabcoschools

25

○○○○○○@cabcoschools



[Follow first two bullets]

Duties of the school treasurer as laid out in statute.
Explains why they are 12-month roles.

...And hope we don't have a lot of crime in those other two months.

Reducing 12-Month Roles

You may want to consider converting some 12-month roles (non-student-f month roles. 15-40 of these positions could net you a recurring savings of \$80-220K a year these positions (like facility maintenance) are needed year-round. I did not do a full assess generalized one.

However, in the spirit of negotiation, I'm prepared to make an offer regarding my own salary that I'll share with Dr. Kopicki in the next few days that he can then relay to the Board.

Missing Context:

- For Finance and several other departments, the months of June and July are our two busiest ones of the year.
- Some roles, such as school treasurer, are required to be 12-month positions because of the nature of their work – see the statutory reference below.
- There's no actual analysis attached to this. It's tantamount to arbitrarily saying we can reduce some of our sheriffs to 10- and 11-month positions.

§ 115C-148. Special funds of individual schools.

(a) The board of education shall appoint a treasurer for each school within the local school administrative unit that handles special funds. The treasurer shall keep a complete record of all moneys in his charge in such form and detail as may be prescribed by the finance officer of the local school administrative unit, and shall make such reports to the superintendent and finance officer of the local school administrative unit as they or the board of education may prescribe. Special funds of individual schools shall be deposited in an official depository of the local school administrative unit in special accounts to the credit of the individual school, and shall be paid only on checks or drafts signed by the principal of the school and the treasurer. The board of education may, in its discretion, waive the requirements of this section for any school which handles less than three hundred dollars (\$300.00) in any school year.

@cabcoschools

26



@cabcoschools



Over the next few slides, I want to walk you through a timeline of me delivering requested information to this same commissioner.

It starts with this rather immature FB post at 5:19 pm on Tuesday May 5.

It's more about clicks and likes than telling the whole truth.

Delivery of Requested Information



@cabcoschools

27

○○○○○@cabcoschools



I was sent the request on Tuesday 4/28 at 8:22 pm.

Budget information request

KS Kelly Siford <KFSiford@cabarruscounty.us>

To: Philip Penn; Jonathan Weaver

Cc: Kyle Blafar; Todd Shanley; Aleece Pugh; Reeth Khatri; Annadine Oliveira; Sheila Bruce

This sender KFSiford@cabarruscounty.us is from outside your organization.

You replied to this message on 4/29/2016 10:03 AM.

Reply Reply All Forward

Tue 4/29/2016 8:22 PM

Cabarrus County Schools - CAUTION:

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe!

Hi Phil,

Could you please provide a line item budget for the proposed FY '27 request? I have a request from the BOC for it to include operations, continuation, capital, and reserves information. Essentially the entire budget in excel format.

Thanks
Kelly

@cabcoschools

28

@cabcoschools



Delivery of Requester

On Wednesday I exchanged some clarifying information with the ACM and indicated I would have it Thursday.

RE: Budget information request

Phillip Penn
To: Kelly Sifford; Jonathan Weaver; John Kopicki
Cc: Kyle Blafar; Todd Shanley; Aleece Pugh; Rosh Khatri; Ariadne Oliveira; Sheila Bruce; John Kopicki; John LeGrand

☺ ↩ Reply ↶ Reply All → Forward 📎 ⋮
Wed 4/29/2026 10:38 AM

Thanks. To us continuation is keep the lights on.

I'll have this for you tomorrow morning. I'll also include our fund balance policy so they have that context.

From: Kelly Sifford <KFSifford@cabarruscounty.us>
Sent: Wednesday, April 29, 2026 10:33 AM
To: Phillip Penn <Phillip.Penn@Cabarrus.k12.nc.us>; Jonathan Weaver <jaweaver@cabarruscounty.us>; John Kopicki <John.Kopicki@Cabarrus.k12.nc.us>
Cc: Kyle Blafar <KDBlafar@cabarruscounty.us>; Todd Shanley <TMShanley@cabarruscounty.us>; Aleece Pugh <apugh@cabarruscounty.us>; Rosh Khatri <rkhatr@cabarruscounty.us>; Ariadne Oliveira <adolivera@cabarruscounty.us>; Sheila Bruce <SKBruce@cabarruscounty.us>; John Kopicki <John.Kopicki@Cabarrus.k12.nc.us>; John LeGrand <John.LeGrand@Cabarrus.k12.nc.us>
Subject: RE: Budget information request

Cabarrus County Schools - CAUTION:

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe!

He is using the terminology we use for our continuation budget, I think. It is what we call "the keeping the lights on" version of operations for the year. It shows the same service level with only inflationary increases, no expansion in the service level. Does that make sense? I think yes, the Board is trying to see the budget holistically, reserves and all.

Kelly F. Sifford, AICP
Interim County Manager

@cabcoschools

○○○📧○○○@cabcoschools



Delivery of Request

I actually sent it to County staff at 8:51 am on Friday 5/1.

RE: Budget information request

PP Phillip Penn
To: Kelly Siford; Jonathan Weaver; John Kopicki
Cc: Kyle Blaser; Todd Sharley; Aalece Pugh; Rosh Khatri; Anadine Olivera; Sheila Bruce; John Kopicki; John LeGrand

2026-27 Budget Excel Versions.xlsx 31 KB Policy 8101 - Fund Balance.pdf 55 KB

Good morning,

Attached is the Excel file that ties to the budget presentation we submitted. There are three tabs, one for continuation, one for expansion and one for capital. The unassigned fund balance is at the bottom of the continuation tab. I'm also attaching our policy regarding fund balance for context, since we are currently below the target level.

Thanks,
Phil

☺️ ↩️ Reply ⏪ Reply All ➡️ Forward 📎 ⋮
Fri 5/1/2026 8:51 AM

@cabcoschools

30

○○○◻○○○@cabcoschools



I was sent an email at 6:53 am on Saturday 5/2 that I did not see until Sunday evening.

Fw: Budget information request

 Kelly Siftord <KFSiftord@cabarruscounty.us>
To: Philip Penn; John Kopicki

 This sender KFSiftord@cabarruscounty.us is from outside your organization.

 You forwarded this message on 5/5/2026 1:06 PM.

	3 KB		393 bytes		3 KB		463 bytes
	3 KB		463 bytes		3 KB		463 bytes

Cabarrus County Schools - CAUTION:

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe!

Please see Ian's message. I will send you a copy of what we did for reference in a separate email.

Get Outlook for Android

From: Commissioner Ian Patrick <IWPatrick@cabarruscounty.us>

Sent: Saturday, May 2, 2026 1:13:11 AM

To: Kelly Siftord <KFSiftord@cabarruscounty.us>

Cc: Ariadne Olivera <aolivera@cabarruscounty.us>; Sheila Bruce <SKBruce@cabarruscounty.us>; Todd Shanley <TMShanley@cabarruscounty.us>; Kyle Bilafer <KDBilafer@cabarruscounty.us>; Aalece Pugh <apugh@cabarruscounty.us>; Commissioner Laura Lindsey <LLindsey@cabarruscounty.us>

Subject: Re: Budget information request

Kelly,

Thank you for requesting this, but CCS is not providing sufficient data for me to review. These are top line totals, I'm looking for the full picture - every line item broken down.

@cabcoschools

31

 @cabcoschools



Delivery of Request

After compiling the second request on Monday 5/4, I sent a follow up email to the ACM at 5:22 asking if the material was better in an email, or thumb drive.

RE: FY 27 Line Item Budget

 Phillip Penn
To: Kelly Siftord
Cc: John Kopicki

Kelly,

It looks like I will be providing a total of 64 Excel files tomorrow. I can either try to send that through in a single email (I believe in total they should be under the email size limit), or I can drop off a thumb drive.

Let me know which one would be easier for you to work with.

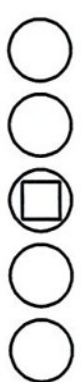
Thanks,
Phil

From: Kelly Siftord <KFSiftord@cabarruscounty.us>
Sent: Saturday, May 2, 2026 7:00 AM
To: Phillip Penn <Phillip.Penn@Cabarrus.k12.nc.us>
Cc: John Kopicki <John.Kopicki@Cabarrus.k12.nc.us>
Subject: FW: FY 27 Line Item Budget

  Reply  Reply All  Forward  

Mon 5/4/2026 5:22 PM

@cabcoschools

 @cabcoschools





Deli drive.

At 8:21 pm that evening, the ACM requested a thumb

RE: FY 27 Line Item Budget

 Phillip Penn
To: Kelly Sifford

OK. Headed your way with the thumb drive now.

From: Kelly Sifford <KFSifford@cabarruscounty.us>
Sent: Monday, May 4, 2026 8:21 PM
To: Phillip Penn <Phillip.Penn@Cabarrus.k12.nc.us>
Subject: Re: FY 27 Line Item Budget

Cabarrus County Schools - CAUTION:

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

If u can provide drive, I can get it to zip them.

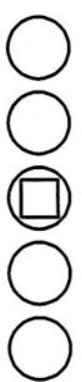
Get [Outlook for Android](#)

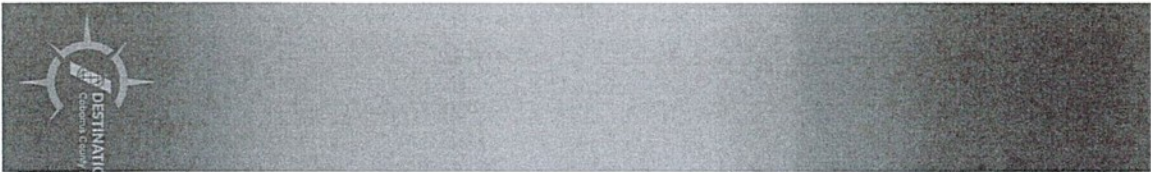
The time stamp on my email indicating I was on the way to the County office with the thumb drive was 11:28 am on Tuesday 5/5. That was roughly six hours BEFORE the Facebook post.

 
5:11:28 AM

Anyone is welcome to ask me for any financial information, and I'll provide it to them. But if you're going to start making childish comments on Facebook, at least tell the whole story.

@cabcoschools

 @cabcoschools



What's the Financial Position of

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

FUND BALANCES	Major		
	General	County Capital Projects	CARES Act Relief
Nonspendable:			
Inventories	351,392	-	-
Prepaid items	369,504	-	-
Restricted:			
Stabilization by state statute	18,339,213	5,196,810	5,168
Register of Deeds Automation & Enhancement	-	-	-
Emergency Telephone 911	-	-	-
Public Safety	14,390,403	-	-
Community Development programs	-	-	-
Soil & Water programs	-	-	-
Culture and recreation	-	14,918,953	-
School debt & construction	7,448,433	-	-
Cabarrus Arena & Events Center	-	-	-
Human Services	780,554	6,185,110	-
Committed:			
Community Investment Fund	125,103,521	-	-
General government	2,045,000	-	-
Public safety	47,191	-	-
Economic & physical development	6,431,215	-	-
Human services	146,328	-	-
Education	-	-	-
Culture & recreation	-	-	-
Assigned:			
General government	8,483,554	-	-
Public safety	2,168,774	-	-
Economic and physical development	196,275	-	-
Human services	136,000	-	-
Culture & recreation	11,500	-	-
Unassigned	97,600,607	(49,352,971)	(5,168)
Total fund balances	304,049,765	84,340,781	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 341,651,891	\$ 106,028,136	\$ 5,103

@cabcoschools

I promise I'm near the end. Somewhere in the last four or five weeks, the justification I heard for the 4.5% cap on CCS funding was 'it's what the county can afford.' I don't recall any empirical analysis being shared with the public on tax affordability. I do know some candidates ran or were appointed on the promise of keeping taxes flat, but that's not quite the same thing.

Let's start here on slide 30 with a look at the County's fund balance at June 30, 2025. Many times you're heard me describe the fund balance as a savings account. And the most valuable part of that is the unassigned fund balance, here, for the county, at \$97.6 million. But also look at the \$38.3 million at the top of the page that says stabilization by state statute. Sometimes that's referred to as RSS, restricted by state statute. That will become important in a few minutes.

(((@cabcoschools

What's the Financial Position of the County: Expenses

Cabarrus County's Net Position
Figure 3

	Governmental		Business-Type		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	\$ 30,775,810	\$ 31,607,919				
Operating Grants and contributions	53,792,093	57,490,120				
Capital grants and contributions	3,146,955	4,638,189				
General revenues:						
Property taxes	286,497,627	247,980,521	-	-	286,497,627	247,980,521
Local option sales tax	91,171,277	78,840,133	-	-	91,171,277	78,840,133
ABC revenues	923,766	251,567	-	-	923,766	251,567
Other taxes and licenses	1,049,296	1,489,009	651,720	672,412	1,701,016	2,161,421
Investment earnings	20,898,297	18,674,663	317,191	341,223	21,215,488	19,015,886
Miscellaneous	3,516,168	1,413,186	17	5,118	3,516,185	1,418,304
Total revenues	491,771,289	442,385,307	2,523,205	2,350,362	494,294,494	444,735,669
Expenses:						
General government	48,601,377	42,508,821	-	-	48,601,377	42,508,821
Public safety	111,420,584	88,195,570	-	-	111,420,584	88,195,570
Economic and physical development	5,581,255	10,414,324	-	-	5,581,255	10,414,324
Environmental protection	266,924	47,747	-	-	266,924	47,747
Human services	71,740,203	63,929,878	-	-	71,740,203	63,929,878
Education	160,280,313	146,234,198	-	-	160,280,313	146,234,198
Culture and recreation	12,898,809	11,096,890	-	-	12,898,809	11,096,890
Interest and other charges	17,259,677	15,761,744	-	-	17,259,677	15,761,744
Landfill	-	-	2,575,993	2,050,463	2,575,993	2,050,463
Total expenses	428,049,142	378,189,172	2,575,993	2,050,463	430,625,135	380,239,635
Change in net position before transfers	63,722,147	64,196,135	(52,788)	299,899	63,669,359	64,496,034
Transfers	(740,478)	(1,553,400)	740,478	1,553,400	-	-

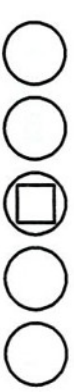
On slide 35, you'll see total county expenses in 2024-25 for government activities of \$428 million.

Total expenses for 2025 \$428 million.



@cabcoschools

35



@cabcoschools

So how do
fund balance
and annual
expense fit
together?

Maintaining Debt Ratings

OR TO APPROPRIATE AS
REVENUE IN A FUTURE
YEAR

- Generally, want to hold an unassigned fund balance of roughly 15% of the prior fiscal year's expenses to maintain a AAA debt rating = roughly \$62 million.
- \$97 million unassigned fund balance - \$62 million debt rating reserve = \$35 million excess available for capital projects, or to appropriate as revenue in a future fiscal year.
- But what about that other \$38 million that was restricted?



What's the Financial Position of the County?

There's the \$62 million at the bottom for fund balance for debt ratings.

And there again at the top is that RSS amount of \$38.3 million. What does that come from?

Restricted Fund Balance

Classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

created 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 if 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. 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 statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred fees 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 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 expendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the fund balance sheet. For the fiscal year ended June 30, 2025, \$38,339,213 was related to the General Fund and \$53,963,405 was for County Capital Projects Fund, 3,057 for CARES fund, \$731,163 for Opioid fund and \$597,247 for other non-major funds.

Total fund balance - General Fund	\$	304,049,765
Less:		
Inventories		351,392
Prepaid items		369,904
Stabilization by state statute		38,339,213
Restricted for debt payments		7,448,433
Restricted for Building Inspections		12,681,619
Restricted for Public Safety		1,708,684
Committed for Community Investment Fund		125,103,521
Committed for unpaid tax incentives		5,000,000
Uncompleted FY24 projects		4,450,290
General Government assignments		10,996,102
Working Capital/Fund Balance policy		62,091,023
Fund balance remaining for appropriation	\$	35,509,584



If you keep digging into the numbers, into the county's receivables, you'll see almost all of that is money due from other governments, \$36 million worth.

Please excuse the technical accounting aspect of this, but in North Carolina government entities can't count money owed to them by other governments in the unassigned fund balance until that money is received. And so far, the County has received \$33 million of it since last July 1.

But What About the Stabilization

Receivables

Government-wide level for the Primary Government at June 30, 2025 were as follows:

Activities:	Accounts	Customers	Lease Receivable	Due from Government
Accounts receivable	\$ 1,304,819	\$ 16,448,100	\$ 791,196	\$ 36,211
Accounts payable	15,333,782	-	-	-
Accounts receivable	16,638,601	16,448,100	791,196	36,211
Accounts payable	(3,052,782)	(13,991,295)	-	-
Accounts receivable	\$ 13,585,819	\$ 2,456,805	\$ 791,196	\$ 36,211
Accounts receivable	Accounts	Customers	Lease Receivable	Due from Government
Accounts receivable	\$ -	\$ 19,470	\$ -	\$ 1
Accounts receivable	\$ -	\$ 19,470	\$ -	\$ 1

on received so far in 2025-26.

So that's \$97 million of unassigned fund balance, plus \$33 million since last July. Somewhere around \$130 million in total.

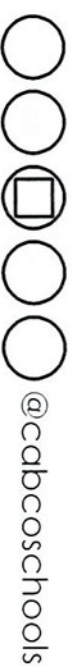
To be fair to my original three rules from the beginning of the presentation, I don't have all the necessary context around the \$33 million. But it would be an interesting question to ask about what the county's available resources really are.

Maybe I'll ask the question on Facebook later tonight.



@cabcoschools

38



So back to the affordability question. We are currently the 7th ranked county in the state for median household income.

Interestingly, we're also ranked 327th nationally.

Those are curious rankings given the statements about affordability, wouldn't you agree?

Affordability?

Currituck County ranks 7th in the state, and 327th nationally, for median household income.

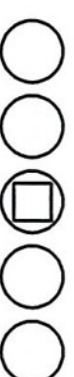
Income (Median household income) for North Carolina by County
All Races (includes Hispanic/Latino), Both Sexes, All Ages, 2020-2024
Sorted by Dollars

County	Dollars	Rank within US (of 3142 counties)
United States	80,734	N/A
North Carolina	72,388	38 of 52
Wake County	105,768	120
Union County	102,900	147
Chatham County	94,317	236
Currituck County	93,511	243
Camden County	91,078	282
Orange County	90,089	295
Cabarrus County	89,005	327
Dare County	88,994	329
Mecklenburg County	87,005	369
Moore County	86,080	399
Johnston County	83,384	470



@cabcoschools

39



@cabcoschools

Let me leave you with one final thought on affordability. In the budget the acting county manager proposed to the commissioners, there was no funding for CCS for:

- Computers
- Interactive displays
- Security cameras for the schools
- Paging and intercom system upgrades
- Vehicles

But there was something that caught my eye in the proposed funding, \$1.1 million for design and engineering of a new animal shelter. I asked the County what the total value of that project is and it's \$15 million. \$15 million.

Affordabil

ineering

d since then our population in the County has it increase in household pets. Additionally, increased expectations of the operation of sing flexibility would not only allow us to better unity with found and surrender animal intakes, pursue more cruelty situations with the space for the extended periods of time required for acate animals into different spaces in case of a higher level of medical care in house and This is for design of the facility with



And before I start getting hate mail from animal rights groups, I've had pets since I was 10 years old and love animals. But \$15 million is a lot of money when we've spent this much time fighting over a \$4 million difference in a school budget.

Perhaps that commissioner's time would be better spent looking inward before lecturing anyone else about affordability.

ring	2027	2028	2029	2030	2031	Future Years
	\$1,100,000	\$0	\$0	\$0	\$0	\$0
	\$1,100,000	\$0	\$0	\$0	\$0	\$0

Source: Project L2

of the project is \$15 million.



@cabcoschools

40



@cabcoschools

Board members, let me remind you that there's very clear statute saying that while the Board of Commissioners determines funding levels, you as a Board get to decide how that money is spent – no one else.

And this is your budget. Not Dr. Kopicki's, not mine, yours. Don't let others with an inadequate level of budget knowledge influence your decisions here.

ur Rights as a Board of Education

The School Budget and Fiscal Control Act

adoption; limitations; tax levy; filing.
Commissioners has made its appropriations to the local school administrative unit, or after the appeal procedure
pital outlay fund has been concluded, the board of education shall adopt a budget resolution making
uch sums as the board may deem sufficient and proper. The budget resolution shall conform to the uniform
Board of Education.

get resolution; budget transfers.
bsection (b) of this section, the board of education may amend the budget resolution at any time after its
resolution as amended continues to satisfy the requirements of G.S. 115C-425 and 115C-432.

Thank for your time letting me set
the record straight tonight. On behalf
of my whole team, it's very much
appreciated.



@cabcoschools

41

○○○○○○@cabcoschools