



**CUMBERLAND**  
COUNTY  
NORTH CAROLINA

# Annual Comprehensive Financial Report

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Fiscal Year Ended June 30, 2023



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2023

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# INTRODUCTORY SECTION





December 1, 2023

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

We are pleased to present the Annual Comprehensive Financial Report of the County of Cumberland for the fiscal year ended June 30, 2023. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Cherry Bekaert LLP and that firm's unmodified opinion is included in the Financial Section of this report.

The report itself is presented by the County, who is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is divided into five sections: Introductory, Financial, Statistical, Compliance sections, and Continuing Disclosure Information. The Introductory Section, which is unaudited, contains this letter of transmittal, which provides a brief overview of the operations of the County, a list of principal officials, a copy of the Certificate of Achievement for

Excellence in Financial Reporting, and the County's organization chart. The Financial Section is composed of the auditor's report, management's discussion and analysis (MD&A), the basic financial statements, notes to the financial statements, and more detailed combining and individual fund financial statements and schedules and other supplementary financial data. The Statistical Section, which is unaudited, contains fiscal and economic data designed to provide a more complete understanding of the County. Many tables in this section present financial data for the past ten years. The Compliance Section presents reports and schedules required by the federal and state Single Audit Acts. Finally, the Continuing Disclosure Information Section, which is unaudited, includes those disclosures related to certain general and non-general obligation debt required by the Securities and Exchange Commission Rule 15c2-12.

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. The County's MD&A can be found immediately following the report of independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County is required to undergo an annual single audit in conformity with the provision of the 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. Information related to this single audit, including: the independent auditor's internal control and compliance reports on the basic financial statements and major federal and state programs; Schedule of Findings and Questioned Costs; Corrective Action Plan; Schedule of Prior Audit Findings; and Schedule of Expenditures of Federal and State Awards are presented in the compliance section of this report.

The financial reporting entity includes all funds of the County, as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government. The Cumberland County Alcohol Beverage Control Board, the Eastover Sanitary District, the Fayetteville and Cumberland County Economic Development Corporation, the Tourism Development Authority and the Fayetteville Area Convention and Visitors Bureau are reported as discretely presented component units.

## **PROFILE OF CUMBERLAND COUNTY, NORTH CAROLINA**

Cumberland County originated as a settlement by the Highland Scots in the Upper Cape Fear Valley between 1729 and 1736. The area became a vital link to other major settlements with the establishment of a receiving and distribution center on the Cape Fear River in 1730. The settlement was known as Campbellton. In 1754, the Colonial Legislature passed an act resulting in the political division of Bladen County, forming Cumberland County. Named for the Duke of Cumberland (William Augustus), the county grew and prospered as Scotch-Irish, German and Moravian immigrants entered the area. Campbellton was named the county seat in 1778. In 1783, Campbellton was renamed Fayetteville in

honor of Marquis de La Fayette, the French general who served in the American Revolutionary Army.

A devastating fire in 1831, and the invasion of General Sherman's army in 1865 during the American Civil War, delayed Fayetteville's growth. In 1918, land in northwest Cumberland County was purchased and developed by the U.S. Army to serve as an artillery training facility. Camp Bragg has evolved over the years into Fort Bragg, a permanent Army post, that was renamed Fort Liberty in 2023.

Cumberland County is in the southeast section of North Carolina, with a land area of approximately 652 square miles. The most recent population estimates from the Office of State Budget and Management (the "OSBM") rank the County as the fifth largest county in the State with a population estimate of 342,082. The City of Fayetteville (the "City" or "Fayetteville") is the sixth largest municipality in the State with a population estimate of 214,255.

The County functions under a Board of Commissioners-County Manager form of government. The Board of County Commissioners consists of seven members, two elected from District 1, three elected from District 2, and two at-large members. Each member of the Board is elected for a four-year term. The terms are staggered, with the District 1 and at-large members elected in a biennial general election and the District 2 members elected two years later. The Board members elect their own Chairman and Vice Chairman on an annual basis. The Board is the policy-making and legislative authority for the County, responsible for adopting the annual budget, establishing the tax rate, approving zoning and planning issues and other matters related to the health, welfare and safety of citizens.

The County Manager is appointed by and serves at the pleasure of the Board of Commissioners. The County Manager is the Chief Executive Officer and has the responsibility for implementing policies and procedures of the board, delivery of services, managing daily operations and appointment of subordinate department managers.

## FORT LIBERTY

The County is home to Fort Liberty the largest most strategically advanced military installation in America. As a result, Cumberland County residents originate from all around the world. It is a global community where all expected amenities exist, but a serene wilderness is a short drive in any direction. Fort Liberty encompasses more than 172,000 acres, including training lands. Fort Liberty contributes to the area economy as well as to the international and cosmopolitan culture of the community.

The post came into existence in 1918, when 127,000 acres of desolate sand hills and pine trees were designated as a U.S. Army installation. Named in honor of Confederate General Braxton Bragg, a native of the state and a former artillery officer, Camp Bragg was the only military reservation in the United States with adequate space to test the latest in long-range artillery. In February 1922, Congress decided that all artillery sites east of the Mississippi River would become permanent Army posts. Thus, Camp Bragg became Fort Bragg in September of that year. In December 2020, Congress passed the National Defense Authorization Act which includes a provision mandating military installations named after Confederates to be renamed. In June 2023, Fort Bragg was renamed Fort Liberty, the name recommended by the national Naming Commission. Fort Liberty is one of nine Army posts renamed and the only named after a value instead of a person.

## ECONOMIC CONDITIONS AND OUTLOOK

### MILITARY ECONOMIC IMPACT

Fort Liberty is home to roughly 50,000 troops. Nearly 12,000 Department of Defense civilians work on the installation, along with more than 5,000 contract employees. In all, Fort Liberty supports a population of roughly 269,000, including military families, retirees and others. The total direct and indirect military impact provides approximately \$8.87 billion in local spending, especially from payroll which is illustrated in Tables 1 and 2. In North Carolina, over

43% of total military personnel in the state are in Cumberland County and over 55% of military payroll in the state is in Cumberland County. The military impact on the local economy fluctuates depending on a variety of factors, including the number of deployed military personnel, capital projects and appropriation levels. Commercial contracts awarded to local businesses for supplies and equipment through the Office of Directorate of Contracting has a direct effect on the economy.

### MILITARY PERSONNEL AND PAYROLL AT FORT LIBERTY

Table 1

Year	Military Personnel	Payroll
2022	47,342	\$3,152,493,087
2021	48,963	\$3,146,559,598
2020	50,351	\$3,012,987,095
2019	51,617	\$2,948,226,511
2018	50,662	\$2,897,230,722

Source: XVIII Airborne Corps and Garrison Public Affairs Office

### CIVILIAN EMPLOYMENT AND PAYROLL AT FORT LIBERTY

Table 2

Year	Number of Employees	Payroll
2022	11,847	\$985,128,354
2021	11,973	\$905,724,930
2020	12,080	\$887,149,378
2019	14,121	\$840,091,008
2018	14,036	\$761,209,762

Source: XVIII Airborne Corps and Garrison Public Affairs Office

In terms of building space and population, Fort Liberty is the largest military installation in the world. Since 1985, Fort Liberty's buildings have grown from 20.3 million square feet to 54.2 million square feet. The major construction for fiscal year 2022 totaled \$97.6 million and the maintenance and repair construction for fiscal year 2022 totaled \$354.8 million. The United States Department of Defense

fiscal year 2024 budget includes requests totaling \$154.5 million with plans of \$112.2 million worth of projects for 2025.

New barracks were requested for Fort Liberty in the fiscal year 2024 United States Department of Defense budget. \$50 million was requested for a 75,706-square-foot barracks building for 146 Special Forces soldiers and \$85 million was requested for a 102,820-square-foot barracks building for 146 junior enlisted soldiers and junior noncommissioned officers. In August 2022, 1,189 soldiers were relocated after determining that the Smoke Bomb Hill barracks had issues with heating and ventilation systems. This barracks will be demolished while 12 other barracks are undergoing renovations. Due to a large deficit in available barracks, soldiers are being forced to live in privatized homes on post or live off post and commute to work. With the high demand in the current housing market, off post options are also scarce. If approved, construction for the Special Forces barracks would begin in June 2024 to be completed by November 2025 and construction for the enlisted soldier barracks would begin in October 2024 to be completed by December 2027.

A 16-lane automated qualification range, estimated at \$19.5 million, was also requested for Fort Liberty. The range would include a control tower, a range classroom building and an operations and storage building. The range is required for training, and day and night qualification requirements with rifles, carbines, and next-generation squad weapons. Fort Liberty does not currently have an automated qualification range with the capabilities to meet the requirements to qualify with these weapons, which includes targets at distances more than 600 meters. If approved, construction would start in May 2024 and be completed by August 2025.

## **THE LOCAL ECONOMY**

The Fayetteville and Cumberland County Economic Development Corporation (“FCEDC”) is the lead agency on developing strategies and initiatives for economic development in the County. The County’s

commitment to expanding and diversifying its economy includes maintaining a strong industrial base. Manufacturing and distribution services are diverse in the area. The County’s workforce has a median age of 30, far below the national median, and has a much higher than average percentage of workers who have college degrees as compared to the national median. Each year, the County’s workforce increases by thousands of transitioning soldiers, who have high levels of technical skills and personal discipline. Key industries like defense support services, advanced manufacturing, business services, food processing, and logistics, thrive in Fayetteville, Cumberland County, North Carolina. Our community’s accessible location, skilled workforce, ties to Fort Liberty, and low cost of living are huge factors of our successful business climate.

Approximately 7,000 Fort Liberty service members transition to the private sector annually and approximately 26,000 military spouses live on or near Fort Liberty with only 19% of those reporting adequate full-time employment. In addition, there is approximately 130,000 veterans living in the surrounding region. In 2022, FCEDC announced that the area was awarded \$4 million in federal funding for a recruitment and training center for companies seeking to employ transitioning soldiers, military spouses, and veterans. A facility, that will be known as the HR Talent Portal, is planned to be constructed that could be used as a training space, shared classrooms, semi-permanent recruitment offices or short-term event space. Glenn Adams, Vice Chairman of the Cumberland County Board of Commissioners, stated that the facility has already generated interest from dozens of technology companies, military contractors, and private sector employers. Plans are expected to begin after July 1, 2023 and no location has been announced at this time. Officials hope that this project will encourage transitioning soldiers and their families to make Cumberland County their permanent home and convince companies to have a North Carolina presence and establish permanent offices in Cumberland County when they see what the community has to offer.



*Photo: The Fayetteville Observer*

In February 2022, Amazon, a Fortune 100 company, announced that it was building a second operation in Cumberland County. The 1.3 million-square-foot fulfillment facility will span across 94 acres in the Military Business Park off Bragg Boulevard with plans to open in 2023. The company must commit to investing \$100 million in real estate and equipment in Cumberland County over the next 5 years and hire more than 500 full-time workers with an average annual wage of approximately \$33,000, in order to receive an incentive of a total of \$2.5 million from the County and City, should the cost of the infrastructure exceed \$5 million. The facility would generate an annual tax revenue of more than \$800,000 for Cumberland County and create more than 500 full-time jobs and hundreds of part-time jobs. Robert Van Geons, President and CEO of FCEDC, is hopeful that these facilities, offering the same or better wages and shorter commute times, will keep more Cumberland County residents working in the County. As of July 2023, Van Geons stated that signs were up and interior work was being completed, but equipment has not yet been installed.

In August 2022, it was announced that NVR, Inc., a Fortune 500 company and one of the nation's leading homebuilders, will be building a 145,000-square-foot manufacturing factory on a 22-acre site on Dunn Road in Fayetteville. The \$25 million facility will be used to manufacture tresses, wall panel systems, and other essential homebuilding components. The project is expected to create 189

jobs at an average wage of \$45,000. North Carolina was competing against sites in Georgia and Florida for this project. In June, the County and City combined approved an incentive of \$827,000 to entice the company. These incentives will only be provided if the company meets the required job-creation and investment goals.

In April 2023, FCEDC began scouting potential sites in three areas of Cumberland County for properties that could be combined into 800 to 1,200 acres of land to form an industrial megasite to become an ideal location for a massive factory or factory complex. Van Geons stated that the land must have sufficient infrastructure like roads, rail, water, sewer, and natural gas, and it cannot have wetlands or a high water table that would prevent construction of a factory with a heavy foundation. In addition to acreage and infrastructure, a megasite needs to be close to a sufficient workforce. David Spratley, the director of economic development at the Maynard Nexsen law firm, stated that the Fayetteville area has a key asset: Fort Liberty and the personnel leaving the Army from there to enter the civilian workforce. "Exiting military is very attractive to employers. That adds to the story for labor in a big way." An industrial megasite could potentially bring 1,000-plus jobs or half a billion dollars of investment. Randolph County and Chatham County both have factories of this size currently under construction and they are bringing 2,100 and 7,500 jobs respectively, and each around \$4 billion in investment. Van Geons hopes that Cumberland County will have similar success.

In July 2023, a partnership was announced between a division of the Wahconah Group, located in Fayetteville, and Hagor Industries, an Israeli company that makes military equipment and outdoor gear and has supplied the Israeli military since it was founded in 1956, that aims to bring as many as 100 jobs over the next three years. The division of the Wahconah Group will make tactical textiles, such as vests for body armor and gear for carrying equipment, as well as new products to be researched and developed for the U.S. military. The partnership would open American military sales to Hagor since the law requires the U.S. military to buy

American-made equipment. Wahconah Group plans to hire people with textile manufacturing skills and estimates wages will be around \$20 per hour.

The highly anticipated announcement of a Dave & Buster’s for Cross Creek Mall in 2020 did not come to fruition, but in December 2022, Main Event, operated by the same parent company as Dave & Buster’s was announced to take its place. The 38,000-square-foot family-oriented venue offers laser tag, arcade games, virtual reality, 18 state-of-the-art bowling lanes, and an on-site restaurant and bar. The venue opened in August 2023 and created 160 jobs for servers, bartenders, dining hosts, line cooks, and game and bowling attendants.



Logistics is one of the fastest growing industries in the area. In terms of transportation, the County’s location to Interstate-95, rail infrastructure, and proximity to shipping ports have made it a central hub for the transportation, warehousing, and wholesale industries. Our place on the 95 Corridor puts us within an eight-hour drive of two-thirds of the nation’s population (170 million customers), and less than half a day from the deep-water ports. Doubling the number of lanes of a 26-mile stretch between Cumberland and Johnston counties on I-95 is currently underway. The project is intended to reduce congestion, plan for traffic growth, improve safety, enhance regional mobility, and make the infrastructure more resilient against future flooding.

The first 16-mile stretch is planned to be completed by early 2025, with the last 10-mile stretch having a planned completion date of Summer 2026.

After being under construction since May 2000, I-295 has an expected completion date of 2026. As of September 2021, U.S. 401 Business to U.S. 401 (Raeford Road), and the extension of the Outer Loop south of Raeford Road to near Century Circle have been completed. The loop is improving regional traffic flow and safety and enhancing freight access, in addition to opening up more areas of the County to commercial and residential development, like the new Amazon distribution facility. I-295 currently runs from I-95 at U.S. 13 north of Fayetteville and Eastover to U.S. 401 (Raeford Road). Two other segments are remaining, which will bring I-295 around Hope Mills south of Fayetteville and back to I-95 south of Fayetteville and north of St. Pauls in Robeson County. U.S. 401 (Raeford Road) to Camden Road had been delayed due to prior funding issues and settlements but was awarded for construction in July 2022. This segment is scheduled to be complete by the summer of 2026. Construction on Camden Road to I-95 is already underway and has an estimated completion date of summer of 2024. I-295 is expected to boost growth in residential construction as well as commercial construction, allowing residents to live farther from their jobs as it will shorten drive times. It is also expected to make the community more attractive to employers that need highway access.

With the extension of I-295 coming closer to completion, Hope Mills is preparing for the growth that will follow. The town recently had a grand opening for the new John W. Hodges Public Safety Center and will soon have a groundbreaking for Heritage Park, a project that was put on hold in 2010 after failure of the Hope Mills Lake dam. Heritage Park is an over 7-acre site that will include a comfort/restroom station, nature trails, a kayak/canoe launch, interpretive signs, an open lawn space to allow for events, an outdoor classroom, shelters, and ample parking. There are also plans for a Wingstop, Culver’s Burgers and Custards, Wawa Travel Center, and a Sheetz gas station, which will



also be a truck stop with showers. In addition, in January 2023, the Board of Commissioners approved a contract with CHA Consulting, Inc. for the provision of professional services related to construction documents for the Hope Mills Sports Complex and in May 2023, the Board unanimously approved moving forward with Concept C of the three plans presented. The project is an estimated \$16 million recreational complex that will be located at Golfview Greenway. Chancer McLaughlin, Hope Mills Planning and Economic Development Director, states that he is seeing a record number of annexations. Between 2010 and 2020, Hope Mills had a population increase of 17.3%, which was the largest population gain in the County. With the high rate of annexations, the population is expected to climb even more in the next several years. Planned NCDOT projects for Hope Mills include widening Camden Road from Main Street to the I-295 interchange, widening and adding roundabouts to Golfview and Rockfish roads, and widening South Main Street from Shipman Road to Parkton Road.



*Photo: The Fayetteville Observer*

Changes are coming for the Murchison Road Corridor. \$172 million of the more than \$412 million that was approved in the state budget for Cumberland County is allocated for Murchison Road. This funding will help businesses, restaurants, Fayetteville State University, streetlights, public safety measures, historic buildings, and the Martin Luther King Jr. Park located along Murchison Road.

\$2.5 million of the budget will be for improvements for the Martin Luther King Jr. Park. Nearly \$600,000 was allocated for stronger safety measures for pedestrians and more than \$750,000 was allocated for the community’s health centers. Fayetteville State University will receive \$63 million for a new College of Education, \$40 million for two new residence halls, \$38.8 million for repairs and renovations, \$10 million toward a new dorm parking deck, and \$670,000 for COVID-19 sterilization units. In addition to this, the North Carolina Department of Transportation (NCDOT) plans to start widening Murchison Road in May 2025, in order to improve traffic flow and safety and provide better pedestrian access. The \$47.43 million project will stretch from Interstate 295 to the U.S. 401 Bypass and will add a grass median and “reduced conflict intersections”. Andrew Barksdale, a DOT spokesman, said that the opening of the I-295 Outer Loop makes Murchison Road a new gateway into Fayetteville. The state DOT estimates about 25,000 vehicles use this section of the road each day. It is also heavily used by people walking and using public transit. The state DOT project overview calls the road “an important historical and cultural transportation connection” between downtown and Fort Liberty.

2019 brought much economic growth to Downtown Fayetteville with the addition of Segra Stadium, the \$41.3 million baseball stadium with a capacity of up to 6,000 people. With the inaugural season bringing nearly 250,000 fans to the stadium, there were high hopes for the 2020 season before COVID-19 put a halt to it. Fortunately, baseball was back in full swing at Segra Stadium for 2022 and 2023. According to statistics compiled from MLB’s stats system, the Fayetteville Woodpeckers ranked #65 in Minor League Baseball for average attendance with an average of 3,459 per game, an increase of 14% from 2021. The 2022 season brought a total attendance of 214,470. Halted plans for a five-story Hyatt Place hotel and seven-story office complex to be built above the new parking deck located next to the stadium on the other hand, did not fare as well. After COVID-19 devastated the office and hospitality market, plans changed, and the Prince Charles Holdings submitted a new plan for a multi-family

apartment complex with 212 units. According to Jordan Jones, project manager for Prince Charles Holdings, the apartment complex will be U-shaped, with the open side facing Hay Street, the bottom side facing the baseball stadium, the Western side facing Haymount and the eastern side facing the Residences at the Prince Charles. The complex will offer studio, one-bedroom, and two-bedroom apartments with a pool, and rent prices will likely mirror that of the Residences at the Prince Charles on Hay Street. There was a previous estimated completion date of 2024, but as of May 2023 it was reported that the project was paused due to record-high interest rates and the collapse of two large banks. Next door at the Residences at the Prince Charles, the two restaurants that were slated to open in 2020 are vacant and food and beverage as well as retailers are still being considered to fill the spaces. The apartments, on the other hand, have a waitlist of prospective tenants. Altogether, this series of developments represents the single largest investment in the history of downtown Fayetteville.



*Photo: The Fayetteville Observer*

The success of Segra Stadium in downtown Fayetteville has sparked a lot of interest in bringing other entertainment venues to downtown, as evidenced by the announcement of the Crown Event Center location. In September 2023, two future entertainment venues were also announced. Sol's Arcade + Taproom will be located in 6,100-square-foot of the former AIT Building and has plans to break ground in October and open in February 2024. The taproom will include games like shuffleboard, pool, darts, cornhole, state-fair type arcade games, and

shooting simulators. There will be a wall of beer, cider, wine, and seltzer taps with indoor and outdoor seating and rotating food trucks. Railyard FVL, a proposed open-air, two-story food hall with an array of alcoholic libations and live entertainment, was announced in September with hopes to open in a year. The project was inspired by the Gather GVL food hall in Greenville, South Carolina (pictured below). Food vendors will operate out of modified shipping containers with at least two vendors as permanent outposts and various others as short-term leases for up-and-coming entrepreneurs and testing of new culinary concepts. The plan is that no two restaurants will have the same cuisine. The seating areas will surround entertainment, which may include comedy nights, theatre, poetry slams, talent shows, or movie nights.



*Photo: The Fayetteville Observer*

In December 2022, Fayetteville's Downtown Social District was approved for a 12-month trial basis. At inception, seven establishments were on board to sell to-go drinks and as of June 2023, this number had increased to fourteen. The hopes for the Downtown Social District were to bring more customers to downtown restaurants and shops and so far, has been reported to be a success. After the 12-month trial, the program could be extended, made permanent, or stopped completely. A rooftop restaurant, Hay Street Kitchen & Rooftop, opened in early 2023 and Southern Pines Brewing purchased a 13,000-square-foot former antique shop, which eventually plans to include a 4,000-square-foot rooftop with a backyard party vibe.

As shown in Taxable Sales, Table 3, fiscal year 2023 sales experienced growth, showing an increase of 6.52% over the previous fiscal year taxable sales amount.

**TAXABLE SALES**  
**Table 3**

Year	Cumberland County	% Change
2023	\$6,118,176,647	6.52%
2022	\$5,743,623,702	9.65%
2021	\$5,238,219,221	20.96%
2020	\$4,330,602,890	0.27%
2019	\$4,318,734,010	6.65%

Source: North Carolina Department of Revenue

As shown in Table 4, Cumberland County’s growth in population is showing growth, though that growth lessens through the projection. Overall County growth rates are below the state’s estimated and projected growth rates.

As shown in Table 5, between 2019 and 2020, the County’s average unemployment rate increased by 4.1% with the State’s average unemployment rate increasing by 3.3%, spiking in 2020 during the peak of COVID-19. After 2020, both the County and State’s average unemployment have decreased, by 4.9% and 4.1% respectively. The trend of falling unemployment rates for the County mirrors that of the State for comparable periods. Both the County and State’s average unemployment rates have successfully surpassed their pre-pandemic rates.

**POPULATION**  
**Table 4**

	2015	2021 Certified		2025 Projected		2030 Projected	
	Population	Population	% Change from 2015	Population	% Change from 2021	Population	% Change from 2025
Cumberland County	329,843	342,082	3.71%	347,401	1.55%	349,450	0.59%
North Carolina	9,968,747	10,556,299	5.89%	11,038,826	4.57%	11,625,716	5.32%

Source: North Carolina Office of State Budget and Management

**EMPLOYMENT**  
**Table 5**

Year	Total Civilian Labor Force	Number Employed	Number Unemployed	Cumberland County Unemployment Rate	State Unemployment Rate
2023 (6 mo.)	127,332	120,919	6,413	5.0%	3.6%
2022	129,305	121,659	7,646	5.9%	4.1%
2021	127,122	118,300	8,822	6.9%	4.9%
2020	120,366	108,408	11,958	9.9%	7.7%
2019	132,293	124,663	7,630	5.8%	4.4%

Source: United States Bureau of Labor Statistics

The housing market in Cumberland County that hit record highs through the pandemic continues to cool down. Utilizing statistics provided by Fayetteville Longleaf Pine Realtors, from June 2022 to June 2023, closed sales on all properties decreased by 15.5%. This decrease in home sales can likely be attributed to low inventory and higher borrowing costs. Though the shortage of homes has kept prices high, sales prices show a very slight decline of 0.7% compared to June 2022. Comparing June 2022 to June 2023, the homes for sale for all properties increased by 145.4%. Even with an increased supply of homes available, the demand is still higher than the supply and homes are selling quickly. Some contributing factors to the low supply and high demand may include: lower prices in our region are attracting out-of-town residents and investors, new construction has not caught up to today's demand, the millennial generation is now seeking homes, and current homeowners are hanging on to their homes because they are unable to find new ones.

Table 6 focuses on permits obtained for *new* construction, which serve as a strong indicator of the economy. There was a substantial increase in the number of new residential building permits from 2021 to 2022 while the number of new non-residential building permits experienced a decrease. New residential values increased by 36.65% and new non-residential values increased by 85.32%.

The first six months of 2023 are showing a slight decrease in the number of new residential and new non-residential building permits compared to the first six months of 2022. On the other hand, the value of new residential and new non-residential building permits show an increase of 17.53% and 47.81% respectively.

**BUILDING PERMITS**  
**Table 6**

Calendar Year	New Residential		New Non-Residential	
	Number	Value	Number	Value
2023 (6 mo.)	544	\$121,726,293	29	\$72,112,863
2022	1,419	\$212,333,617	78	\$185,995,786
2021	813	\$155,382,465	97	\$100,365,743
2020	758	\$131,066,794	108	\$78,204,937
2019	690	\$144,627,421	78	\$72,763,440
2018	656	\$126,118,568	98	\$151,458,318

*Source: Cumberland County Planning & Inspection Dept. & City of Fayetteville Development Services*

## **EDUCATION**

### **PUBLIC EDUCATION**

School services are provided by the Cumberland County School Administrative Unit under the direction of the Board of Education. Public education is a function and responsibility of State government. School operation is largely determined by State statutes and State policies adopted by the State.

Board of Education. The General Assembly has delegated financial responsibility for certain areas of public education, primarily construction and maintenance of facilities, to the counties. State law provides a basic minimum educational program for each school administrative unit which is supplemented by the County and Federal government. The minimum program provides funds for operational costs only, but the building of public-school facilities has also been a joint State/County effort.

The current expense total paid for the fiscal year ended June 30, 2023, was \$84,305,166 from General Fund revenues for school operations. For the fiscal

year ending June 30, 2024, the County’s original budgeted current expense appropriation is \$87,526,532 from General Fund revenues.

The County School Fund is supported by the designated portions of two local option one-half cent sales taxes, which must be used for school capital outlay expenditures or the retirement of school bond indebtedness. For the fiscal year ended June 30, 2023, those actual sales taxes totaled \$15,805,951. The County received \$3,256,990 in proceeds from the North Carolina Education Lottery for the fiscal year ended June 30, 2023. As of June 30, 2023, the County has received \$71,824,766 from the North Carolina Education Lottery since its inception in 2007. The proceeds are primarily to be used for school construction and reduction of class size in the early grades.

Table 7 presents the number of schools and the County-wide Final Average Daily Membership (ADM) for the Cumberland County School Administrative Unit. In addition to the schools in Table 7, Fort Liberty adds a total of nine more elementary and middle schools.

### **COUNTY SCHOOLS AVERAGE DAILY MEMBERSHIP**

**Table 7**

<b>School Year</b>	<b>Grades K-5 # Schools</b>	<b>Grades 6-8 # Schools</b>	<b>Grades 9-12 # Schools</b>	<b>Grades 6-12 # Schools</b>	<b>Total Final ADM</b>
<b>2022-2023</b>	51	17	17	1	48,300
<b>2021-2022</b>	53	18	17	1	47,313
<b>2020-2021</b>	53	18	17	1	47,234
<b>2019-2020</b>	52	18	17	0	49,579
<b>2018-2019</b>	52	18	17	0	49,503

*Number of schools excludes special schools and academies.*

*Source: North Carolina Department of Public Instruction, Information Analysis and Reporting*

## NON-PUBLIC SCHOOLS

There are 33 independent private and religious schools in the County. The enrollment for the 2022-2023 school year was 5,716. *Source: North Carolina Statistical Summary for Private Schools 2022-2023*

## COLLEGES AND UNIVERSITIES

There are three institutions of higher learning, as well as a Fort Liberty facility on the military installation offering off-campus “resident-credit” courses for several North Carolina and certain out-of-state colleges and universities.

**Fayetteville Technical Community College:** Fayetteville Technical Community College (“FTCC”), a post-secondary institution located within the County, was established as a member of the North Carolina System of Community Colleges and Technical Institutes. FTCC is the third largest community college in the State. According to a recent study completed, in 2019-20, FTCC added \$464.3 million in income to the Cumberland County economy and FTCC’s impact supported 7,479 jobs.

FTCC, a two-year public institution, serves more than 28,000 students annually (according to FTCC’s 2023 Fact Book), with more than 280 curriculum programs of study to meet the needs of the community and students. FTCC serves high school juniors and seniors through High School Connections, providing opportunities for high school students to earn college academic credits at no tuition expense to them. Some programs are one hundred percent online, adding convenient, flexible options for students.

FTCC’s commitment to the community was recognized by its consistent top ten ranking in the nation for the best Military Friendly large community college, including a #1 ranking for 2022-23 and 2019-20 by the Military Friendly Schools Program. This list honors the top 20% of colleges, universities, and trade schools on their ability to recruit and retain America’s military service members and veterans as students. The categories that make up this ranking include: Academic Policies & Compliance,

Admissions & Orientation, Culture & Commitment, Financial Aid & Assistance, Graduation & Career, and Military Student Support & Retention. Of these categories, FTCC scored highest in Culture & Commitment, Admissions & Orientation, Financial Aid & Assistance, and Academic Policies & Compliance. FTCC was also ranked fifth in the large community college category as a Military-Spouse Friendly School for 2023-24. FTCC is the headquarters for the North Carolina Military Business Center (NCMBC) which is a state funded, business development organization that provides services to businesses across the state. The NCMBC leverages military and other federal business opportunities for economic development and job creation in the state.

2023 brought many partnerships for FTCC with other community colleges in the state. An agreement was signed in March 2023 between FTCC and Richmond Community College (RCC) that will allow for several specialized training programs, including Respiratory Therapy, Funeral Service, Paralegal, Speech Language Pathology, and Electric Utility Substation and Relay Technology. The partnership will help both colleges meet the evolving needs of the economy. An agreement was signed in July 2023 between FTCC and Bladen Community College (BCC) that will increase truck driving training opportunities by allowing students from either school to utilize the trucking driving training facility at FTCC and a new driving simulator at BCC. Presidents from both colleges emphasized the potential impact on local economic development. The partnership is part of an effort to address the national truck driver shortage, which was stated to have a shortage of 78,000 truck drivers across the country in 2022. FTCC has plans for a \$13 million truck driver training facility in western Cumberland County near an interchange with I-295, which will allow for ample room for an expanded program. An agreement was signed in August 2023 between FTCC and Robeson Community College (RCC) that will allow RCC students to train in dental hygiene, dental assisting and funeral service programs at FTCC, with more programs being added in the future that include truck driver training, heavy diesel mechanic and a college transfer program.

The responsibility for financial support of FTCC is shared by the State and County governments. Appropriations from the County to FTCC for operating expenses for the fiscal year ended June 30, 2023 totaled \$14,213,903. For the fiscal year ending June 30, 2024, the appropriations from the County to FTCC are \$15,468,600, an increase of \$1,254,697 or 8.83%.

**Fayetteville State University:** Founded in 1867, Fayetteville State University (“FSU”), a constituent institution of the University of North Carolina, is the second oldest state-supported educational institution in North Carolina. FSU has 38 buildings on a 156-acre campus. Fayetteville State University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award baccalaureate, masters, and doctorate level degrees. Top majors include nursing, psychology, and business administration. Altogether FSU boasts 36 undergraduate programs, 18 master’s degree programs, and one doctoral program in educational leadership. FSU Online offers degree completion programs in 12 undergraduate online degree completion programs and two graduate online degree completion programs. FSU has off-site campuses at Fort Liberty and Seymour Johnson Air Force Base. Total undergraduate enrollment exceeded 5,700 in Fall 2022 with 1,039 enrolled in graduate programs.

Fayetteville State University was recognized as the #1 best HBCU (historically black colleges and universities) nursing program in the nation for 2023 by nurse.org. The key factors considered were NCLEX pass rates, availability of a range of nursing programs for different levels and career aspirations, program cost, and availability of online coursework. FSU’s 100% job placement rate after graduation, types of nursing programs available, and online options were just a few of the factors that ranked them at the top. FSU unveiled a new program, being funded through a \$1.5 million appropriation from the state, in December 2022 to aid in the shortage of Sexual Assault Nurse Examiners (SANE)-certified nurses. North Carolina has fewer than 100 SANE-certified nurses and Cumberland County currently only has

one. The program intends to train 20 of the specially qualified nurses per semester and eventually 60 per year.

Fayetteville State University was recognized by Forbes as one of the best online English degrees of 2023. FSU was only one of ten colleges mentioned. FSU was the most affordable college mentioned with a tuition of only \$42 per credit (in-state) with the next most affordable being \$179 per credit (in-state). The offering of three concentrations for the English degree and the high retention rate were also stated as reasons the program was chosen.

Fayetteville State University set records for Fall 2023. FSU saw its largest first-year, first-time freshman class in 20 years with 800 students. It also had the highest student retention rate in recent years, increasing by 14% to 78% in two years. In addition, the university hit an all-time high for military-affiliated student enrollment with 2,168 military-affiliated students. These records are being largely attributed to FSU’s recent changes to make college more affordable for students. Beginning in Fall 2022, undergraduate tuition per semester was lowered to \$500 for in-state students and \$2,500 for out-of-state students. This was estimated to save students nearly \$2,000-\$10,000 per academic year. Additionally, FSU began offering free tuition to military and military-affiliated students.

In September 2022, FSU along with Cumberland County and the City of Fayetteville launched the Fayetteville-Cumberland Regional Entrepreneur and Business HUB adjacent to the FSU campus. This HUB will help local entrepreneurs and established business owners improve operations, access professional training, secure capital and obtain crucial certifications with the goal of obtaining new business opportunities, all free of charge. Hopes are that this will be an impactful economic catalyst for the counties that surround the university.

**Methodist University:** Chartered on November 1, 1956 as a senior, coeducational liberal arts college, the school was established as a joint venture by the citizens of Fayetteville/Cumberland County and the

North Carolina Conference of the United Methodist Church. Methodist College opened to students in the fall of 1960. In the fall of 2006, in conjunction with the institution's 50th anniversary celebration, Methodist College officially became Methodist University. The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate, baccalaureate, and master's degrees.

Total undergraduate enrollment was 1,590 in 2022-2023 with 375 additional students enrolled in graduate programs. Today the University offers bachelor's degrees in over 80 fields of study including mass communications, criminal justice, business administration, engineering, forensic science, graphic design, psychology, education, and social work. The University offers several graduate degree programs and three doctoral-level programs in nursing practice (DNP), physical therapy (DPT), and occupational therapy (OTD). The university offers day, evening, and online courses year-round. The Methodist campus presents a blend of modern architecture and natural beauty, occupying 617 acres along the Cape Fear River six miles north of downtown Fayetteville. The campus includes over 50 buildings, an 18-hole golf course, various athletic facilities, and an amphitheater.

Methodist University was ranked as the most diverse university in North Carolina in 2022, according to the Niche University Rankings and Reviews. The university ranked #56 overall for diversity in the nationwide rankings. The factors considered in this ranking include: Student Racial Diversity Index, Percentage of International Students, Percentage of Out-of-State Students, Student Economic Diversity Index, Faculty Diversity Index, Student Surveys on Diversity, Faculty Gender Ratio, and Student Gender Ratio. Methodist University received high marks in every factor considered.

Methodist University was also named as one of 10 "must watch" North American colleges and universities in 2022 by Higher Education Digest. The university's successes and attractions mentioned by the magazine were the location in a thriving urban

city between the beach and the mountains, its recognition as the most diverse university in North Carolina, the offering of more than 80 types of undergraduate and graduate programs, and its ranking in the top 16% in the nation for overall economic mobility by The New York Times.

By 2034, there will be a shortage of 17,800-48,000 primary care physicians and 21,000-77,100 non-primary care, specialty physicians, according to workforce projections from the Association of American Medical Colleges. In February 2023, Methodist University and Cape Fear Valley Health announced their partnership to create Fayetteville's first medical school with classes set to begin in July 2026. The school of medicine will be located in a new facility at Cape Fear Valley Medical Center and will provide students the opportunity to learn in a collaborative and innovative environment, with access to cutting-edge technologies, gaining real-world experience alongside experienced faculty and healthcare professionals. The partnership is also expected to contribute to the economic development of the region, creating jobs, attracting businesses, and increasing regional spending and tax revenues. A report by Walden Economic Consulting stated that during construction, regional spending is expected to increase by \$124 million, tax payments to all governments will rise by \$14.2 million, and 922 local jobs will be generated. At the peak of operation, there is expected to be \$72 million in annual spending, 837 permanent jobs, and \$9.6 million in tax revenues. It is expected that in the first ten years, a new medical school will add \$750 million to the regional economy.

## **MAJOR INITIATIVES**

### **CROWN EVENT CENTER**

In early 2020, the Board of Commissioners announced that the Crown Theatre will close by November 2025. This decision was made based on a number of studies that found the cost of the significant upgrades needed would approach the cost of a brand new facility. A Market & Feasibility Study was completed in September 2021, which



recommended constructing a new multi-purpose event center with a maximum capacity of 2,500 that can accommodate a variety of uses. In the first half of 2022, the Board of Commissioners hired MBP Carolinas as the owner’s representative for the project, established a three-member commissioner sub-committee, and MBP began the site review process with the assistance of the Timmons Group. They evaluated potential sites identified in the Market & Financial Feasibility Study conducted in 2021. Their evaluation criteria included ownership, environmental issues, vehicular circulation, and parking. The Crown Event Center Committee and the Board of Commissioners narrowed down their options, with the Board approving the committee’s final recommendation of the parking lot in front of the Courthouse. A request for qualifications (RFQ) for an architect for the project was issued in September 2022 and in November EwingCole was recommended and approved as the project architect by the Board of Commissioners. In January 2023, a Request for Qualifications (RFQ) was advertised for Construction Manager at Risk (CMAR) for the Crown Event Center and in April 2023 a recommendation to award T.A. Loving Company and Metcon Buildings & Infrastructure Joint Venture was approved by the Board. A design of 131,500 square feet with a project budget of \$131,703,300 was approved by the Board in May 2023. The approved design includes a larger performance space that can accommodate more people, additional VIP spaces designed to enhance the patron experience and generate additional revenue, and additional meeting and event space that can be rented out and will allow multiple events to take place simultaneously, providing more opportunities to generate revenue. A schematic design, including a rendering of the exterior of the building, was approved by the Crown Event Center Committee in August 2023. The Project Design Team is currently working through the interior design process. The CMAR contract with T.A. Loving Company and Metcon Buildings & Infrastructure was approved by the Board in September 2023 and includes an estimated limited notice to proceed in December 2023 and a final notice to proceed in May 2024.



*Photo: Cumberland County*

The guiding principles of this project include:

- A local and regional asset that builds upon existing economic development infrastructure and is a catalyst for existing and new businesses to flourish.
- A venue that enhances and elevates our community as a premier destination for entertainment, events, and gatherings.
- A quality, evolving, and efficient venue that provides a first-class experience with a lasting impression.
- Premier, welcoming, and accessible experience available to all patrons.
- Flexible and functional venue with multiple spaces to accommodate a variety of programming.
- An engaging community amenity that is financially self-sustaining.

**GRAY’S CREEK PUBLIC WATER ACCESS**

In 2017, GenX and other emerging per- and polyfluoroalkyl substances (PFAS) were identified in drinking water wells in Cumberland County near the Chemours facility. In response to the contamination, in 2020, the Board of Commissioners approved appropriating \$10,500,000 for the exploration of public water expansion in the Gray’s Creek area to address contamination issues. It is currently projected to cost about \$130 million to build a water system in the Gray’s Creek area. In the fiscal year 2023 budget, \$258,600 was approved to move

forward with Phase 1 of the Gray's Creek Water Project. In the fiscal year 2024 budget, \$9.78 million (amount remaining from the \$10.5 million appropriation) was approved for development of a water system in the Gray's Creek Water District. Public Utilities received \$15 million in grant funding for Gray's Creek Water. In May 2023, Requests for Qualifications were advertised and in June the Board approved recommendations to award HDR Engineering, Inc. of the Carolinas to provide hydrogeological services and a water resources study related to the Gray's Creek Public Water Access.

### **HOMELESSNESS**

In fiscal year 2021, OrgCode Consulting, Inc. developed a three-year homelessness strategic plan. The Homelessness Strategic Plan lists the impact areas as: Access to Assistance, Permanent Housing, Wellness and Opportunity, and Community Investment. In September 2021, the Board of Commissioners approved the recommendation by the Community Development department to enter into an agreement with OrgCode Consulting, Inc. to develop an implementation plan. The U.S. Department of Housing and Urban Development (HUD) through the Home Investment Partnerships (HOME) Program grant has allocated \$1.43 million of the American Rescue Plan (ARP) Act of 2021 funds to Cumberland County to perform eligible activities to primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. In February 2023, the Board approved the final version of the HOME-ARP Allocation Plan for submission to HUD. The N.C. General Assembly allocated \$1M to the County for construction of a homeless shelter. The County has identified a potential site for the Homeless Support Center, but it has yet to be announced. The plans for the Homeless Support Center include a 2-story building with roughly 50,000-60,000 gross square feet located on 7.18 acres. The center will be used to provide temporary shelter and supportive services to homeless individuals to include single adults and families with children. In July 2023, a Request for

Qualifications for professional services for programming, design services, and construction administration for the Homeless Support Center was issued. The Board approved the recommendation to award LS3P in September 2023.

### **COUNTY FACILITY STUDY AND ASSET INVENTORY**

In August 2021, the Board of Commissioners approved the selection of Creech and Associates to conduct the General Services Building Space Utilization and Site Analysis Study. This study was to examine current usage within the Judge E. Maurice Braswell Cumberland County Courthouse, the Cumberland County Historic Courthouse, and 109 Bradford Avenue to determine space needs for the departments that are currently housed in these facilities and which departments could be relocated. The study will be used by the Board of Commissioners and County Management to make determinations about the location and usage of a future General Government Services Building. In October 2021, the Board of Commissioners approved the selection of Creech and Associates to complete a comprehensive space needs analysis and facility master plan. This assessment included the previously mentioned facilities with the addition of the Spainhour Building and the Winding Creek Annex. This analysis and plan was to analyze current utilization, determine current and future needs for space, and generate a master plan to address deficiencies of the 24 departments identified in the study. In September 2022, the analysis for the first phase in the County's long-term space needs and master planning was presented to the Board of Commissioners for review. Following the transition of County Management and several other key department heads and functions over the past year, the County has engaged Creech and Associates in October 2023 to reconvene with County departments to review and update their previous analysis based on any operational changes. If the Board moves forward with the General Government Services Building, the Capital Planning Model includes debt service funds.

## **RETENTION AND RECRUITMENT**

The fiscal year 2023 budget included funding for an organization-wide classification and compensation study. A Request for Proposal was issued in August 2022 and a contract was executed with McGrath Consulting Group, Inc in October. The adopted fiscal year 2024 budget included funding a 4% interim step/cost-of-living adjustment for all County employees as a preliminary implementation step for the compensation plan. Staff anticipates the total recommended adjustment to compensation to be in the range of 7.5% to 10%. Recommendations from the Classification and Compensation Study will be presented to the Board of Commissioners in October 2023 for approval.

In June 2023, a Request for Proposal was issued to contract with a licensed childcare provider to operate a facility to provide childcare for County employees to assist with retention and recruitment of employees. The County is renovating the Dorothy Spainhour Facility located at 223 Hull Road and the operator will be responsible for funding operations. In September 2023, staff selected Track Out Kidz to operate the facility. The County's goal is for a soft opening in January 2024 with a complete opening no later than July 1, 2024.

## **AMERICAN RESCUE PLAN ACT (ARPA)**

Federal aid totaling \$65 million was allocated to the County as part of the American Rescue Plan Act. The County commissioners have developed the County's plan which includes major initiatives to support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff; address negative economic impacts caused by the public health emergency, including economic harm to workers, households, small businesses, impacted industries, and the public sector; and invest in water and sewer. These funds must be obligated by December 31, 2024 and must be spent by December 31, 2026.

## **EMERGENCY RENTAL ASSISTANCE**

In 2021, Cumberland County was awarded funds to provide emergency rental assistance payments to eligible families under the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA). This program provides aid to households that are unable to pay rent or utilities due to economic constraints from the COVID-19 pandemic. The household must be a resident of Fayetteville or Cumberland County. The County has provided a total of \$11.7 million in awarded funds to qualified applicants.

## **OPIOID SETTLEMENT FUNDS**

In July 2021, Attorney General Josh Stein announced a historic \$26 billion agreement that will help bring desperately needed help to communities harmed by the opioid epidemic. The state of North Carolina and all 100 counties, including Cumberland County, joined the agreement. A Memorandum of Agreement (MOA) between the State and local government directs how opioid settlement funds are distributed in our state. These potential settlements and resolutions could bring as much as \$850 million to North Carolina over an 18-year period to support state and local efforts to address the epidemic. Cumberland County Government is estimated to receive \$16,984,644 over an 18-year period (2022-2038). In August 2022, the Board of Commissioners approved the utilization of \$800,000 to fund two-year pilot projects that align with Option A Strategies, which include: early intervention, evidence-based addiction treatment for the uninsured and underinsured, programs to support people in treatment and recovery, and criminal justice diversion programs. In October 2022, a Request for Proposal was issued with proposals being received in December. In March 2023, the Board of Commissioners approved awarding four organizations – ATS of North Carolina, LLC, Myrover-Reese Fellowship Homes, Inc., North Carolina Harm Reduction Coalition, and Cumberland County Family Drug Treatment Court. The contracts were executed and awarded organizations will begin implementing their proposed strategies effective October 2023.

## **FINANCIAL INFORMATION**

### **FINANCIAL POLICIES**

The County has established comprehensive financial policies supporting the management of its financial resources by providing effective control, prudent decision making and compliance with legal requirements. The policies are broken down in the following categories: Operating Budget/Fund Balance; Asset/Liability Management; and Accounting, Auditing, and Financial Reporting.

A key provision in the Operating Budget/Fund Balance policy has been to fund current expenditures with current resources and strive to avoid balancing the budget with one-time revenues. The County maintains a General Fund unassigned fund balance between 12 – 15% which exceeds the minimum 8% recommended by the Local Government Commission. Additionally, the annual appropriation of fund balance should not exceed 3% of budgeted recurring General Fund expenditures. Any General Fund unassigned fund balance that exceeds 15% of actual expenditures at fiscal year end, may be assigned to the Capital Investment Fund for one-time future projects as approved by the Board of Commissioners.

As part of the Asset Liability Management policies, the County has adopted a Capital Investment and Debt Policy. Under this policy the County has a five-year capital improvement plan (CIP) which projects capital needs, details estimated costs (to include operating), and anticipated funding sources for capital projects. An update of the CIP is presented at the Board of Commissioners annual planning retreat and is included in the annual budget process. The Board of Education (BOE) provides an annual update of its ten-year facilities plan to the Board of Commissioners. Debt financing is considered in conjunction with the County's CIP and the BOE's facilities plan.

Fiscal year 2019 was the first full year the County utilized the Capital Investment Fund. In fiscal year 2018, the Board of Commissioners adopted a policy

which identified a funding mechanism to address future County capital facility needs. The financial model being utilized illustrates by funding source how future potential capital needs can be addressed. The model illustrates that as debt is retired, funds that had been previously budgeted for debt repayment will be re-assigned for use for future capital needs. This concept of the policy and the model create a dedicated revenue stream that can be used for annual payments on future debt. The policy includes: the budget process for establishing capital expenditure priorities; debt affordability elements; debt modes and pay/go debt ratios; and, establishes a minimum fund balance percentage of 25% of annual debt service on outstanding debt or debt projected to be issued as shown in the model.

### **RATINGS**

In January 2021, Standard and Poor's Rating Group affirmed the County's AA+ General Obligation Bond Rating and AA appropriation rating on debt outstanding. The affirmations are a result of the County's very strong budgetary flexibility with available reserves, strong budgetary performance in fiscal year 2020 with operating surpluses to the general fund, very strong liquidity, strong management with good financial policies, and a very strong debt and contingent liabilities profile.

In January 2021, Moody's Investor Service affirmed the Aa1 rating of the County's General Obligation Bond debt and the Aa2 rating of outstanding Limited Obligation Bonds and Certificates of Participation. The Aa2 rating reflects the satisfactory legal structure, the essential nature of the pledged assets, and the long-term credit characteristics of the County. The Aa1 General Obligation rating reflects the County's robust tax base with an average socioeconomic profile, anchored by Fort Liberty. The rating reflects the County's strong financial performance, including the maintenance of General Fund balance levels consistently more than 35% of revenues and adopted financial and debt policies which demonstrate prudent and conservative management.

## **INTERNAL CONTROL**

Cumberland County management is responsible for establishing and maintaining an internal control framework designed to ensure that the assets of the County are protected from loss, theft or misuse and that accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions in compliance with laws and regulations, contracts and grants.

## **BUDGETING CONTROLS**

In government, more so than business, the budget is an integral part of a unit's accounting system and daily operations. An annual budget ordinance, as amended by the Board of County Commissioners, creates a legal limit on spending authorizations. For Cumberland County, annual budgets are adopted for the General, Special Revenue, Permanent, Proprietary, Fiduciary, and Internal Service Funds. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is at the fund level. Expenditures for construction contracts are monitored at the project level for the Capital Project Funds. Any amendments or transfers of appropriation between departments or funds must be authorized by the County Manager's office and approved by the Board of County Commissioners. In addition, the County maintains budgetary controls.

The objective of these controls is to ensure compliance with the legal provisions embodied in the annual budget ordinance adopted by the Board of Commissioners. An encumbrance accounting system is used to facilitate effective budgetary control. An encumbrance reserves a portion of an appropriation at the time a commitment is made to acquire goods or services. Open encumbrances are closed out at fiscal year-end and may be re-appropriated with approval of a budget ordinance revision as approved by the Board of Commissioners.

## **SINGLE AUDIT**

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to assure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As part of the County's single audit, tests are made to determine the adequacy of the internal control structure including that portion related to federal and state financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

## **INDEPENDENT AUDIT**

North Carolina General Statute 159-34 requires an annual audit by independent certified public accountants. The accounting firm of Cherry Bekaert LLP was selected by the Board of Commissioners. In addition to meeting the requirements set forth in the State Statute, the audit was also designed to meet the requirements of the Single Audit Act of 1996 and the State Single Audit Implementation Act. The auditor's unmodified report on the basic financial statements is included in the Financial Section of the Annual Comprehensive Financial Report. The auditor's reports relating specifically to the single audit are presented in the Compliance Section.

## AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Cumberland for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

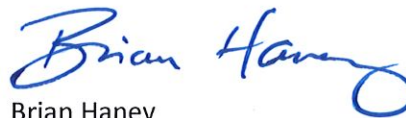
We appreciate the assistance and dedication of the Finance Department and Internal Audit staff throughout the year, especially during the preparation of this Annual Comprehensive Financial Report. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public

accountants, Cherry Bekaert LLP, for their assistance and guidance. The cooperation of each County Department is appreciated as we work together in conducting the County's financial operations. We also express our appreciation to the members of the Board of County Commissioners for their continued support, guidance and advice in planning and conducting the financial activities of the County consistent with the County's mission of providing quality services to our citizens while being fiscally responsible.

Respectfully submitted,



Clarence Grier  
County Manager



Brian Haney  
Assistant County Manager for General Government  
& Stewardship



Vicki Evans  
Finance Director &  
General Manager of Financial Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Cumberland  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Board of County Commissioners

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**Dr. Toni Stewart**  
Chairwoman  
District 2



**Glenn Adams**  
Vice Chairman  
District 1



**Michael C. Boose**  
Commissioner  
District 2



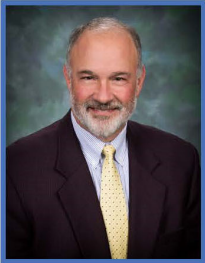
**Dr. Jeannette Council**  
Commissioner  
District 1



**W. Marshall Faircloth**  
Commissioner  
At-Large



**Veronica B. Jones**  
Commissioner  
At-Large



**Jimmy Keefe**  
Commissioner  
District 2

## County Officials

**Clarence Grier, CPA**  
County Manager

**Rick L. Moorefield**  
County Attorney

**Brian Haney**  
Assistant County Manager

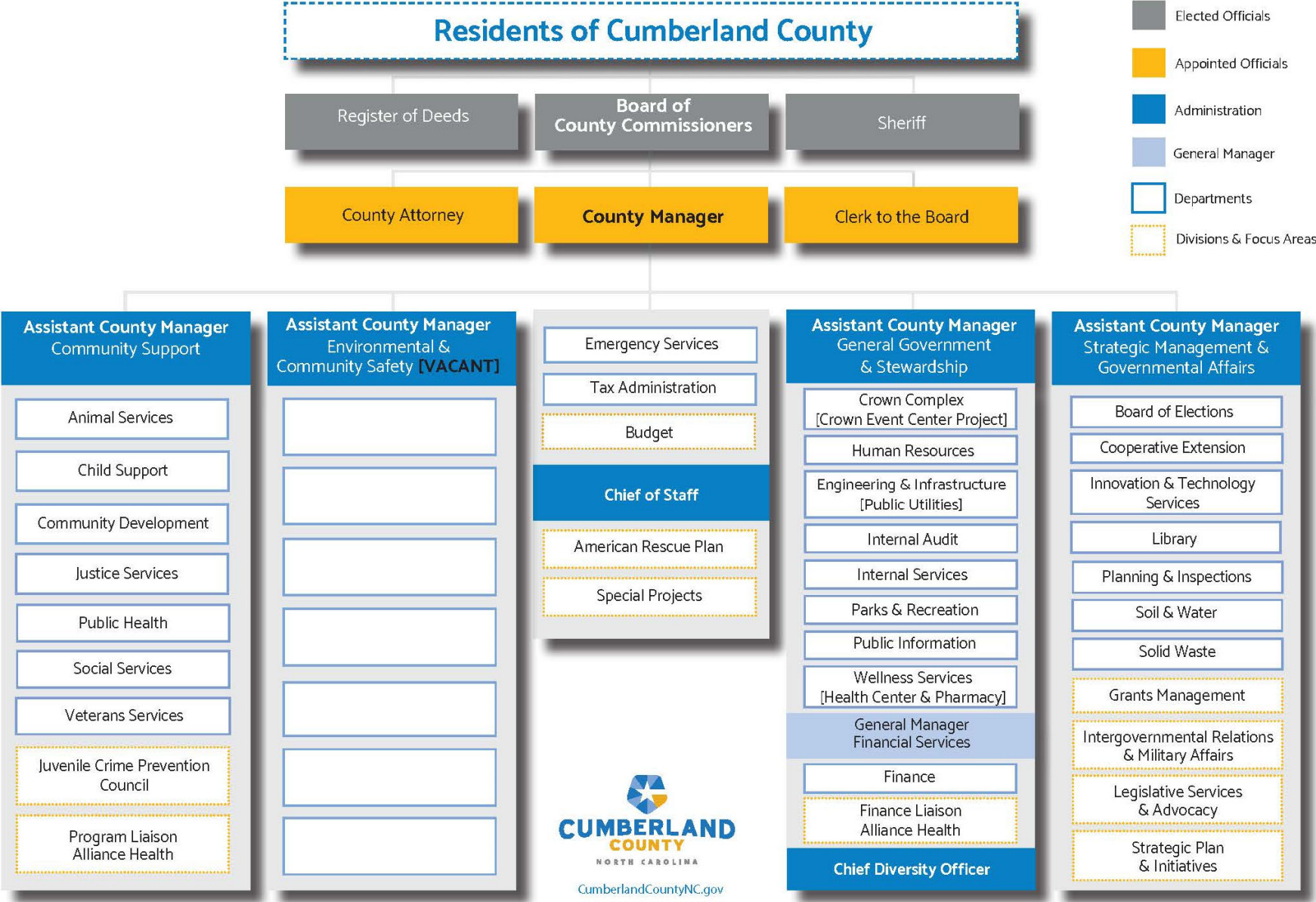
**Sally Shutt**  
Assistant County Manager

**Heather Skeens**  
Assistant County Manager

**Tye Vaught**  
Chief of Staff



# Organizational Chart



- Elected Officials
- Appointed Officials
- Administration
- General Manager
- Departments
- Divisions & Focus Areas

# AUDITOR'S OPINION



## Report of Independent Auditor

To the Board of Commissioners  
County of Cumberland, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, based on our audit and the report of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Cumberland County ABC Board (the "ABC Board"), which represent 39.94%, 45.24%, and 74.85%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for ABC Board, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis to our audit. The financial statements of the ABC Board were not audited in accordance with the *Government Auditing Standards*.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

Certain supplementary information includes summarized comparative information which relate to the previously audited 2022 financial statements. In our opinion, the summarized comparative information is consistent, in all material respects, in relation to the audited financial statements from which it was derived.

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the 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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
December 1, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS



# Management's Discussion and Analysis

## INTRODUCTION

As management of the County of Cumberland, North Carolina (the "County"), we are presenting to the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with the transmittal letter and the County's financial statements, which follow this narrative.

## FINANCIAL HIGHLIGHTS

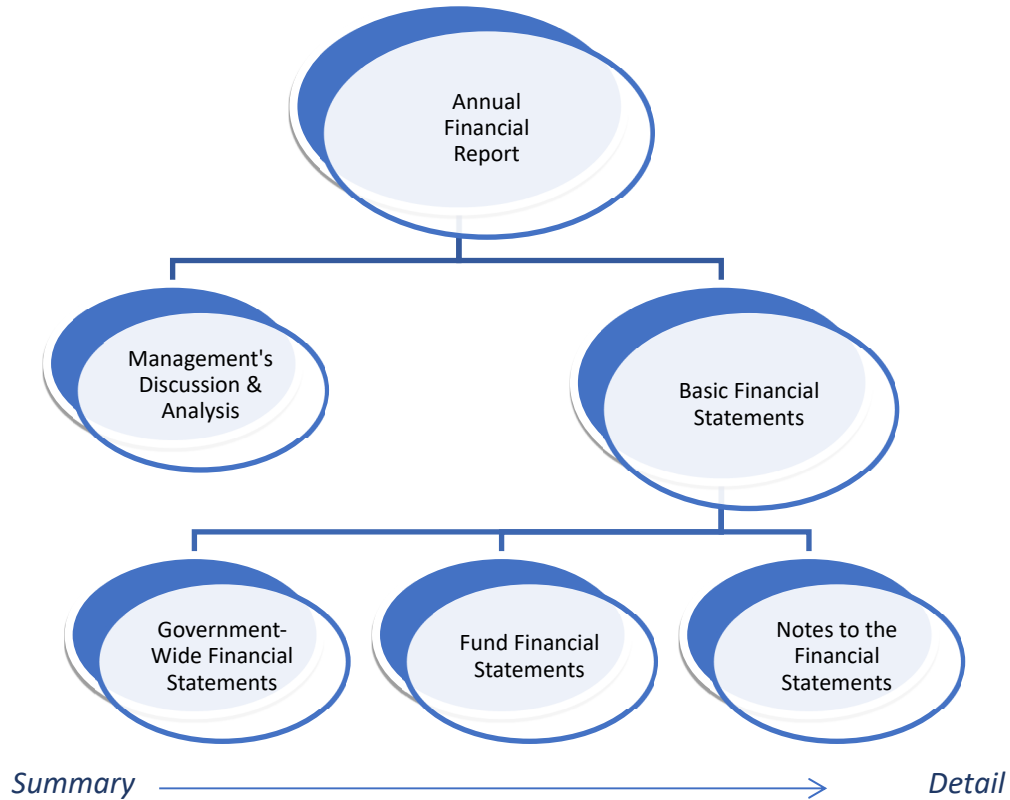
- ❖ Assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$393,610,046 (net position). The County's total net position increased by \$100,681,777 from the prior year. Net position increased \$91,342,559 for governmental activities and increased \$9,339,218 for business-type activities.
- ❖ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$349,799,425, an increase of \$49,037,165 or 16.3% from the prior year.
- ❖ In January 2021, Moody's Investor Service affirmed the Aa1 rating of the County's General Obligation Bond debt and the Aa2 rating of outstanding Limited Obligation Bonds and Certificates of Participation. The Aa2 rating reflects the satisfactory legal structure, the essential nature of the pledged assets, and the long-term credit characteristics of the County. The Aa1 General Obligation rating reflects the County's robust tax base with an average socioeconomic profile, anchored by Fort Bragg. The rating reflects the County's strong financial performance, including the maintenance of General Fund balance levels consistently more than 35% of revenues and adopted financial and debt policies which demonstrate prudent and conservative management.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$100,863,651 or 28.3% of total General Fund expenditures.
- ❖ During the year ended June 30, 2023, the County implemented Governmental Accounting Standards Board Statement No. 96 (GASB 96) – subscription-based information technology arrangements (SBITAs). This statement addresses how the costs and investments for SBITAs are accounted for and disclosed by governmental entities. The purpose of implementing GASB 96 is to increase transparency in the accounting and disclosure of these contracts. Through implementation of GASB 96, the County made adjustments to capital assets, IT subscriptions liabilities and deferred outflows of resources. The impact to net position was not material.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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. The basic financial statements present two different views of the County using government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

# Management's Discussion and Analysis

## REQUIRED COMPONENTS OF THE ANNUAL FINANCIAL REPORT



### *Basic Financial Statements*

The first two statements (pages D-2 and D-4) 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 (pages E-1 through E-13) 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 is the Notes to the Financial Statements. The Notes explain in detail some of the data contained in those statements. Following the notes is the Required Supplementary Information. This section contains funding information about the County's Pension Obligations, Law Enforcement Officers' Special Separation Allowance and Other Post Employment Benefit Retiree Healthcare Plans. After the Required Supplementary Information is detailed financial information about the County's financial position.

### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. Both statements provide data about the County's financial activities as a whole and present a longer-term view of the County's finances. These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. The government-wide financial statements are on pages D-2 through D-5.



# Management's Discussion and Analysis

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The *Statement of Net position* presents information on all of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources, with the difference between the two reported as net position. Measuring net position is one way to gauge the County's financial condition. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement is intended to summarize and simplify the reader's analysis of the revenues and costs of various activities and the degree to which activities are subsidized by general revenues.

The government-wide statements are divided into three types of activities: 1) governmental activities, 2) business-type activities, and 3) component units.

*Governmental Activities* - Governmental activities are those functions of the County that are principally supported by taxes and intergovernmental revenues. Governmental activities include most of the County's basic services such as General Government, Public Safety, Economic and Physical Development, Human Services, Cultural and Recreational, Education and Interest on long-term debt.

*Business-Type Activities* - Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. These include Solid Waste Management, Cumberland County Crown Complex, Kelly Hills Water and Sewer District, NORCRESS Water and Sewer District, Southpoint Water and Sewer District, Overhills Park Water and Sewer District and Bragg Estates Water & Sewer District.

*Component Units* - Although legally separate from the County, the Cumberland County ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Eastover Sanitary District, although legally separate, is included because exclusion would be misleading to the reporting unit. The Fayetteville Area Convention and Visitors Bureau is a non-profit organization that provides services to promote the development and expansion of travel and tourism. A voting majority of the bureau's 11-member board of directors is appointed by the County. The Cumberland County Tourism Development Authority exists to promote travel, tourism, conventions, sponsor tourist-related events, and finance tourist-related capital projects in the County. A voting majority of the 7-member Board of Directors is appointed by the County. The Fayetteville Cumberland County Economic Development Corporation promotes economic development activity within the area. The Cumberland County Commissioners and the Fayetteville City Council provides for the membership of the Corporation, including members' terms of office and for the filling of vacancies. Both entities contribute to the funding of the Corporation. Cumberland County is the fiscal agent for the corporation and does so through an in-kind contribution.

# Management's Discussion and Analysis

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## *Fund Financial Statements*

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. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements provide more detailed information about the County's most significant activities.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Most of the County's basic services are accounted for in governmental funds. 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 determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental 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.

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for two major funds, the General Fund, and the American Rescue Plan Act (ARPA) Fund. Data from the other 30 governmental funds are combined into a single, aggregated presentation under other governmental funds.

The County adopts an annual budget for its general, special revenue, permanent, enterprise and internal services funds as required by the General Statutes. Multi-year capital project funds are approved via a balanced project ordinance for the life of the project. A multi-year grant project fund has been established for one special revenue fund – the American Rescue Plan Act fund. 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 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 Statement of Revenues, Expenditures, and Changes in Fund Balance. 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. A more detailed budgetary comparison schedule elsewhere in this report is presented at the legal level of budgetary control.

# Management's Discussion and Analysis

**Proprietary Funds** – The County has two types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Crown Complex activity, Solid Waste operations and the water and sewer districts. These funds are the same as those shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County has five Internal Service Funds.

**Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Cumberland County has five fiduciary funds, one of which is an OPEB trust fund for reporting purposes and four custodial funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

## NOTES TO THE FINANCIAL STATEMENTS

The information reported in the notes to the financial statements provides additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page F-1 of this report.

## OTHER FINANCIAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information regarding the County's progress in funding its obligation to provide pension benefits, provide a separation allowance to sworn law enforcement officers and other postemployment health care benefits to its retirees and their dependents. Required supplementary information can be found beginning on page G-1 of this report.

(continued on next page)

# Management's Discussion and Analysis

## Government-Wide Financial Analysis

The following summarizes Net Position (Deficit) at June 30, 2023 and 2022.

**NET POSITION**  
Table 1

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>ASSETS</b>						
Current and other taxes	\$ 411,234,617	\$ 440,108,628	\$ 60,880,559	\$ 67,128,859	\$ 472,115,176	\$ 507,237,487
Capital assets	195,337,127	198,800,442	81,896,674	83,619,709	277,233,801	282,420,151
Total Assets	606,571,744	638,909,070	142,777,233	150,748,568	749,348,977	789,657,638
Deferred outflows of resources	47,126,818	57,915,880	1,257,929	1,488,300	48,384,747	59,404,180
<b>LIABILITIES</b>						
Long-term liabilities	262,719,856	300,040,735	34,812,817	33,213,783	297,532,673	333,254,518
Other liabilities	92,965,644	67,775,692	4,433,779	6,504,127	97,399,423	74,279,819
Total Liabilities	355,685,500	367,816,427	39,246,596	39,717,910	394,932,096	407,534,337
Deferred inflows of resources	106,924,132	46,577,034	2,949,227	1,340,401	109,873,359	47,917,435
<b>NET POSITION</b>						
Net investments in capital assets	158,558,572	165,981,474	66,942,102	72,734,567	225,500,674	238,716,041
Restricted	99,565,582	113,147,346	1,681,686	1,579,512	101,247,268	114,726,858
Unrestricted	(67,035,224)	3,302,669	33,215,551	36,864,478	(33,819,673)	40,167,147
Total Net Position (Deficit)	\$ 191,088,930	\$ 282,431,489	\$ 101,839,339	\$ 111,178,557	\$ 292,928,269	\$ 393,610,046

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County shown in Table 1, exceeded liabilities and deferred inflows of resources by \$393,610,046 as of June 30, 2023. The County's net position increased by \$100,681,777 for the year ending June 30, 2023, compared with the prior year.

In fiscal year 2020, the U.S. Congress enacted a series of laws, including the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act; these laws were a direct response to the economic and societal crises resulting from the COVID-19 pandemic. The CARES Act provided widespread assistance to individuals, corporations, and state and local governments. Funding to the State from the CARES Act was allocated directly through the federal Coronavirus Relief Funds (CRF), new initiative programs and new grants. In response to the CARES Act and requirements set forth for the State's CRF, the N.C. General Assembly passed spending bills that allocated the federal CRF monies to areas impacted by the pandemic. They also established the North Carolina Pandemic Recovery Office (NCPRO) to oversee and coordinate the funds made available under COVID-19 Recovery Legislation. The County met the deadline for expending CRF funds by December 31, 2021.

In March 2021, the United States Congress enacted the American Rescue Plan Act (ARPA) and established the Coronavirus State and Local Fiscal Recovery Fund. These funds were allocated to each state, local government, and tribal government individually. As of June 30, 2023, Cumberland County received the full allocated amount of \$65,168,690 of Coronavirus State Fiscal Recovery funds. The State and Local Fiscal Recovery Funds were provided to assist in reducing the impacts of the COVID-19 pandemic and decrease the spread of the virus; replace lost revenue for governments; support economic stabilization caused by the pandemic; and address public health and economic challenges that contributed to the unequal impact of the pandemic. Funds totaling \$23,692,796 have been expended through fiscal year 2023. The unspent amount was recorded as a liability – due to the federal government.

# Management's Discussion and Analysis

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In April 2022, drug manufacturer Johnson & Johnson, and three other drug manufacturing companies finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. The state of North Carolina is expected to receive over \$757 million in funding distributions scheduled to occur between 2022-2038. Cumberland County is expected to receive almost \$17 million of that amount. Through fiscal year 2023, the County received over \$2.2 million as part of that settlement. Almost \$1 million was budgeted toward authorized activities during fiscal year 2023 and \$23,032 was expended. The unspent amount of receipts has been recorded as a liability or unearned revenue. As a result, the net impact of these allocations is zero within the County's net position this year, as the restricted cash asset offsets the liability.

Total assets and deferred outflows increased by \$51,328,094. Overall cash increased by \$38.5 million, and Pension deferred outflows of resources increased by \$15.2 million.

Total liabilities and deferred inflows decreased by \$49,353,683 which is mainly attributable to decreases in deferred inflows of resources for Pension of \$16,754,375 and the OPEB decrease of \$36,031,853.

Of total net position, one of the largest portions, \$238,716,041 reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, 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.

An additional portion of the County's net position is restricted net position, \$114,726,858. Net position is restricted when constraints placed on its use is either 1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or, 2) legally imposed through constitutional provisions. The remaining balance of unrestricted net position results from debt financing related to school assets. Consistent with many other counties in the State of North Carolina, the County's unrestricted net position deficit is primarily due to the portion of the County's outstanding debt incurred for the County Board of Education (the school system). Under North Carolina law, the County is responsible for providing capital funding for the school systems. The County has chosen to meet its legal obligation to provide the school systems capital funding by using a mixture of County funds and general obligation and non-general obligation debt. The assets funded by the County, however, are owned and utilized by the school systems. 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, approximately \$17,070,776 of the outstanding debt on the County's financial statements is related to assets included in the school systems' statements. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

# Management's Discussion and Analysis

## CHANGES IN NET POSITION

Table 2

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>REVENUES</b>						
Program Revenues						
Charges for services	\$ 19,760,821	\$ 17,564,185	\$ 7,285,512	\$ 9,063,683	\$ 27,046,333	\$ 26,627,868
Operating grants and contributions	74,854,194	82,366,667	1,755,983	753,554	76,610,177	83,120,221
Capital grants and contributions	3,982,512	3,550,227	-	-	3,982,512	3,550,227
General revenues:						
Property taxes	214,751,718	217,430,360	-	-	214,751,718	217,430,360
Other taxes	90,235,515	93,898,363	7,938,853	8,038,447	98,174,368	101,936,810
Grants and contributions not restricted to specific programs	18,816,392	20,545,479	-	1,201,818	18,816,392	21,747,297
Unrestricted investment earnings	1,412,761	13,433,515	81,726	674,004	1,494,487	14,107,519
Gain on sale of assets	1,246,414	347,624	62,941	181,916	1,309,355	529,540
Miscellaneous	6,236,307	9,121,742	27,161	23,157	6,263,468	9,144,899
<b>Total revenues</b>	<b>431,296,634</b>	<b>458,258,162</b>	<b>17,152,176</b>	<b>19,936,579</b>	<b>448,448,810</b>	<b>478,194,741</b>
<b>EXPENSES</b>						
General government	41,158,664	42,472,253	-	-	41,158,664	42,472,253
Public safety	61,892,566	70,538,679	-	-	61,892,566	70,538,679
Economic and physical development	10,427,433	10,988,757	-	-	10,427,433	10,988,757
Human services	88,142,692	91,582,707	-	-	88,142,692	91,582,707
Culture and recreation	13,536,709	15,556,012	-	-	13,536,709	15,556,012
Education	114,500,841	119,881,078	-	-	114,500,841	119,881,078
Interest on long-term debt	2,380,021	2,319,001	-	-	2,380,021	2,319,001
Solid Waste	-	-	12,949,904	14,471,656	12,949,904	14,471,656
Crown Center	-	-	7,466,549	8,465,190	7,466,549	8,465,190
Kelly Hills W&S District	-	-	93,366	111,875	93,366	111,875
Norcross W&S District	-	-	628,641	900,444	628,641	900,444
Southpoint W&S District	-	-	31,421	27,149	31,421	27,149
Overhills Park W&S District	-	-	197,043	198,163	197,043	198,163
Bragg Estates WS District	-	-	-	-	-	-
<b>Total expenses</b>	<b>332,038,926</b>	<b>353,338,487</b>	<b>21,366,924</b>	<b>24,174,477</b>	<b>353,405,850</b>	<b>377,512,964</b>
Increase in net position before transfers	99,257,708	104,919,675	(4,214,748)	(4,237,898)	95,042,960	100,681,777
Transfers	(12,529,982)	(13,577,116)	12,529,982	13,577,116	-	-
<b>Change in net position</b>	<b>86,727,726</b>	<b>91,342,559</b>	<b>8,315,234</b>	<b>9,339,218</b>	<b>95,042,960</b>	<b>100,681,777</b>
Net position - beginning	104,568,653	191,088,930	93,524,105	101,839,339	198,092,758	292,928,269
Fund Closure	(207,449)	-	-	-	(207,449)	-
Net position - beginning after fund closure	104,361,204	191,088,930	93,524,105	101,839,339	197,885,309	292,928,269
<b>Net position - ending</b>	<b>\$ 191,088,930</b>	<b>\$ 282,431,489</b>	<b>\$ 101,839,339</b>	<b>\$ 111,178,557</b>	<b>\$ 292,928,269</b>	<b>\$ 393,610,046</b>

Several particular aspects of the County's financial operations shown in Table 2, influenced total governmental activities net position:

- ❖ The County continues to exercise fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year. The County's unassigned fund balance level provides a financial cushion to accommodate unforeseen expenses that may occur for any reason during the fiscal year.
- ❖ Continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.36% for real and personal property.
- ❖ The growth in revenues is mainly attributable to the increase in operating grants and contributions, taxes, and investment earnings.

# Management's Discussion and Analysis

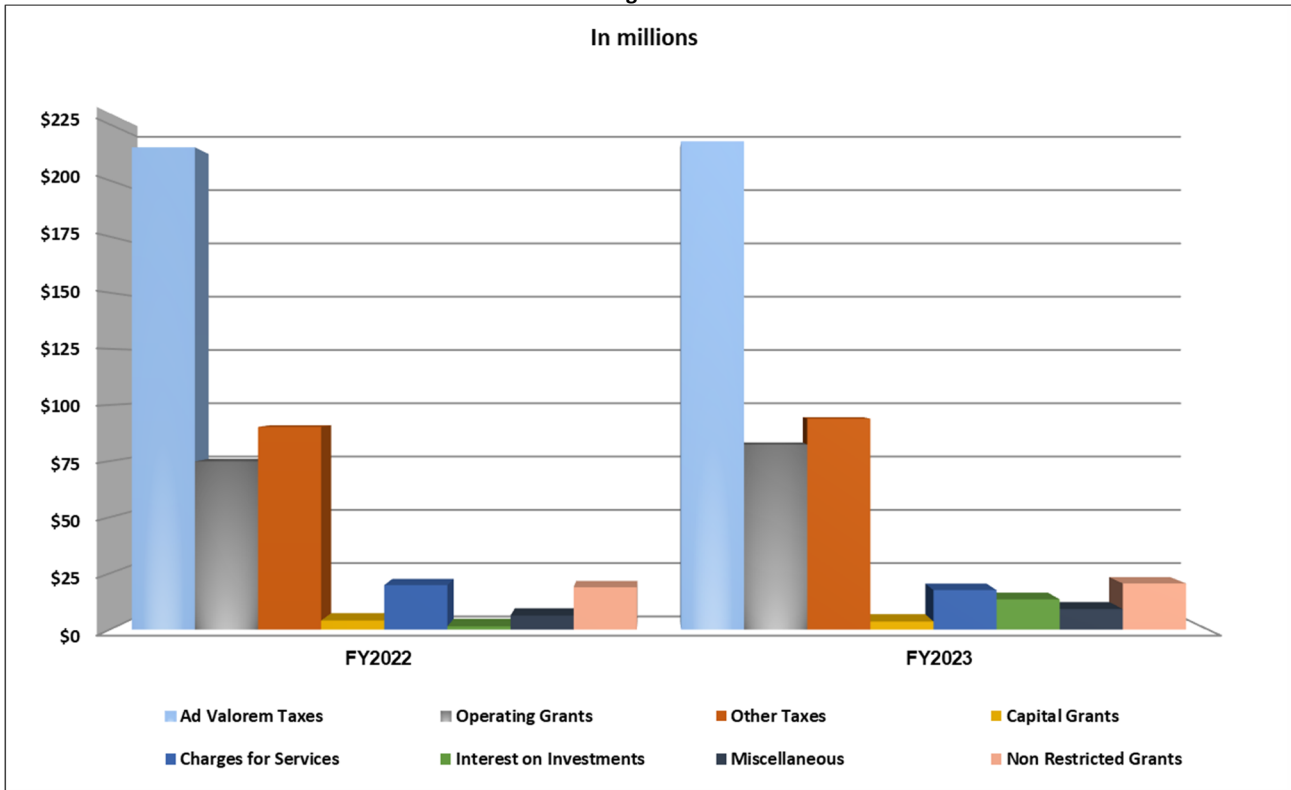
**Governmental Activities:** Governmental activities increased the County's net position by \$91,342,559 (See Figures 2 and 3). Key elements of this increase are as follows:

- ❖ Program revenues totaled \$103,481,079, an increase of \$4,883,552 over the previous year.
  - Charges for services decreased by \$2,196,636 in total across all functional areas. The largest contributor to that decrease was a decrease in planning fees of approximately \$375,000 and a decrease in Register of Deeds fees of approximately \$330,000. Additional decreases are spread across the remaining functional areas.
  - Operating Grants and Contributions increased by \$7,512,473. The increase in revenues includes an increase in expenditures claimed through the American Rescue Plan Act totaling approximately \$13.5 million as well as \$2 million in stream restoration funding and approximately \$1.1 million utilized of 911 funds. Those increases are offset by decreases in the amount of funds received for the emergency rental assistance program totaling about \$7 million less than the prior year and \$4.6 million less for crisis intervention.
- ❖ General revenues increased by \$22,077,976 to \$354,777,083.
  - Property tax revenue totaled \$217,430,360, an increase of \$2,678,642 above the previous year. This tax revenue represents the largest revenue source of the County. These taxes are based on combined values for real property, personal property and motor vehicles.
  - Other taxes increased by \$3,662,848 or 4.1%. This increase is spread between sales tax and food and beverage tax collections.
  - Interest earnings on investments has a substantial increase in the amount of \$12,020,754 or 54% from last year.
  - Miscellaneous revenues increased by \$2,885,435 or 46.3%. The majority of this increase occurred within the internal services health insurance fund which recorded an increase in rebates on pharmaceutical claims and reimbursements for pharmacy drug purchases in the employee pharmacy. These increases in revenue are offset by increases in expenses.
- ❖ Governmental activities expenses increased by \$21,299,561.
  - Public Safety expenses were above the prior year levels by \$8,646,113. Pay enhancements, including a retention incentive, were paid to employees at a cost of approximately \$2.5 million during the fiscal year for public safety employees. In addition, \$3.6 million was spent on the purchase of body worn and in-car camera equipment for law enforcement officers.
  - Education expenses were above the prior year levels by \$5,380,237. Fayetteville Technical Community College expenses increased by \$2.1 million in capital outlay and \$935,244 for current expense. Cumberland County Schools' current expense increased by \$1,271,248 as compared to the prior year.
  - Human Services expenses were above prior year levels by \$3,440,015. This increase consisted of \$7.7 million more in salary and benefit costs with approximately \$4 million of that being paid for retention incentives. An additional increase of approximately \$500,000 was paid for drugs for the Health Department's pharmacy and almost \$600,000 for computer hardware. These increases were offset by decreases in expenses for the low-income energy assistance program of \$4.2 million and a decrease of \$1.2 million for the foster care board.

# Management's Discussion and Analysis

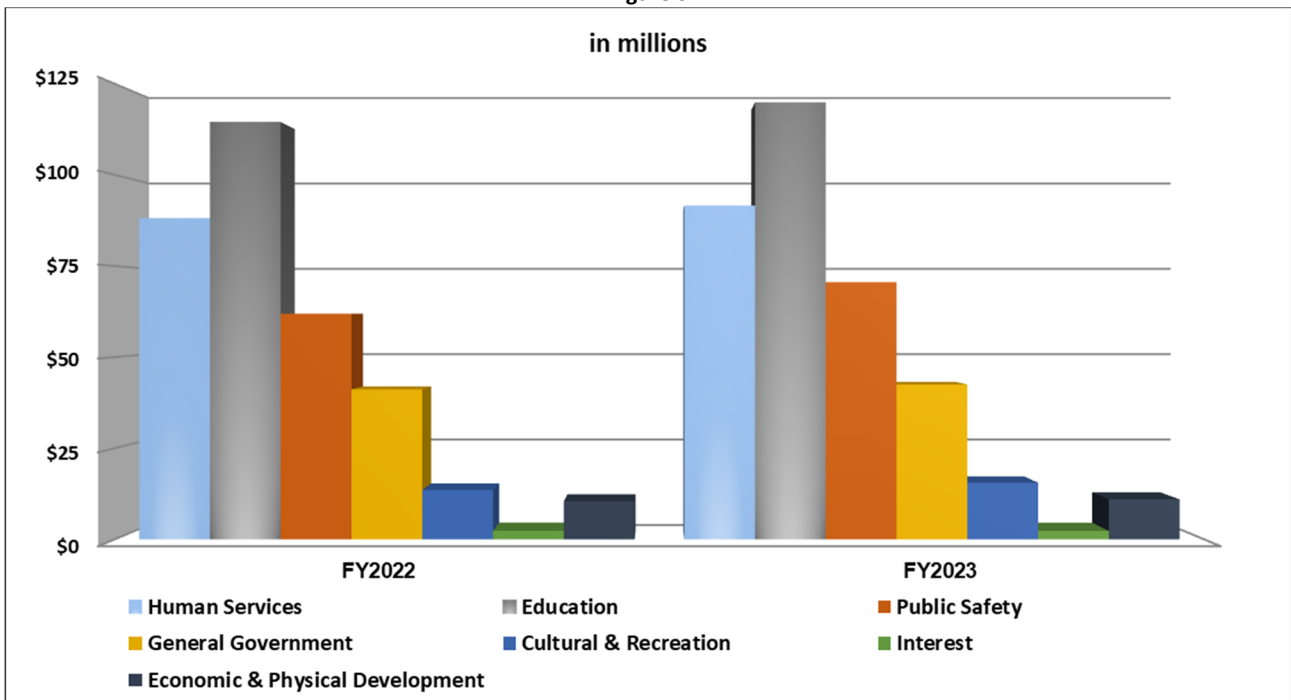
## GOVERNMENTAL ACTIVITIES REVENUE

Figure 2



## GOVERNMENTAL ACTIVITIES EXPENSES

Figure 3





# Management's Discussion and Analysis

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**Business-Type Activities:** Business-type activities increased the County's net position by \$9,339,218 (See figures 4 and 5). Key elements of this increase are as follows:

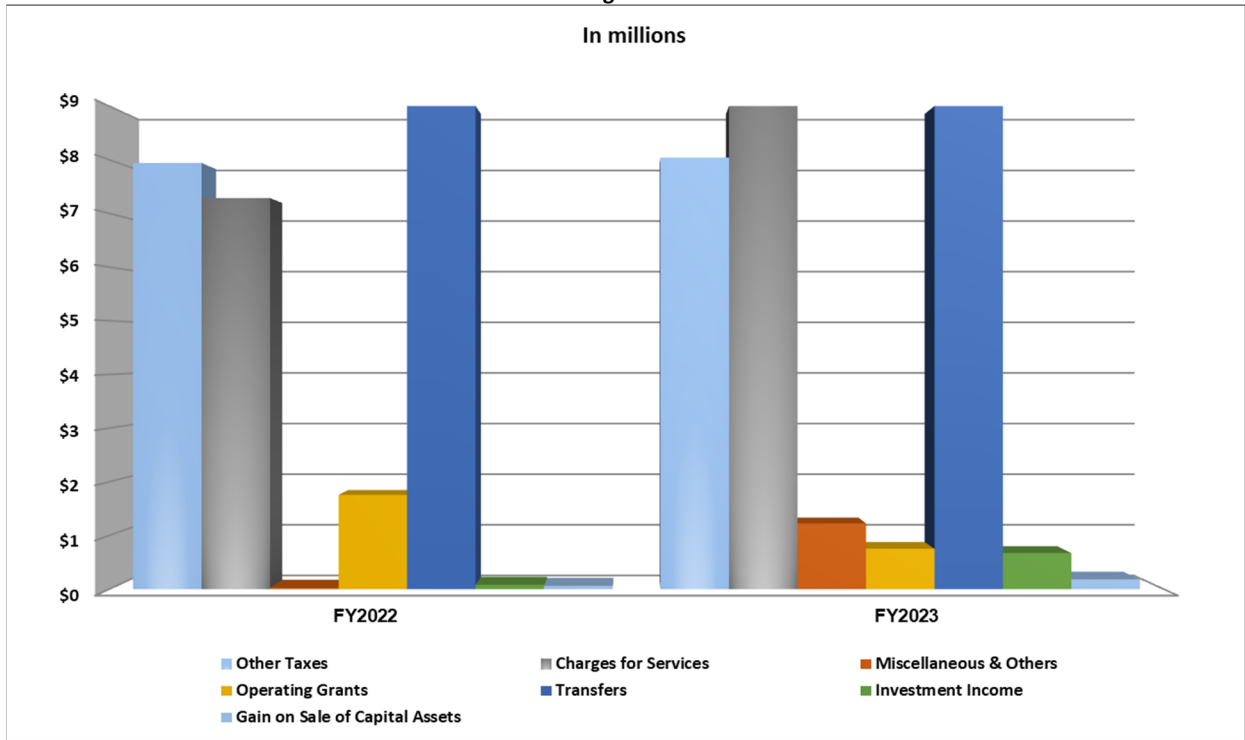
- ❖ The Solid Waste net position decreased by \$36,359 to \$46,377,702 This is primarily due to costs incurred on capital projects.
- ❖ The Crown Complex's net position increased by \$8,851,895 or 19.83% to \$53,483,263. This is mainly attributable to an increase in charges for services as activities start to resume after COVID and an increase in motel occupancy tax receipts, as well as a transfer from the food and beverage fund to offset costs of capital improvement projects in process.
- ❖ The Kelly Hills Water and Sewer District had a decrease in net position of \$3,980 as a result of an increase in repairs & maintenance expenses.
- ❖ The NORCRESS Water and Sewer District had an increase in net position of \$534,214 to \$5,720,987. The primary reason for this was a transfer from capital investment funds assigned to support water and sewer district infrastructure which are being utilized to support lift station and sewer line repairs.
- ❖ The Southpoint Water and Sewer District had an increase in net position of \$37,252 to \$586,339. Operating revenues and expenses have remained consistent.
- ❖ The Overhills Park Water and Sewer District had a decrease in net position of \$43,804 to \$2,997,631. The water and sewer district began operations in fiscal year 2020 and fee increases to support operations are scheduled over the next several years.
- ❖ The Bragg Estates Water and Sewer District capital project fund was closed during fiscal year 2022. The Board of County Commissioners and Bragg Estates Water and Sewer District Boards approved the capital project closeout during fiscal year 2021. All capital project related expenses were transferred to the operating fund and then the fund was closed. The County will no longer continue with this project but will maintain ownership of the assets acquired.

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# Management's Discussion and Analysis

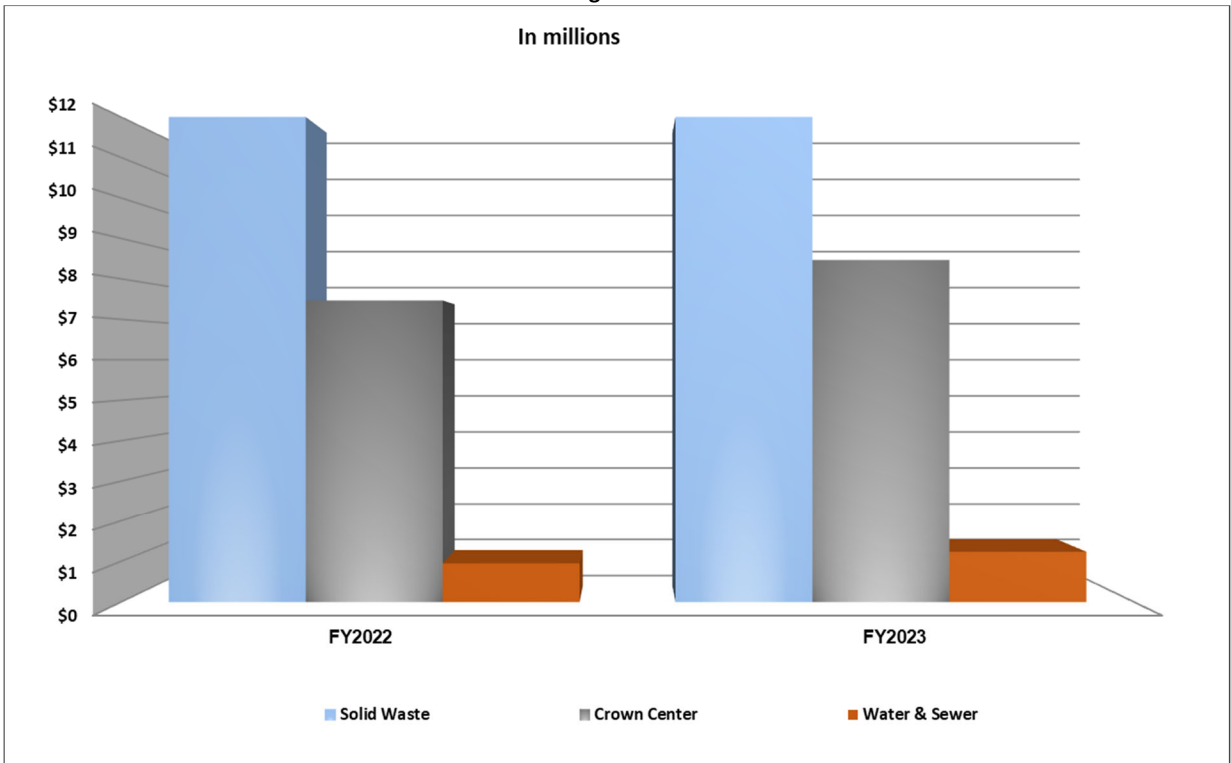
## BUSINESS-TYPE REVENUE

Figure 4



## BUSINESS-TYPE EXPENSES

Figure 5



# Management's Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds of Cumberland County (**page E-1**) reported a combined fund balance of \$349,799,425, an increase of \$49,037,165 from the previous year. The unassigned fund balance is \$100,146,774 or 28.63% which is not restricted, committed, or assigned for specific purposes. Another \$8,454,775 or 2.42% is assigned for specific purposes: \$6,454,775 for subsequent years' expenditures; \$2,000,000 for economic development incentives. Committed fund balance totals \$149,753,777 or 42.81% and includes: \$2,500,000 for tax revaluation and \$147,253,777 for the capital investment fund. Non-spendable fund balance accounts for another \$278,842 or 0.08% for inventories, leases and cemetery funds. The remainder of fund balance, \$91,165,257 or 26.06% is restricted which indicates that it is not available for general purposes because it is legally restricted or has been contractually committed.

As of June 30, 2023, the major special revenue fund, ARPA, reported a fund balance of \$715,318. All funds are restricted.

As of June 30, 2023, the non-major governmental funds of the County reported a fund balance of \$18,487,546 a decrease of \$1,851,597 from previous year. The non-major governmental fund balance represents 5.28% of the combined fund balance for the governmental funds.

The General Fund, including the consolidated County School Fund and Capital Investment Fund, is the primary operating fund of Cumberland County (**page E-1**). At the end of the current fiscal year, the General Fund reported a fund balance of \$330,596,561; unassigned fund balance of the General Fund is \$100,863,651; non spendable fund balance is \$218,818; assigned and committed fund balance is \$158,208,552 while restricted fund balance is \$71,305,540.

As a measure of the General Fund's liquidity, it may be useful to compare three different measures of fund balance to total fund expenditures. The Board of Commissioners adopted fund balance policy requires that the County maintains an unassigned fund balance between 12-15% of General Fund annual expenditures. This amount is sufficient to handle immediate unforeseen needs, to meet the cash flow needs of the County and the potential to take advantage of opportunities that might arise. At the end of fiscal year 2023, unassigned fund balance represents 28.35% of total General Fund expenditures adjusted for transfers. Available fund balance which includes unassigned, assigned, and committed fund balance is 72.81% while total fund balance represents 92.91% of that same amount.

# Management's Discussion and Analysis

Total General Fund actual revenues including a legally budgeted County School Fund and Capital Investment Fund but excluding other financing sources (**page E-3**) was \$392,483,933 an increase of \$14,220,199 or 3.76% from previous year. Highlights of significant areas of change include:

- ❖ The increase in revenues is primarily due to increased tax revenues, federal COVID-19 relief funds received, ARP freed up capacity as well as interest earned on investments.
- ❖ Ad valorem property tax revenues have increased by \$4,461,826 or 2.26% to \$201,502,767.
- ❖ Other taxes increased by \$2,585,442 or 3.18% to \$83,840,078. Sales tax revenue is the primarily contributor. These upward trends in sales tax revenues are indicative of a continued economic rebound.
- ❖ Unrestricted Intergovernmental revenue decreased by \$373,795 or 1.99% to \$18,447,421.
- ❖ Restricted intergovernmental revenues increased by \$2,109,846 or 3.92% to \$55,992,463. The use of these funds is restricted by state statute or as established by the grantor.
- ❖ Licenses and permit revenue decreased by \$718,040 or 20.90% to \$2,718,023. Planning and Inspection permit fees and Register of Deeds services account for those changes.
- ❖ Sales and services decreased by \$332,685 or 2.68% to \$12,089,042.
- ❖ Interest earned on investments for the General Fund increased by \$10,667,372 or 821.56% to \$11,965,795. This change is based on market conditions and changes in the interest rates as a result of COVID-19 impact on the global economy.

General Fund actual expenditures including a legally budgeted County School Fund and Capital Investment Fund, but excluding other financing uses and transfers were \$355,807,968, an increase of \$23,116,674 or 6.95% from the previous year. Highlights of significant areas of change include:

- ❖ The General Government expenditures increased by \$3,254,875 or 8.37%, mostly due to an increase in expenditures directly related to retention incentives and new projects. The expenditures were offset by grants and other contribution revenues to include ARP freed up capacity.
- ❖ Public Safety had an increase of \$9,312,417, or 16.34%, attributable to pay enhancements, including retention incentives and capital outlay purchases as body worn and in-car camera equipment for law enforcement officers.
- ❖ Economic and Physical development increased by \$1,243,826 or 12.97%, attributable to capital improvement projects being completed.
- ❖ Cultural and recreation expenditures increased by \$1,154,839 or 5.45%. from previous year. This change reflects an increase in expenditures that were offset by grant revenues. Projects that were delayed during fiscal year 2022 were completed during fiscal year 2023.

The Capital Investment Fund (CIF) is the primary funding mechanism for investment in County capital facilities. The primary source of funding is a contribution from the General Fund from which it pays the County's debt service requirement and other facility improvements, capital technology and vehicle costs. At the end of the fiscal year the CIF has an ending fund balance of \$147,383,875. During fiscal year 2022 the Reserve / Fund Balance Policy was revised and moving forward, each fiscal year the Board of Commissioners may transfer any general fund unassigned fund balance that exceeds 15% to the Capital Investment Fund to support future capital projects or debt service, authorized through an approved budget ordinance amendment. The amount transferred during fiscal year 2023 was \$21,308,340.

# Management's Discussion and Analysis

**General Fund Budgetary Highlights:** The General Fund, for budgetary comparisons, excludes the legally budgeted County School Special Revenue Fund and Capital Investment Fund (**page E-5**). During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of four categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State aid; and 4) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund revenues excluding transfers and sale of capital assets increased the adopted budget by \$8,363,088 to a total of \$362,452,607. Actual General Fund revenues excluding transfers were more than final amended budget by \$4,641,668.

- ❖ Budgeting of Fund Balance - A total of \$8,071,721 of fund balance was originally budgeted in fiscal year 2023. During the fiscal year, fund balance reappropriations were requested for contracts and purchase orders in which projects were not completed in fiscal year 2022 and were on-going in fiscal year 2023.
- ❖ Other taxes- This group covers the receipt of funds such as sales tax, pet registration, beer and wine taxes and real estate transfer tax. These funds are budgeted based on historical distributions with consideration of current & future projected economic conditions. The revenues received exceed the revised budget by \$1,690,847 or 2.61%. A conservative budgeting approach was used for the fiscal year 2023 budget. Actual tax collections were strong again this year. Sales tax collections for fiscal year 2023 were strong and showed growth.
- ❖ Unrestricted Intergovernmental revenue- These revenues cover those funds that are received from other governmental agencies which are not restricted as to use. At the end of the year, revenues were \$16,523,973.
- ❖ Restricted intergovernmental revenue - This category which includes federal and state funding fell short of revised budget by \$9,219,708. Most of the shortfall correlated with expenditures below budget in the Human Services functional areas as revenues in those areas are dependent upon incurred expenditures. Unexpended grant funds at year-end were re-appropriated to fiscal year 2024 to allow for project completion and expenditure of these funds. Many of the adjustments from the original budget are caused by timing issues from the State not setting their funding levels until after the County has adopted its budget.
- ❖ Interest earned on investments totaled \$9,188,166, this is a positive variance from final budget.

Total actual revenues for the General Fund, excluding the County School Capital Fund, Capital Investment Fund, and other financing sources, were \$367,094,275. This amount exceeded the final budgeted amount by \$4,641,668 (**page E-5**).

- ❖ Ad Valorem taxes collected exceeded the budget by \$4,634,172 or 2.35%. This was due to conservative budget estimates and higher than expected tax collections for both real property and motor vehicles.
- ❖ Other taxes: Total other taxes exceeded the budget by \$1,690,847 or 2.61%. Sales tax and real estate tax collections accounted for most of the increase.
- ❖ Unrestricted intergovernmental revenues were \$1,751,434 or 9.58% under budget. This is because actual receipts are reflective of the actual expenditures. Therefore, if costs are not incurred no actual receipts are recorded.
- ❖ Restricted intergovernmental revenues fell short of the revised budget by \$9,219,708. As previously mentioned, the actual restricted intergovernmental receipts are reflective of the actual expenditures. Therefore, if costs are not incurred no actual receipts are recorded.

# Management's Discussion and Analysis

- ❖ Licenses and permit fees totaled \$2,718,023, an excess of \$393,023 or 16.90% from the final revised budget due to over realization of Register of Deeds and Inspection fees.
- ❖ Sales and services fees exceed the revised budget by \$966,335 or 8.69%. This overall increase was spread over several different revenue sources from multiple County departments.
- ❖ Interest earned on investments exceed the revised budget by \$9,168,166. This is a primary indicator of a rebound in the economy.
- ❖ Miscellaneous revenue fell short of the revised budget by \$1,239,733.

Total actual expenditures (**page E-5**), excluding the County School Fund, Capital Investment Fund and other financing uses, were less than the final budgeted amount by \$53,397,084 resulting in an expenditure rate of 85.70% of final budget. In general, variances usually result from conservative budget practices such as, budgeting fully for positions in most departments; the need to allow for fluctuation in Human Services, grant programs and management's efforts to maintain statutory compliance in keeping expenditures under the budget amounts. Staffing to pre-pandemic levels continues to be an issue as vacant position number continue to increase, resulting in personnel costs being lower than budget. Staffing shortfalls continue to be an issue within the functional areas of which led to delays in projects.

- ❖ Personnel expenditures including fringe benefits, were \$17,782,809 less than budget. The county continues to struggle with recruitment, turnover, and a high overall position vacancy rate.
- ❖ Basic operating expenditures were less than budget and include the following: postage cost totaling \$102,923, contracted services totaling \$1,482,226. Over half of the unexpended amount is from the ARP Freed-Up Capacity funds with the majority belonging to amounts for upfitting the Community Paramedics program, employee daycare and for Non-Profit Assistance contracts.
- ❖ Public Safety expenditures were less than revised budget by \$2,199,314. This variance is mainly attributable to a reduction in utilities of \$200,000, grants expenditures in an amount just over \$1,000,000. The grants expenditures were budgeted but not expended during the fiscal year; contracted services by \$250,000, capital outlay totaling \$231,982, among others. Unexpended grant funds at year-end were re-appropriated to fiscal year 2024 to allow for project completion and expenditure of these funds.
- ❖ Economic and physical development expenditures were less than budget by \$5,122,162. Among all expenditures contracted services represents \$500,000, grants totaling \$1,600,000, capital outlay \$2,682,000, among others. Unexpended amounts were attributable to delays in projects or awards received at the end of the fiscal year. Unexpended grant funds at year-end were re-appropriated to fiscal year 2024 to allow for project completion and expenditure of these funds.

**Proprietary Funds.** The County's Proprietary Funds (**pages E-7 thru E-10**) provide the same type of information found in the government-wide statements but in more detail. They include seven enterprise funds and five internal service funds. The Solid Waste Fund had a net position of \$46,377,702. The Crown Complex Fund had a net position of \$53,483,263. The other five enterprise funds, (water and sewer funds), had a combined net position of \$11,317,592. The Solid Waste operating revenues increased by \$799,510 primarily because of an increase in charges for services revenues. The Crown Complex's net position before transfers was a loss of \$3,652,995. The facilities were reopened during fiscal year 2022 and events have resumed. The water and sewer funds had combined operating revenues of \$934,639. The operational expenses for Solid Waste increased by \$1,521,752 from previous year. The increase was primarily related to an increase in depreciation expenses and landfill closure and post closure care costs. The Crown Complex fund had an increase in operational expenses of \$1,064,187 mainly because an increase in the cost of the daily operations at the Crown handled by Global Spectrum. The internal service funds had a combined net position of \$16,777,492.

# Management's Discussion and Analysis

**Fiduciary Funds.** The County's fiduciary funds (**pages E12 and E13**) are divided into two separate fund types, the Other Post Employee Benefit Trust Funds (OPEB) and the Custodial Funds. The OPEB fund had an increase in net position of \$1,088,757 to \$4,103,052 this primarily because a \$1,000,000 contribution was made to the trust. The custodial funds had a net position of \$110,384.

## **Capital Asset and Debt Administration**

**Capital Assets.** The County's capital assets, shown in Table 3, for its governmental and business-type activities as of June 30, 2023, totals \$282,420,151 (net of accumulated depreciation). Capital assets include land, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, plant and distribution systems, leases and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise fund financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. Major capital transactions during the year include the purchase of vehicles, purchases of various equipment for day-to-day operations. Additional information on the County's capital assets can be found in Note #4 in the Notes to the Financial Statements. (See figure 6 and 7 for current fiscal year distribution).

As of June 30, 2023, the County has construction contracts in progress in the amount of \$16,957,412 for various capital projects and improvements including construction of additional cells and a scale house at the County landfill.

### CAPITAL ASSETS

Table 3

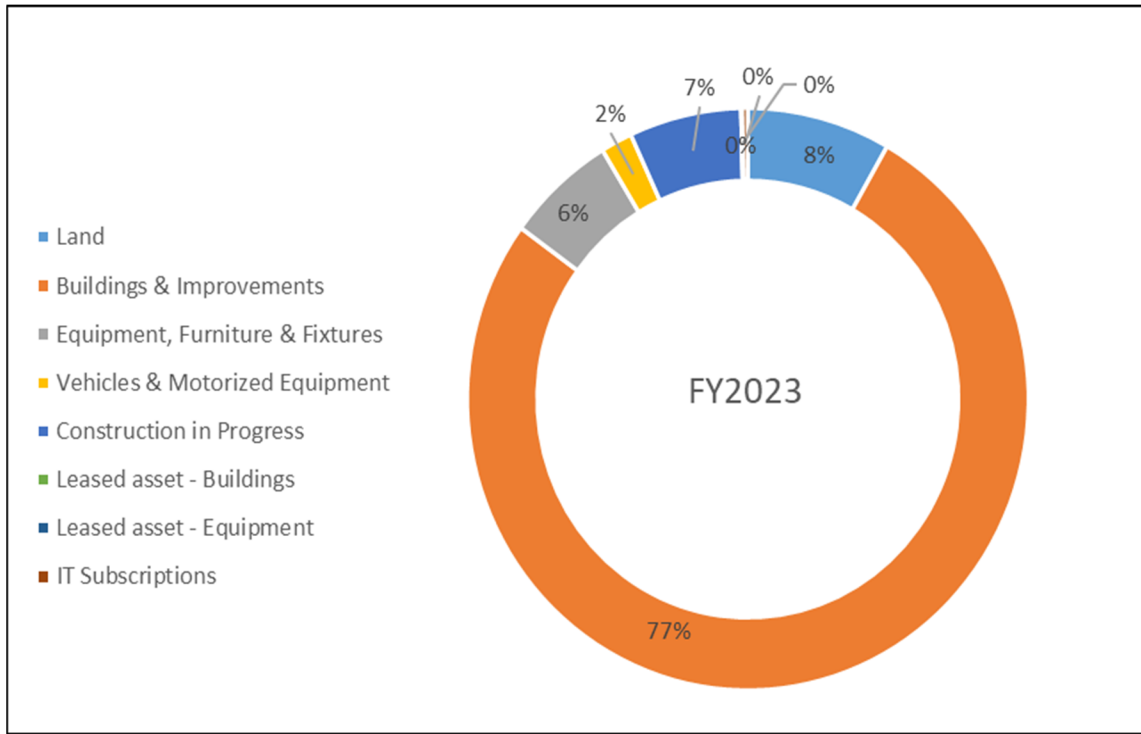
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Capital Assets						
Land	\$ 16,454,597	\$ 16,439,372	\$ 6,892,536	\$ 8,145,036	\$ 23,347,133	\$ 24,584,408
Construction in progress	12,683,833	12,853,147	2,785,838	4,104,265	15,469,671	16,957,412
Landfill	-	-	11,529,279	11,225,655	11,529,279	11,225,655
Buildings and improvements	154,870,697	152,563,355	39,645,085	38,243,819	194,515,782	190,807,174
Equipment, furniture and fixtures	7,574,554	12,577,350	8,417,276	9,857,988	15,991,830	22,435,338
Vehicles and motorized equipment	3,662,314	3,605,723	1,060,348	896,596	4,722,662	4,502,319
Leased asset - buildings	30,484	10,162			30,484	10,162
Leased asset - equipment	60,648	115,201			60,648	115,201
IT Subscriptions		636,132				636,132
Plant and distribution system	-	-	11,566,312	11,146,350	11,566,312	11,146,350
Total net assets	<u>\$ 195,337,127</u>	<u>\$ 198,800,442</u>	<u>\$ 81,896,674</u>	<u>\$ 83,619,709</u>	<u>\$ 277,233,801</u>	<u>\$ 282,420,151</u>

# Management's Discussion and Analysis

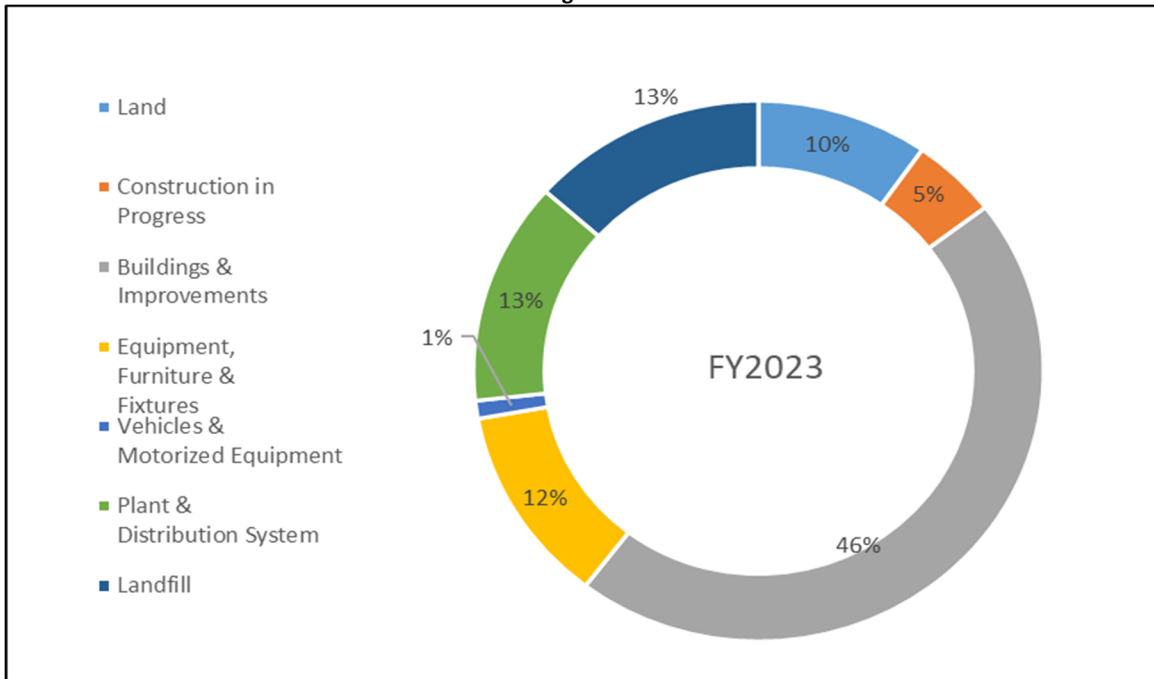
## GOVERNMENTAL ACTIVITIES- CAPITAL ASSETS

Figure 6



## BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS

Figure 7





# Management’s Discussion and Analysis

**Long-Term Obligations.** As of June 30, 2023, Cumberland County had a total of \$934,000 outstanding USDA GO Bonds. The implementation of Governmental Accounting Standards Board Statement No. 87– Leases, and Governmental Accounting Standards Board Statement No. 96 SBITAs requires the County as the lessor to recognize a liability. At the end of the fiscal year the lease liability and SBITAs liability were \$125,610, and \$559,863 respectively. The County’s total debt, Table 4, increased by \$35,721,845 – primarily attributable to the increased in net pension liabilities of LGERS. Additional information regarding the County’s long-term debt can be found in Note #9 in the Notes to the Financial Statements. (Figure 8, current fiscal year distribution).

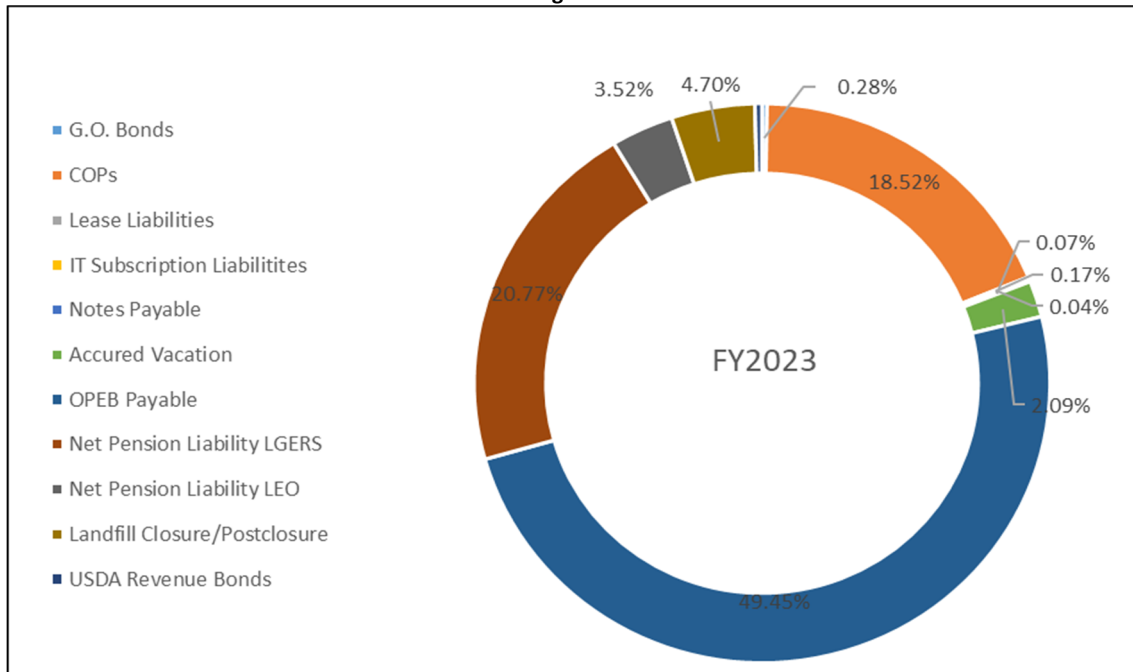
## OUTSTANDING DEBT

Table 4

DESCRIPTION	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
General obligation bonds (net)	\$ 168,707	\$ -	\$ 960,000	\$ 934,000	\$ 1,128,707	\$ 934,000
USDA Revenue Bonds (direct)	-	-	1,329,000	1,304,000	1,329,000	1,304,000
Certificates of participation/LOBS (net)	50,354,549	44,488,214	-	-	\$ 50,354,549	44,488,214
Certificates of participation (direct)	11,905,627	8,509,177	12,811,373	8,720,073	24,717,000	17,229,250
Notes Payable (direct)	366,667	183,334	54,951	49,955	\$ 421,618	233,289
Lease liabilities	90,898	125,610	-	-	90,898	125,610
IT subscription liabilities	-	559,863	-	-	-	559,863
Compensated absences	6,578,105	6,799,020	190,696	174,582	6,768,801	6,973,602
OPEB liability	160,609,983	159,965,814	4,852,203	4,833,956	\$ 165,462,186	164,799,770
Net Pension Liability (LGERS)	19,384,764	67,671,366	372,553	1,544,442	19,757,317	69,215,808
Net Pension Liability (LEO)	13,260,556	11,738,337	-	-	\$ 13,260,556	11,738,337
Accrued landfill closure and postclosure costs	-	-	14,242,041	15,652,775	\$ 14,242,041	15,652,775
Total debt	\$ 262,719,856	\$ 300,040,735	\$ 34,812,817	\$ 33,213,783	\$ 297,532,673	\$ 333,254,518

## OUTSTANDING DEBT

Figure 8



# Management's Discussion and Analysis

## *Impact of Coronavirus (COVID-19) on the County*

During calendar year 2020, the World Health Organization announced a global health emergency from a new strain of coronavirus (COVID-19) that has resulted in a global pandemic outbreak. This pandemic has adversely affected global economic activity and greatly contributed to uncertainty and instability in financial markets. The Governor of North Carolina declared a state of emergency on March 10, 2020 and rescinded effective August 15, 2022. The Board of Commissioners declared a state of emergency in the County on March 16, 2020 and approved a resolution rescinding the State of Emergency on August 1, 2022.

The U.S. House of Representatives on March 10, 2021, passed the Senate-amended H.R. 1319, the American Rescue Plan Act (ARPA). The ARPA provides \$1.9 trillion in additional relief to respond to COVID-19. ARPA includes provisions which provide aid to state, local governments and tribal governments, hard-hit industries and communities, individuals and businesses, and other provisions.

The funds will assist in reducing the impacts of the COVID-19 pandemic and decrease the spread of the virus; replace lost revenue for governments; support economic stabilization caused by the pandemic; and address public health and economic challenges that contributed to the unequal impact of the pandemic. The Coronavirus State Fiscal Recovery funds must be obligated by December 23, 2024, and expended by December 31, 2026.

The County received \$65,168,690 in ARPA funds. The Board of Commissioners established a three-member ARPA committee, who have taken the lead in developing and implementing plans to expend the funds on allowable uses following federal and state laws.

## ***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

The following key economic indicators reflect changes in the local economy:

- ❖ The county continues to maintain a high collection percentage of ad valorem current year tax collections for real and personal property. The fiscal year 2023 collection percentage was 99.36%.
- ❖ The County's average unemployment rate is 5.0%. This rate is near pre-pandemic levels.
- ❖ Percentage increases in sales tax revenue for the County by fiscal year, over the past five years: 2023, 2.9%; 2022, 11.1%; 2021, 16.5%; 2020, 4.8%; and 2019, 7.9%.
- ❖ The County-wide Ad Valorem tax rate and levy will remain at 79.9 cents per \$100 valuation.
- ❖ The Special Recreation tax rate and levy will remain at 5.0 cents per \$100 valuation.
- ❖ The Fire protection district rate will remain at 15.0 cents per \$100 valuation.

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

# Management's Discussion and Analysis

## BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2024

### Governmental Activities

The County approved a \$381,892,927 General Fund budget, including an appropriation of \$6,454,775 of fund balance. This amount excludes the legally adopted County School Fund and the Capital Investment Fund. As compared to the fiscal year 2023 adopted budget, this is an increase of \$19,640,232 or 5.4%.

- ❖ Ad Valorem Taxes for fiscal year 2024 were budgeted at \$174,316,451, an increase of \$3,620,660 or 2.1% over the fiscal year 2023 amount. The county has maintained continuous growth in the tax base through economic development.
- ❖ Motor vehicle tax collections are budgeted at \$27,032,829, an increase of 16.3% over the fiscal year 2023 budgeted amount. There has been consistent growth in motor vehicle values which provides for this budgeted increase.
- ❖ Sales Taxes are budgeted at \$66,330,475, an increase of \$4,528,575 or 7.3% above the fiscal year 2023 budgeted amount.
- ❖ Federal and State Intergovernmental revenue has been budgeted at \$72,884,504, or 2.0% below the adopted fiscal year 2023 budget based on year-end projections falling below fiscal year 2023 budgeted amounts.
- ❖ Charges and Services are budgeted at \$13,380,678 and are projected to experience a slight increase of 1.8% as compared to the fiscal year 2023 adopted budget amount.
- ❖ Miscellaneous Revenue has been budgeted at \$15,025,682 which is an increase of 202.6% over the fiscal year 2023 budgeted amount. Interest income provided significant growth during fiscal year 2023 and that growth is expected to continue into fiscal year 2024.

Budgeted expenditures in the General Fund, excluding the legally adopted County School Fund and Capital Investment Fund are \$381,892,927 which represents a 5.4% increase over the past fiscal year adopted budget.

- ❖ Personnel expenditures include a total of 1 new position, which represents an annual cost of \$50,897. The budget for fiscal year 2024 includes a cost-of-living adjustment of 4% for all permanent full-time and part-time employees and the results of the classification and compensation plan will be implemented during the year.
- ❖ Public Safety expenditures has been budgeted to increase by \$2,984,359 or 4.3%. This increase is mainly attributable to salaries and benefits as this is one of the larger staffed functional areas of the general fund. In addition, the employee vacancy rate is expected to decrease during the year.
- ❖ Economic & Physical Development is projected to remain steady with a slight budgeted decrease of less than half a percent.
- ❖ Education expenditures have a budgeted increase of 4.1% and were adopted at \$104,595,132.
- ❖ Human Services expenditures were budgeted at \$117,070,743, an increase of 4.5% above the fiscal year 2023 adopted budget. This increase is mainly attributable to salaries and benefits as this is the largest staffed functional area of the general fund. In addition, the employee vacancy rate is expected to decrease during the year.

# Management's Discussion and Analysis

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## **Business – Type Activities**

The County approved a \$27,219,737 Solid Waste Fund budget which includes an appropriation of \$8,862,841 of fund balance. The solid waste user fee increased from \$56 to \$93 per year for residential taxpayers. This is expected to generate an additional 66.1% in user fee revenue that will support construction of a transfer station, facility improvements, and other operational costs. The budget also includes multiple new grant awards totaling approximately \$1 million in support of a heavy-duty equipment and vehicle program, as well a comprehensive vegetation waste management plan.

The Crown Complex Fund adopted budget totals \$9,497,698, slightly less than the fiscal year 2023 budget. Within the Water and Sewer District Funds, the water and sewer fees in all four of the districts will increase to cover increased costs of operations and infrastructure maintenance.

## ***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 Director, Cumberland County, 117 Dick Street, Fayetteville, NC 28301. You can also call 910-678-7754 or visit our website at [www.cumberlandcountync.gov](http://www.cumberlandcountync.gov).

# GOVERNMENT-WIDE FINANCIAL STATEMENTS



**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business Type Activities	Total Primary Government
<b>Assets</b>			
Cash and cash equivalents	\$ 297,387,554	\$ 61,646,735	\$ 359,034,289
Taxes receivable, net	1,496,451	216,489	1,712,940
Accounts receivable, net	120	-	120
Sales tax receivable	23,460,316	-	23,460,316
Due from other governments	15,481,045	271,303	15,752,348
Other receivables, net	1,987,396	3,273,400	5,260,796
Internal balances	5,500	(5,500)	-
Due from component units	483,986	-	483,986
Inventories	508,177	-	508,177
Prepaid expenses	75,000	146,920	221,920
Restricted cash and cash equivalents	98,071,078	1,579,512	99,650,590
Net pension asset - ROD	426,554	-	426,554
Lease receivable	725,451	-	725,451
Capital assets:			
Right of use assets - leases & SBITAs, net	761,495	-	761,495
Nondepreciable	29,292,519	12,249,301	41,541,820
Depreciable, net	168,746,428	71,370,408	240,116,836
Total capital assets	<u>198,800,442</u>	<u>83,619,709</u>	<u>282,420,151</u>
<b>Total assets</b>	<u>638,909,070</u>	<u>150,748,568</u>	<u>789,657,638</u>
<b>Deferred outflows of resources</b>			
Pension	48,132,191	1,102,511	49,234,702
OPEB	8,748,883	262,903	9,011,786
Debt	1,034,806	122,886	1,157,692
<b>Total deferred outflows of resources</b>	<u>57,915,880</u>	<u>1,488,300</u>	<u>59,404,180</u>
<b>Liabilities</b>			
Accounts and vouchers payable	17,625,236	3,991,367	21,616,603
Due to other governments	41,843,486	-	41,843,486
Accrued payroll	4,740,068	105,646	4,845,714
Accrued interest payable	403,446	17,314	420,760
Other payables	852,620	2,382,942	3,235,562
Due to primary government	-	-	-
Unearned revenue	2,310,836	6,858	2,317,694
Long-term liabilities:			
Lease and SBITA liability	685,473	-	685,473
Due in less than one year	15,900,918	4,288,420	20,189,338
Due in more than one year	44,078,827	22,546,965	66,625,792
Net pension liability - LGERS	67,671,366	1,544,442	69,215,808
Total pension liability - LEOSSA	11,738,337	-	11,738,337
Net OPEB liability	159,965,814	4,833,956	164,799,770
Total long-term liabilities	<u>300,040,735</u>	<u>33,213,783</u>	<u>333,254,518</u>
<b>Total liabilities</b>	<u>367,816,427</u>	<u>39,717,910</u>	<u>407,534,337</u>
<b>Deferred inflows of resources</b>			
Pension	2,924,440	78,502	3,002,942
OPEB	41,524,432	1,261,899	42,786,331
Taxes	1,409,997	-	1,409,997
Leases	718,165	-	718,165
<b>Total deferred inflows of resources</b>	<u>46,577,034</u>	<u>1,340,401</u>	<u>47,917,435</u>
<b>Net position</b>			
Net investment in capital assets	165,981,474	72,734,567	238,716,041
Restricted for:			
Stabilization by State statute	43,110,404	-	43,110,404
Human services	1,585,387	-	1,585,387
Register of deeds	1,169,373	-	1,169,373
Inmates	1,249,525	-	1,249,525
School capital	19,767,100	-	19,767,100
Public health	8,438,671	-	8,438,671
Public safety	5,276,739	-	5,276,739
Economic and physical development	4,297,669	-	4,297,669
Cultural and recreation	4,829,909	-	4,829,909
Debt service	-	1,579,512	1,579,512
Capital	-	-	-
Facility investment fee	-	-	-
Claims	23,422,569	-	23,422,569
Unrestricted	3,302,669	36,864,478	40,167,147
<b>Total net position</b>	<u>\$ 282,431,489</u>	<u>\$ 111,178,557</u>	<u>\$ 393,610,046</u>

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

**Statement of Net Position  
June 30, 2023**

(concluded)

**Component Units**

	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corp
<b>Assets</b>					
Cash and cash equivalents	\$ 4,835,393	\$ 3,764,316	\$ 3,200,496	\$ 2,047,586	\$ 449,357
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	50,629	261,916	-	2,384	-
Sales tax receivable	-	-	-	-	-
Due from other governments	-	-	-	266,667	-
Other receivables, net	-	104	59	-	60,084
Internal balances	-	-	-	-	-
Due from component units	-	-	-	-	-
Inventories	7,933,725	-	-	-	-
Prepaid expenses	308,543	-	-	-	5,465
Restricted cash and cash equivalents	-	322,076	-	-	-
Net pension asset - ROD	-	-	-	-	-
Lease receivable	-	-	-	-	-
Capital assets:					
Right of use assets - leases, net	1,527,409	-	-	346,398	-
Nondepreciable	1,981,094	109,799	-	-	-
Depreciable, net	2,956,135	17,739,115	-	217,020	672,013
Total capital assets	6,464,638	17,848,914	-	563,418	672,013
<b>Total assets</b>	<b>19,592,928</b>	<b>22,197,326</b>	<b>3,200,555</b>	<b>2,880,055</b>	<b>1,186,919</b>
<b>Deferred outflows of resources</b>					
Pension	1,236,286	-	-	-	-
OPEB	63,077	-	-	-	-
Debt	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>1,299,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
Accounts and vouchers payable	1,170,339	80,309	873,021	2,026	50,240
Due to other governments	-	-	-	-	-
Accrued payroll	-	7,406	-	-	18,662
Accrued interest payable	-	33,798	-	-	-
Other payables	1,605,950	24,221	-	28,780	-
Due to primary government	493,757	-	-	-	-
Unearned revenue	-	-	-	-	-
Long-term liabilities:					
Lease liability	-	-	-	354,980	-
Due in less than one year	223,863	374,137	-	-	142,493
Due in more than one year	3,608,065	10,374,445	-	-	555,555
Net pension liability - LGERS	-	-	-	-	-
Total pension liability - LEOSA	-	-	-	-	-
OPEB liability	-	-	-	-	-
Total long-term liabilities	3,831,928	10,748,582	-	354,980	698,048
<b>Total liabilities</b>	<b>7,101,974</b>	<b>10,894,316</b>	<b>873,021</b>	<b>385,786</b>	<b>766,950</b>
<b>Deferred inflows of resources</b>					
Pension	87,108	-	-	-	-
OPEB	37,172	-	-	-	-
Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>124,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position</b>					
Net investment in capital assets	4,937,229	7,111,452	-	208,438	672,013
Restricted for:					
Stabilization by State statute	-	-	-	-	-
Human services	-	-	-	-	-
Register of deeds	-	-	-	-	-
Inmates	-	-	-	-	-
School capital	-	-	-	-	-
Public health	-	-	-	-	-
Public safety	1,763,992	-	-	-	-
Economic and physical development	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Debt service	-	322,076	-	-	-
Capital	-	668,000	-	-	-
Facility investment fee	-	59,103	-	-	-
Claims	-	-	-	-	-
Unrestricted	6,964,816	3,142,379	2,327,534	2,285,831	(252,044)
<b>Total net position</b>	<b>\$ 13,666,037</b>	<b>\$ 11,303,010</b>	<b>\$ 2,327,534</b>	<b>\$ 2,494,269</b>	<b>\$ 419,969</b>

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

**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 42,472,253	\$ 5,609,944	\$ 21,446,430	\$ 3,256,990	\$ (12,158,889)	\$ -	\$ (12,158,889)
Public safety	70,538,679	4,310,393	1,587,027	293,237	(64,348,022)	-	(64,348,022)
Economic and physical development	10,988,757	1,375,483	4,061,038	-	(5,552,236)	-	(5,552,236)
Human services	91,582,707	6,259,660	54,611,996	-	(30,711,051)	-	(30,711,051)
Cultural and recreational	15,556,012	8,705	660,176	-	(14,887,131)	-	(14,887,131)
Education	119,881,078	-	-	-	(119,881,078)	-	(119,881,078)
Interest on long-term debt	2,319,001	-	-	-	(2,319,001)	-	(2,319,001)
<b>Total governmental activities</b>	<b>353,338,487</b>	<b>17,564,185</b>	<b>82,366,667</b>	<b>3,550,227</b>	<b>(249,857,408)</b>	<b>-</b>	<b>(249,857,408)</b>
<b>Business-type activities:</b>							
Solid Waste	14,471,656	5,497,163	744,382	-	-	(8,230,111)	(8,230,111)
Crown Center	8,465,190	2,631,881	9,172	-	-	(5,824,137)	(5,824,137)
Kelly Hills Water and Sewer District	111,875	102,639	-	-	-	(9,236)	(9,236)
NORCRESS Water and Sewer District	900,444	619,297	-	-	-	(281,147)	(281,147)
Southpoint Water and Sewer District	27,149	61,137	-	-	-	33,988	33,988
Overhills Park Water and Sewer District	198,163	151,566	-	-	-	(46,597)	(46,597)
<b>Total business-type activities</b>	<b>24,174,477</b>	<b>9,063,683</b>	<b>753,554</b>	<b>-</b>	<b>-</b>	<b>(14,357,240)</b>	<b>(14,357,240)</b>
<b>Total primary government</b>	<b>\$ 377,512,964</b>	<b>\$ 26,627,868</b>	<b>\$ 83,120,221</b>	<b>\$ 3,550,227</b>	<b>(249,857,408)</b>	<b>(14,357,240)</b>	<b>(264,214,648)</b>
<b>Component units:</b>							
ABC Board	\$ 43,800,429	\$ 45,863,786	\$ -	\$ -	-	-	-
Eastover Sanitary District	2,443,836	2,687,372	-	-	-	-	-
Tourism Development Authority	7,601,506	8,424,240	-	-	-	-	-
Fayetteville Area Convention and Visitors Bureau	3,360,843	3,200,000	-	-	-	-	-
Fayetteville Cumberland Economic Development Corporation	1,075,139	-	-	1,098,465	-	-	-
<b>Total component units</b>	<b>\$ 58,281,753</b>	<b>\$ 60,175,398</b>	<b>\$ -</b>	<b>\$ 1,098,465</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General revenues:</b>							
Property taxes					217,430,360	-	217,430,360
<b>Other taxes:</b>							
Sales tax					80,803,861	-	80,803,861
Real estate transfer					2,620,117	-	2,620,117
Beer and wine					416,100	-	416,100
Solid waste					-	5,977,008	5,977,008
Food and beverage					10,058,285	-	10,058,285
Room and occupancy					-	2,061,439	2,061,439
Grants and contributions not restricted to specific programs					20,545,479	1,201,818	21,747,297
Unrestricted investment earnings					13,433,515	674,004	14,107,519
Gain (loss) on sale of capital assets					347,624	181,916	529,540
Miscellaneous					9,121,742	23,157	9,144,899
Transfers					(13,577,116)	13,577,116	-
<b>Total general revenues and transfers</b>					<b>341,199,967</b>	<b>23,696,458</b>	<b>364,896,425</b>
Change in net position					91,342,559	9,339,218	100,681,777
Net position - beginning					191,088,930	101,839,339	292,928,269
Net position - ending					<b>\$ 282,431,489</b>	<b>\$ 111,178,557</b>	<b>\$ 393,610,046</b>

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



**Statement of Activities**  
**Year Ended June 30, 2023**

(concluded)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Component Units				
	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corp
Governmental activities:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Education	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
<b>Total governmental activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:					
Solid Waste	-	-	-	-	-
Crown Center	-	-	-	-	-
Kelly Hills Water and Sewer District	-	-	-	-	-
NORCRESS Water and Sewer District	-	-	-	-	-
Southpoint Water and Sewer District	-	-	-	-	-
Overhills Park Water and Sewer District	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Component units:					
ABC Board	2,063,357	-	-	-	-
Eastover Sanitary District	-	243,536	-	-	-
Tourism Development Authority	-	-	822,734	-	-
Fayetteville Area Convention and Visitors Bureau	-	-	-	(160,843)	-
Fayetteville Cumberland Economic Development Corporation	-	-	-	-	23,326
<b>Total component units</b>	<b>2,063,357</b>	<b>243,536</b>	<b>822,734</b>	<b>(160,843)</b>	<b>23,326</b>
General revenues:					
Property taxes	-	-	-	-	-
Other taxes:					
Sales tax	-	-	-	-	-
Real estate transfer	-	-	-	-	-
Beer and wine	-	-	-	-	-
Solid waste	-	-	-	-	-
Food and beverage	-	-	-	-	-
Room and occupancy	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-
Unrestricted investment earnings	-	53,657	29,018	-	7,099
Gain (loss) on sale of capital assets	122,459	-	-	-	-
Miscellaneous	19,834	-	-	-	-
Transfers	-	-	-	-	-
<b>Total general revenues and transfers</b>	<b>142,293</b>	<b>53,657</b>	<b>29,018</b>	<b>-</b>	<b>7,099</b>
Change in net position	2,205,650	297,193	851,752	(160,843)	30,425
Net position - beginning	11,460,387	11,005,817	1,475,782	2,655,112	389,544
Net position - ending	<u>\$ 13,666,037</u>	<u>\$ 11,303,010</u>	<u>\$ 2,327,534</u>	<u>\$ 2,494,269</u>	<u>\$ 419,969</u>

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

# FUND FINANCIAL STATEMENTS



**Balance Sheet  
Governmental Funds  
June 30, 2023**

	Major		Non-Major	Total Governmental Funds
	General	American Rescue Plan Act Fund	Other Governmental Funds	
<b>Assets</b>				
Cash and cash equivalents	\$ 282,101,839	\$ -	\$ 15,285,715	\$ 297,387,554
Taxes receivable, net	1,094,317	-	402,134	1,496,451
Sales tax receivable	22,505,494	-	-	22,505,494
Due from other governments	15,439,589	-	955,316	16,394,905
Other receivables, net	1,564,462	1,119	42,762	1,608,343
Due from other funds	739,366	-	-	739,366
Due from component units	483,986	-	-	483,986
Inventories	211,532	-	-	211,532
Lease receivable	725,451	-	-	725,451
Restricted assets:				
Cash and cash equivalents	24,336,763	42,360,267	7,951,479	74,648,509
<b>Total assets</b>	<u>\$ 349,202,799</u>	<u>\$ 42,361,386</u>	<u>\$ 24,637,406</u>	<u>\$ 416,201,591</u>
<b>Liabilities</b>				
Accounts and vouchers payable	\$ 8,626,849	\$ 164,139	\$ 2,219,540	\$ 11,010,528
Due to other governments	364,852	41,475,894	337,507	42,178,253
Accrued payroll	4,643,522	6,035	60,641	4,710,198
Other payables	696,391	-	200	696,591
Due to other funds	-	-	733,866	733,866
Unearned revenue	1,065,096	-	2,310,836	3,375,932
<b>Total liabilities</b>	<u>15,396,710</u>	<u>41,646,068</u>	<u>5,662,590</u>	<u>62,705,368</u>
<b>Deferred inflows of resources</b>				
Taxes	2,491,363	-	487,270	2,978,633
Leases	718,165	-	-	718,165
<b>Total deferred inflows of resources</b>	<u>3,209,528</u>	<u>-</u>	<u>487,270</u>	<u>3,696,798</u>
<b>Fund balances</b>				
Nonspendable:				
Inventories	211,532	-	-	211,532
Leases	7,286	-	-	7,286
Cemetery	-	-	60,024	60,024
Restricted:				
Stabilization by State Statute	42,111,209	1,119	998,076	43,110,404
Register of Deeds	988,560	-	180,813	1,169,373
Public health	8,438,671	-	-	8,438,671
Inmates	-	-	1,249,525	1,249,525
County School	19,767,100	-	-	19,767,100
Fire protection	-	-	2,380,208	2,380,208
Public safety	-	-	4,337,011	4,337,011
Economic and physical development	-	715,318	3,582,351	4,297,669
Human services	-	-	1,585,387	1,585,387
Cultural and recreational	-	-	4,829,909	4,829,909
Committed:				
Tax revaluation	2,500,000	-	-	2,500,000
Capital investment fund	147,253,777	-	-	147,253,777
Assigned:				
Subsequent year's expenditures	6,454,775	-	-	6,454,775
Economic development incentives	2,000,000	-	-	2,000,000
Unassigned:	100,863,651	(1,119)	(715,758)	100,146,774
<b>Total fund balances</b>	<u>330,596,561</u>	<u>715,318</u>	<u>18,487,546</u>	<u>349,799,425</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 349,202,799</u>	<u>\$ 42,361,386</u>	<u>\$ 24,637,406</u>	<u>\$ 416,201,591</u>

Legally budgeted County School and Capital Investment Funds are consolidated into the General Fund for Reporting Purposes.

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

**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2023**

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

Ending fund balance - governmental funds		\$ 349,799,425
Capital assets are not financial resources, and therefore, are not reported in the funds (see note 4).		198,038,947
Right to use assets are not financial resources, and therefore, are not reported in the funds (see note 4).		761,495
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 47,746,840	
Deferred outflows of resources related to OPEB	8,723,114	
Defeasance of long-term debt	<u>1,034,806</u>	
		57,504,760
Deferred inflows of resources for taxes and special assessments receivable.		2,811,000
Deferred inflows of resources related to pensions are not reported in the funds.		(2,724,173)
Deferred inflows of resources related to OPEB are not reported in the funds.		(41,464,948)
Internal service funds are used by management to charge the costs of group insurance, employee flexible benefits, workers' compensation, and general litigation costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		16,777,492
Net pension asset-ROD		426,554
Net pension liability-LGERS		(67,371,728)
Total OPEB liability		(159,364,466)
Total pension liability-LEOSSA		(11,738,337)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term liabilities	(59,935,613)	
Leases liability	(685,473)	
Accrued interest payable	<u>(403,446)</u>	
		<u>(61,024,532)</u>
Net position of governmental activities		<u><u>\$ 282,431,489</u></u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2023**

	Major		Non-Major	Total
	General	American Rescue Plan Act Fund	Other Governmental Funds	
<b>Revenues:</b>				
Ad valorem taxes	\$ 201,502,767	\$ -	\$ 16,704,723	\$ 218,207,490
Other taxes	83,840,078	-	12,678,402	96,518,480
Unrestricted intergovernmental revenue	18,447,421	-	-	18,447,421
Restricted intergovernmental revenue	55,992,463	18,590,189	12,959,237	87,541,889
Sales and services	12,089,042	-	1,453,227	13,542,269
Licenses and permits	2,718,023	-	106,680	2,824,703
Interest earned on investments	11,965,795	667,746	579,542	13,213,083
Miscellaneous	5,928,344	-	664,973	6,593,317
<b>Total revenues</b>	<u>392,483,933</u>	<u>19,257,935</u>	<u>45,146,784</u>	<u>456,888,652</u>
<b>Expenditures:</b>				
Current:				
General government	42,155,096	2,431,961	3,103,996	47,691,053
Public safety	66,315,860	-	15,264,112	81,579,972
Economic and physical development	10,834,474	-	8,903,363	19,737,837
Human services	94,711,893	-	3,221,828	97,933,721
Cultural and recreational	11,524,440	-	4,995,464	16,519,904
Education	118,131,083	-	-	118,131,083
Debt service:				
Principal payments	9,392,597	-	-	9,392,597
Interest and fees	2,742,525	-	-	2,742,525
<b>Total expenditures</b>	<u>355,807,968</u>	<u>2,431,961</u>	<u>35,488,763</u>	<u>393,728,692</u>
<b>Excess of revenues over expenditures</b>	<u>36,675,965</u>	<u>16,825,974</u>	<u>9,658,021</u>	<u>63,159,960</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	347,624	-	-	347,624
Issuance of lease	98,837	-	-	98,837
Issuance of IT subscription agreement	1,204,733	-	-	1,204,733
Transfers in	61,143,723	-	1,398,151	62,541,874
Transfers out	(49,249,864)	(16,158,230)	(12,907,769)	(78,315,863)
<b>Total other financing sources (uses)</b>	<u>13,545,053</u>	<u>(16,158,230)</u>	<u>(11,509,618)</u>	<u>(14,122,795)</u>
<b>Net change in fund balances</b>	50,221,018	667,744	(1,851,597)	49,037,165
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	<u>280,375,543</u>	<u>47,574</u>	<u>20,339,143</u>	<u>300,762,260</u>
<b>Fund balance - ending</b>	<u>\$ 330,596,561</u>	<u>\$ 715,318</u>	<u>\$ 18,487,546</u>	<u>\$ 349,799,425</u>

Legally budgeted County School and Capital Investment Funds are consolidated into the General Fund for Reporting Purposes.

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

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds		\$ 49,037,165
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital Outlay	\$ 15,581,205	
Depreciation	(10,234,084)	
Other asset activity	<u>(2,554,169)</u>	2,792,952
Leased asset and SBITA - right of use		670,363
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in accrued tax penalties	(729,262)	
Change in unavailable revenue for taxes	<u>(777,130)</u>	(1,506,392)
<p>Contributions to the pension plan subsequent to the measurement date:</p>		
LGERS		13,012,929
ROD		31,090
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities.		433,525
OPEB benefit payments paid and administrative expense are not included on the Statement of Activities.		9,425,333
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal payments	9,056,783	
Lease and SBITA liability	(594,574)	
Changes in premium	558,042	
Accrued interest payable	<u>38,659</u>	9,058,910
<p>Some expenses reported in the statement of activities does not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued vacation payable	(220,916)	
LEOSSA expense	(433,525)	
OPEB plan	23,846,717	
Pension expense	<u>(21,115,562)</u>	2,076,714
The net revenue of certain activities of the internal service fund is reported with governmental activities.		6,484,184
Change in deferred outflows of resources for deferred charge on refunding		<u>(174,214)</u>
Change in net position of governmental activities		<u><u>\$ 91,342,559</u></u>

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2023**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 196,868,595	\$ 196,868,595	\$ 201,502,767	\$ 4,634,172
Other taxes	64,718,960	64,718,960	66,409,807	1,690,847
Unrestricted intergovernmental revenue	18,279,407	18,275,407	16,523,973	(1,751,434)
Restricted intergovernmental revenue	55,783,191	61,955,181	52,735,473	(9,219,708)
Licenses and permits	2,325,000	2,325,000	2,718,023	393,023
Sales and services	11,122,707	11,122,707	12,089,042	966,335
Interest earned on investments	20,000	20,000	9,188,166	9,168,166
Miscellaneous	4,971,659	7,166,757	5,927,024	(1,239,733)
<b>Total revenues</b>	<b>354,089,519</b>	<b>362,452,607</b>	<b>367,094,275</b>	<b>4,641,668</b>
<b>Expenditures:</b>				
Current:				
General government	39,541,963	53,441,263	40,172,810	13,268,453
Public safety	69,305,960	75,906,695	66,315,860	9,590,835
Economic and physical development	8,457,813	11,780,398	6,400,709	5,379,689
Human services	111,027,262	119,096,566	94,711,893	24,384,673
Cultural and recreational	11,050,341	12,594,978	11,524,440	1,070,538
Education	100,482,263	100,482,263	100,442,517	39,746
Debt service:				
Principal payments	-	-	335,813	(335,813)
Interest and fees	-	-	1,037	(1,037)
<b>Total expenditures</b>	<b>339,865,602</b>	<b>373,302,163</b>	<b>319,905,079</b>	<b>53,397,084</b>
<b>Revenues over (under) expenditures</b>	<b>14,223,917</b>	<b>(10,849,556)</b>	<b>47,189,196</b>	<b>58,038,752</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	347,624	347,624
Issuance of lease	-	-	98,837	98,837
Issuance of IT subscription agreement	-	-	1,204,733	1,204,733
Transfers in	91,455	11,966,406	16,641,820	4,675,414
Transfers out	(22,387,093)	(45,115,460)	(43,532,750)	1,582,710
Fund balance appropriated	8,071,721	43,998,610	-	(43,998,610)
<b>Total other financing sources (uses)</b>	<b>(14,223,917)</b>	<b>10,849,556</b>	<b>(25,239,736)</b>	<b>(36,089,292)</b>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>21,949,460</b>	<b>\$ 21,949,460</b>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>			<b>136,999,332</b>	
<b>Fund balance - ending</b>			<b>\$ 158,948,792</b>	

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2023**

	<b>General Fund</b>			<b>Variance With Final Positive Negative</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
A legally budgeted County School Fund (not included on previous page) is consolidated into the General Fund for Reporting Purposes.				
Other taxes	\$ 13,900,000	\$ 13,900,000	\$ 17,430,271	\$ 3,530,271
Unrestricted intergovernmental revenue	930,000	930,000	1,923,448	993,448
Restricted intergovernmental revenue	3,256,990	3,256,990	3,256,990	-
Interest earned on investments	-	-	298,618	298,618
Education	(13,644,782)	(22,752,809)	(10,391,996)	12,360,813
Transfers out	(4,517,208)	(4,517,208)	(4,517,207)	1
Proceeds from sale of capital assets	75,000	75,000	-	(75,000)
Appropriated fund balance	-	9,108,027	-	(9,108,027)
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	8,000,124	<u>\$ 8,000,124</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>			<u>16,263,770</u>	
<b>Fund balance - ending</b>			<u>\$ 24,263,894</u>	

A legally budgeted Capital Investment Fund (not included on previous page) is consolidated into the General Fund for Reporting Purposes.

Interest earned on investments	\$ 1,050,484	\$ 1,050,484	\$ 2,479,011	\$ 1,428,527
General government	(1,995,160)	(3,039,155)	(1,982,286)	1,056,869
Economic and physical development	(4,124,600)	(39,215,450)	(4,433,765)	34,781,685
Education - community college capital outlay	(11,200,000)	(7,951,541)	(7,296,570)	654,971
Debt service - principal	(9,056,786)	(9,056,786)	(9,056,784)	2
Debt service - interest	(2,741,490)	(2,741,490)	(2,741,488)	2
Transfers in	23,193,564	44,501,904	44,501,903	(1)
Transfers out	(807,775)	(1,199,907)	(1,199,907)	-
Fund balance appropriated	5,681,763	17,651,941	-	(17,651,941)
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	20,271,434	<u>\$ 20,271,434</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>			127,112,441	
<b>Fund balance - ending</b>			<u>147,383,875</u>	
<b>Fund Balance - end of year</b>			<u>\$ 330,596,561</u>	

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



**Statement of Net Position  
Proprietary Funds  
June 30, 2023**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Assets</b>									
Current assets:									
Cash and cash equivalents:	\$ 39,362,233	\$ 20,218,460	\$ 445,845	\$ 1,324,667	\$ 279,232	\$ 16,298	\$ -	\$ 61,646,735	\$ -
Taxes receivable, net	216,489	-	-	-	-	-	-	216,489	-
Due from other governments	190,913	80,390	-	-	-	-	-	271,303	-
Other receivables, net	688,182	2,414,055	33,445	79,461	12,316	45,941	-	3,273,400	421,623
Due from other funds	212,518	-	-	-	-	-	-	212,518	-
Inventories	-	-	-	-	-	-	-	-	296,645
Prepays	-	146,920	-	-	-	-	-	146,920	75,000
<b>Total current assets</b>	<b>40,670,335</b>	<b>22,859,825</b>	<b>479,290</b>	<b>1,404,128</b>	<b>291,548</b>	<b>62,239</b>	<b>-</b>	<b>65,767,365</b>	<b>793,268</b>
Noncurrent assets:									
Restricted:									
Cash and cash equivalents	-	1,389,721	-	-	-	189,791	-	1,579,512	23,422,569
Capital assets, net of accumulated depreciation	30,521,786	41,760,218	1,527,857	5,379,240	353,800	4,064,768	12,040	83,619,709	-
<b>Total noncurrent assets</b>	<b>30,521,786</b>	<b>43,149,939</b>	<b>1,527,857</b>	<b>5,379,240</b>	<b>353,800</b>	<b>4,254,559</b>	<b>12,040</b>	<b>85,199,221</b>	<b>23,422,569</b>
<b>Total assets</b>	<b>71,192,121</b>	<b>66,009,764</b>	<b>2,007,147</b>	<b>6,783,368</b>	<b>645,348</b>	<b>4,316,798</b>	<b>12,040</b>	<b>150,966,586</b>	<b>24,215,837</b>
<b>Deferred outflows of resources:</b>									
Pension	1,102,511	-	-	-	-	-	-	1,102,511	385,350
OPEB	262,903	-	-	-	-	-	-	262,903	25,769
Debt	-	122,886	-	-	-	-	-	122,886	-
	<b>1,365,414</b>	<b>122,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,488,300</b>	<b>411,119</b>
<b>Liabilities</b>									
Current liabilities:									
Accounts and vouchers payable	2,310,965	1,544,961	4,203	125,170	1,352	4,716	-	3,991,367	877,925
Accrued payroll	105,646	-	-	-	-	-	-	105,646	29,870
Accrued interest payable	-	11,852	-	3,211	-	2,251	-	17,314	-
Other payables	4,548	2,360,143	2,349	-	7,702	8,200	-	2,382,942	-
Incurred but not reported	-	-	-	-	-	-	-	-	5,736,800
Unearned revenue	-	6,858	-	-	-	-	-	6,858	-
Current portion of long-term debt and compensated absences	165,853	4,064,571	-	27,000	4,996	26,000	-	4,288,420	41,926
Due to other funds	212,518	5,500	-	-	-	-	-	218,018	-
<b>Total current liabilities</b>	<b>2,799,530</b>	<b>7,993,885</b>	<b>6,552</b>	<b>155,381</b>	<b>14,050</b>	<b>41,167</b>	<b>-</b>	<b>11,010,565</b>	<b>6,686,521</b>

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

**Statement of Net Position  
Proprietary Funds  
June 30, 2023**

(concluded)

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Noncurrent liabilities:</b>									
Post closing liability	\$ 15,652,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,652,775	\$ -
Net pension liability	1,544,442	-	-	-	-	-	-	1,544,442	299,638
Long-term debt	-	4,655,502	-	907,000	44,959	1,278,000	-	6,885,461	-
Compensated absences	8,729	-	-	-	-	-	-	8,729	2,206
Other postemployment benefits liability	4,833,956	-	-	-	-	-	-	4,833,956	601,348
<b>Total noncurrent liabilities</b>	<u>22,039,902</u>	<u>4,655,502</u>	<u>-</u>	<u>907,000</u>	<u>44,959</u>	<u>1,278,000</u>	<u>-</u>	<u>28,925,363</u>	<u>903,192</u>
<b>Total liabilities</b>	<u>24,839,432</u>	<u>12,649,387</u>	<u>6,552</u>	<u>1,062,381</u>	<u>59,009</u>	<u>1,319,167</u>	<u>-</u>	<u>39,935,928</u>	<u>7,589,713</u>
<b>Deferred inflows of resources - pension:</b>									
Pension	78,502	-	-	-	-	-	-	78,502	200,267
OPEB	1,261,899	-	-	-	-	-	-	1,261,899	59,484
	<u>1,340,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,340,401</u>	<u>259,751</u>
<b>Net position:</b>									
Net investment in capital assets	30,521,786	33,163,031	1,527,857	4,445,240	303,845	2,760,768	12,040	72,734,567	-
Restricted net position - debt service	-	1,389,721	-	-	-	26,420	-	1,416,141	-
Restricted net position - project	-	-	-	-	-	163,371	-	163,371	-
Restricted net position - claims	-	-	-	-	-	-	-	-	23,422,569
Unrestricted	15,855,916	18,930,511	472,738	1,275,747	282,494	47,072	-	36,864,478	(6,645,077)
<b>Total net position</b>	<u>\$ 46,377,702</u>	<u>\$ 53,483,263</u>	<u>\$ 2,000,595</u>	<u>\$ 5,720,987</u>	<u>\$ 586,339</u>	<u>\$ 2,997,631</u>	<u>\$ 12,040</u>	<u>\$ 111,178,557</u>	<u>\$ 16,777,492</u>

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

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2023**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Operating revenues:</b>									
Charges for services	\$ 5,100,990	\$ 2,631,881	\$ 102,639	\$ 619,297	\$ 61,137	\$ 151,566	\$ -	\$ 8,667,510	\$ -
Contributions	-	-	-	-	-	-	-	-	3,848,835
Other operating revenue	396,173	-	-	-	-	-	-	396,173	-
Contributions - Group health insurance	-	-	-	-	-	-	-	-	28,865,660
Solid waste fees	5,977,008	-	-	-	-	-	-	5,977,008	-
Pharmacy services	-	-	-	-	-	-	-	-	3,982,596
<b>Total operating revenues</b>	<b>11,474,171</b>	<b>2,631,881</b>	<b>102,639</b>	<b>619,297</b>	<b>61,137</b>	<b>151,566</b>	<b>-</b>	<b>15,040,691</b>	<b>36,697,091</b>
<b>Operating expenses:</b>									
Salaries and employee benefits	3,234,382	-	-	-	-	-	-	3,234,382	636,059
Repairs and maintenance	1,390,501	76,063	39,686	251,128	2,104	-	-	1,759,482	-
Utilities	213,821	-	-	314,518	8,338	53,302	-	589,979	-
Administrative costs	6,243,095	289,718	5,760	64,447	4,914	6,475	-	6,614,409	1,165,830
Workers' compensation claims	-	-	-	-	-	-	-	-	1,058,406
Global Spectrum, LP	-	5,637,848	-	-	-	-	-	5,637,848	-
Depreciation	1,979,123	2,214,236	66,429	230,840	11,793	110,900	-	4,613,321	-
Landfill closure and postclosure care costs	1,410,734	-	-	-	-	-	-	1,410,734	-
Group health insurance	-	-	-	-	-	-	-	-	25,538,843
Employee pharmacy	-	-	-	-	-	-	-	-	4,537,801
Employee clinic	-	-	-	-	-	-	-	-	761,185
Employee wellness program	-	-	-	-	-	-	-	-	112,083
Contracted services	-	-	-	-	-	-	-	-	19,249
<b>Total operating expenses</b>	<b>14,471,656</b>	<b>8,217,865</b>	<b>111,875</b>	<b>860,933</b>	<b>27,149</b>	<b>170,677</b>	<b>-</b>	<b>23,860,155</b>	<b>33,829,456</b>
<b>Operating income (loss)</b>	<b>(2,997,485)</b>	<b>(5,585,984)</b>	<b>(9,236)</b>	<b>(241,636)</b>	<b>33,988</b>	<b>(19,111)</b>	<b>-</b>	<b>(8,819,464)</b>	<b>2,867,635</b>
<b>Nonoperating revenue (expense):</b>									
Interest earned on investments	545,402	109,703	5,256	7,586	3,264	2,793	-	674,004	210,774
Room and occupancy tax	-	2,061,439	-	-	-	-	-	2,061,439	-
Gain (loss) on disposal of capital assets	181,916	-	-	-	-	-	-	181,916	-
Miscellaneous	23,157	-	-	-	-	-	-	23,157	1,208,902
Grant revenue	1,946,200	9,172	-	-	-	-	-	1,955,372	-
Interest expense	-	(247,325)	-	(39,511)	-	(27,486)	-	(314,322)	-
<b>Total nonoperating revenue (expense)</b>	<b>2,696,675</b>	<b>1,932,989</b>	<b>5,256</b>	<b>(31,925)</b>	<b>3,264</b>	<b>(24,693)</b>	<b>-</b>	<b>4,581,566</b>	<b>1,419,676</b>
<b>Income (loss) before transfers</b>	<b>(300,810)</b>	<b>(3,652,995)</b>	<b>(3,980)</b>	<b>(273,561)</b>	<b>37,252</b>	<b>(43,804)</b>	<b>-</b>	<b>(4,237,898)</b>	<b>4,287,311</b>
Transfers in	264,451	12,504,890	-	807,775	-	-	-	13,577,116	2,221,873
Transfers out	-	-	-	-	-	-	-	-	(25,000)
<b>Change in net position</b>	<b>(36,359)</b>	<b>8,851,895</b>	<b>(3,980)</b>	<b>534,214</b>	<b>37,252</b>	<b>(43,804)</b>	<b>-</b>	<b>9,339,218</b>	<b>6,484,184</b>
<b>Total net position - beginning</b>	<b>46,414,061</b>	<b>44,631,368</b>	<b>2,004,575</b>	<b>5,186,773</b>	<b>549,087</b>	<b>3,041,435</b>	<b>12,040</b>	<b>101,839,339</b>	<b>10,293,308</b>
<b>Total net position - ending</b>	<b>\$ 46,377,702</b>	<b>\$ 53,483,263</b>	<b>\$ 2,000,595</b>	<b>\$ 5,720,987</b>	<b>\$ 586,339</b>	<b>\$ 2,997,631</b>	<b>\$ 12,040</b>	<b>\$ 111,178,557</b>	<b>\$ 16,777,492</b>

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

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Operating activities:</b>									
Cash received from customers	\$ 11,083,553	\$ 2,233,060	\$ 102,639	\$ 619,297	\$ 61,137	\$ 141,982	\$ -	\$ 14,241,668	\$ -
Cash received from other operating revenue	259,878	-	-	-	-	-	-	259,878	-
Cash received from contributions	-	-	-	-	-	-	-	-	32,714,495
Cash paid to employees	(4,002,509)	-	-	-	-	-	-	(4,002,509)	(347,853)
Cash paid for goods and services	(6,679,500)	(5,178,322)	(46,217)	(546,608)	(15,743)	(62,790)	-	(12,529,180)	(1,106,421)
Cash received for goods and services	-	-	-	-	-	-	-	-	3,559,611
Cash paid for claims	-	-	-	-	-	-	-	-	(31,236,443)
Cash received from other miscellaneous transactions	23,157	-	-	-	-	-	-	23,157	-
<b>Net cash from operating activities</b>	<u>684,579</u>	<u>(2,945,262)</u>	<u>56,422</u>	<u>72,689</u>	<u>45,394</u>	<u>79,192</u>	<u>-</u>	<u>(2,006,986)</u>	<u>3,583,389</u>
<b>Noncapital financing activities:</b>									
Transfers in	264,451	12,504,890	-	807,775	-	-	-	13,577,116	2,221,873
Transfers out	-	-	-	-	-	-	-	-	(25,000)
Cash received from operating grants	1,946,200	9,172	-	-	-	-	-	1,955,372	-
<b>Net cash from noncapital financing activities</b>	<u>2,210,651</u>	<u>12,514,062</u>	<u>-</u>	<u>807,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,532,488</u>	<u>2,196,873</u>
<b>Capital and related financing activities:</b>									
Acquisition and construction of capital assets	(2,860,463)	(3,353,748)	-	-	-	-	-	(6,214,211)	-
Cash received (paid on) other financing transactions	-	-	-	(145,145)	-	-	-	(145,145)	-
Proceeds from sales of capital assets	181,916	-	-	-	-	-	-	181,916	-
Principal paid on long-term debt	-	(4,091,300)	-	(26,000)	(4,996)	(25,000)	-	(4,147,296)	-
Interest paid on bonds	-	(174,906)	-	(39,600)	-	(27,529)	-	(242,035)	-
Cash received from room and occupancy tax	-	2,061,439	-	-	-	-	-	2,061,439	-
<b>Net cash from capital and related financing activities</b>	<u>(2,678,547)</u>	<u>(5,558,515)</u>	<u>-</u>	<u>(210,745)</u>	<u>(4,996)</u>	<u>(52,529)</u>	<u>-</u>	<u>(8,505,332)</u>	<u>-</u>
<b>Investing activities:</b>									
Investment earnings	545,402	109,703	5,256	7,586	3,264	2,793	-	674,004	210,774
<b>Net cash from investing activities</b>	<u>545,402</u>	<u>109,703</u>	<u>5,256</u>	<u>7,586</u>	<u>3,264</u>	<u>2,793</u>	<u>-</u>	<u>674,004</u>	<u>210,774</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>762,085</u>	<u>4,119,988</u>	<u>61,678</u>	<u>677,305</u>	<u>43,662</u>	<u>29,456</u>	<u>-</u>	<u>5,694,174</u>	<u>5,991,036</u>
<b>Cash and cash equivalents:</b>									
<b>Beginning of year</b>	<u>38,600,148</u>	<u>17,488,193</u>	<u>384,167</u>	<u>647,362</u>	<u>235,570</u>	<u>176,633</u>	<u>-</u>	<u>57,532,073</u>	<u>17,431,533</u>
<b>End of year</b>	<u>\$ 39,362,233</u>	<u>\$ 21,608,181</u>	<u>\$ 445,845</u>	<u>\$ 1,324,667</u>	<u>\$ 279,232</u>	<u>\$ 206,089</u>	<u>\$ -</u>	<u>\$ 63,226,247</u>	<u>\$ 23,422,569</u>

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

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

(concluded)

**Reconciliation of operating income (loss)**

**to net cash from operating activities:**

Operating income (loss)	\$	(2,997,485)	\$	(5,585,984)	\$	(9,236)	\$	(241,636)	\$	33,988	\$	(19,111)	\$	-	\$	(8,819,464)	\$	2,867,635	
Adjustments to reconcile operating income (loss) to net cash from operating activities:																			
to net cash from operating activities:																			
Depreciation		1,979,123		2,214,236		66,429		230,840		11,793		110,900		-		4,613,321		-	
Landfill closure and post closure care costs		1,410,734		-		-		-		-		-		-		1,410,734		-	
Changes in assets, deferred outflows, liabilities, and deferred inflows:																			
Accounts receivable		28,712		-		-		-		-		-		-		28,712		(13)	
Other receivables		(136,295)		(398,821)		(738)		-		(2,757)		(9,584)		-		(548,195)		(172,399)	
Inventories		-		-		-		(5,233)		-		-		-		(5,233)		(71,938)	
Prepays		-		(6,253)		-		-		-		-		-		(6,253)		-	
Accounts payable and accrued liabilities		1,179,325		829,502		(33)		88,718		2,370		(3,013)		-		2,096,869		1,053,532	
Compensated absences payable		(16,114)		-		-		-		-		-		-		(16,114)		3,970	
Net pension liability		1,171,889		-		-		-		-		-		-		1,171,889		265,555	
Deferred outflows -pensions		(417,075)		-		-		-		-		-		-		(417,075)		(244,108)	
Deferred inflows - pensions		(616,265)		-		-		-		-		-		-		(616,265)		3,584	
OPEB liability		(18,247)		-		-		-		-		-		-		(18,247)		(2,477)	
Deferred outflows - OPEB		108,838		-		-		-		-		-		-		108,838		14,773	
Deferred inflows - OPEB		(992,561)		-		-		-		-		-		-		(992,561)		(134,725)	
Unearned revenue		-		2,058		-		-		-		-		-		2,058		-	
<b>Total adjustments</b>		<u>3,682,064</u>		<u>2,640,722</u>		<u>65,658</u>		<u>314,325</u>		<u>11,406</u>		<u>98,303</u>		<u>-</u>		<u>6,812,478</u>		<u>715,754</u>	
<b>Net cash from operating activities</b>		<u>\$ 684,579</u>		<u>\$ (2,945,262)</u>		<u>\$ 56,422</u>		<u>\$ 72,689</u>		<u>\$ 45,394</u>		<u>\$ 79,192</u>		<u>\$ -</u>		<u>\$ (2,006,986)</u>		<u>\$ 3,583,389</u>	
Cash and cash equivalents:																			
Unrestricted		\$ 39,362,233		\$ 20,218,460		\$ 445,845		\$ 1,324,667		\$ 279,232		\$ 16,298		\$ -		\$ 61,646,735		\$ -	
Restricted		-		1,389,721		-		-		-		189,791		-		1,579,512		23,422,569	
<b>Total</b>		<u>\$ 39,362,233</u>		<u>\$ 21,608,181</u>		<u>\$ 445,845</u>		<u>\$ 1,324,667</u>		<u>\$ 279,232</u>		<u>\$ 206,089</u>		<u>\$ -</u>		<u>\$ 63,226,247</u>		<u>\$ 23,422,569</u>	

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

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<b>OPEB Irrevocable Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Taxes receivable	\$ -	\$ 2,311,211
Due from other governments	-	1,054,067
Restricted cash and cash equivalents	4,103,052	300,578
<b>Total assets</b>	<b>\$ 4,103,052</b>	<b>\$ 3,665,856</b>
<b>Liabilities</b>		
Accounts and vouchers payable	\$ -	\$ 1,086,393
Due to other governments	-	5,445
Reserve for taxes receivable	-	2,463,634
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 3,555,472</b>
<b>Net Position</b>		
Restricted for:		
Postemployment benefits other than pensions	\$ 4,103,052	\$ -
Individuals, organizations, and other governments	-	168,323
Unassigned	-	(57,939)
<b>Total net position</b>	<b>\$ 4,103,052</b>	<b>\$ 110,384</b>

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

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2023**

	<b>OPEB Irrevocable Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions:</b>		
Employer Contributions	\$ 1,000,000	\$ -
Investment income	88,757	-
Ad valorem taxes for other governments	-	115,549,652
Collections on behalf of inmates and other governments	-	1,267,651
<b>Total additions</b>	<b><u>\$ 1,088,757</u></b>	<b><u>\$ 116,817,303</u></b>
<b>Deductions:</b>		
Tax distributions to other governments	\$ -	\$ 115,592,680
Payments on behalf of inmates	-	1,238,892
<b>Total deductions</b>	<b><u>\$ -</u></b>	<b><u>\$ 116,831,572</u></b>
<b>Net increases (decreases) to fiduciary net position</b>	<b>\$ 1,088,757</b>	<b>\$ (14,269)</b>
<b>Net position - beginning</b>	<b>3,014,295</b>	<b>124,653</b>
<b>Net position - ending</b>	<b><u>\$ 4,103,052</u></b>	<b><u>\$ 110,384</u></b>

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

# NOTES TO THE FINANCIAL STATEMENTS





# Notes to the Financial Statements

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# Notes to the Financial Statements

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Cumberland, North Carolina (“the County”) and its discretely presented component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

### A – REPORTING ENTITY

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 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.

There are two methods for reporting component units in the financial statements of the primary government: discrete presentation and blending. Discrete presentation means data will be presented in one or more separate columns to the right of the primary government data columns. Blending means the component unit’s financial data is reported as though the unit is part of the primary government. If the units provide services or benefits exclusively, or almost exclusively, to the primary government, or if the component units and the primary government have “substantively identical boards,” the legally separate component units should be incorporated by blending. If the units do not meet these criteria, their data should be incorporated by discrete presentation.

Based on evaluating these characteristics, the following is a brief review of the component units in the County’s reporting entity:

#### Blended Component Units

NORCRESS Water and Sewer District, Kelly Hills Water and Sewer District, Southpoint Water and Sewer District, Overhills Park Water and Sewer District, and Bragg Estates Water and Sewer District (the “Water and Sewer Districts”) exist to provide and maintain a sanitary sewer system for the County residents within those districts. The Water and Sewer Districts, which have June 30 year-ends, are considered proprietary funds of the County and adopt budgets on an annual basis. The Water and Sewer Districts are included as enterprise funds.

#### Discretely Presented Component Units

Cumberland County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists 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 in the basic financial statements. Cumberland County Finance Corporation (the “Corporation”), a North Carolina non-profit corporation, exists to issue obligations pursuant to Internal Revenue Service Revenue Ruling 63-20 and Internal Revenue Service Revenue Procedure 82-26. The Corporation has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

The Cumberland County Board of Alcoholic Beverage Control (the “ABC Board”), which has a June 30 year-end, is presented as if it were a proprietary fund. Eastover Sanitary District (the “District”), which has a June 30 year-end, is presented as if it were a proprietary fund.

The Fayetteville Area Convention and Visitors Bureau, Inc. (the “Bureau”), which has a June 30 year-end, is a non-profit organization. The Bureau is presented as if it were a proprietary fund.

The Cumberland County Tourism Development Authority (the “TDA”) exists to promote travel, tourism, and conventions in the County, sponsor tourist-related events and activities in the County, and finance tourist-related capital projects in the County. The Cumberland County Board of Commissioners provides for membership of the Authority, including members’ terms of office and for the filling of vacancies. The County is able to impose its will on the TDA because it has the ability to modify the rate affecting revenue as it is authorized to levy a room occupancy tax of up to 3% of the gross receipts. The TDA is presented as if it were a proprietary fund.

## Notes to the Financial Statements

The Fayetteville Cumberland County Economic Development Corporation (the “FCEDC”) was formed on January 1, 2016 as a 501(c)6 organization with Cumberland County and the City of Fayetteville taking the lead to create its initial structure and funding. The two entities fund economic development activities substantially equivalent during the fiscal year. The FCEDC Board of Directors is comprised of private sector, city sector, and County sector representatives as well as ex-officio members. The FCEDC is presented as if it were a proprietary fund.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
NORCRESS Water and Sewer District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners serve as the governing board for the District. The County also provides financial benefits to the District and maintains operational responsibility.	None issued.
Kelly Hills Water and Sewer District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners serve as the governing board for the District. The County also provides financial benefits to the District and maintains operational responsibility.	None issued.
Southpoint Water and Sewer District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners serve as the governing board for the District. The County also provides financial benefits to the District and maintains operational responsibility.	None issued.
Overhills Park Water and Sewer District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners serve as the governing board for the District. The County also provides financial benefits to the District and maintains operational responsibility.	None issued.
Bragg Estates Water and Sewer District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners serve as the governing board for the District. The County also provides financial benefits to the District and maintains operational responsibility.	None issued.
Cumberland 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.
Cumberland County Finance Corporation	Discrete	The Corporation is governed by a seven member Board of Commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Corporation with or without cause.	None issued.

## Notes to the Financial Statements

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Cumberland County Board of Alcoholic Beverage Control	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Cumberland County ABC Board 1705 Owen Drive Fayetteville, NC 28304
Eastover Sanitary District	Discrete	The District is considered to be fiscally dependent upon the County such that excluding the entity would cause the County's statements to be incomplete.	Included in the County's financial statements.
Fayetteville Area Convention and Visitors Bureau, Inc.	Discrete	A voting majority of the Bureau's 11 member Board of Directors is appointed by the County. In addition, the County levies the occupancy tax which is the major source of revenue for the Bureau.	Fayetteville Area Convention and Visitors Bureau 245 Person Street Fayetteville, NC 28301
Cumberland County Tourism Development Authority	Discrete	The Cumberland County Board of Commissioners provides for membership of the TDA, including members' terms of office and for the filling of vacancies. The County is able to impose its will on the TDA because it has the ability to modify the rate affecting revenue as it is authorized to levy a room occupancy tax of up to three percent (3%) of the gross receipts.	Included in the County's financial statements.
Fayetteville Cumberland County Economic Development Corporation (FCEDC)	Discrete	The Cumberland County Board of Commissioners and the Fayetteville City Council provides for membership of the FCEDC, including members' terms of office and for the filling of vacancies. Both entities contribute to the funding of the FCEDC equally. Cumberland County is the fiscal agent for the Corporation and does so by an in-kind contribution. FCEDC does not qualify to be a primary government and is fiscally dependent on Cumberland County and the City of Fayetteville. FCEDC could be part of the City of Fayetteville, however the accountant has concluded FCEDC should be discretely presented in the statements of Cumberland County.	Fayetteville Cumberland County Economic Development Corp. 201 Hay Street Fayetteville, NC 28301

# Notes to the Financial Statements

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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 net position (the “County”) and its component units. 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. 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. Interfund services provided and used are not eliminated in the process of consolidation.

**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 nonmajor funds.

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

The County reports the following major governmental funds:

**General Fund:** This fund is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The County School Fund and the Capital Investment Fund are both legally adopted budgeted funds under North Carolina General Statutes; however, for statement presentation both are consolidated into the General Fund.

**American Rescue Plan Act (ARPA) Fund:** This fund is the County’s fund accounting for financial resources received and expended from the American Rescue Plan Act of 2021. This fund provides additional relief to address the continued impact of COVID-19 on the economy, public health, and state and local governments.

The County reports the following non-major governmental funds:

**Special Revenue Funds:** Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. The County reports the following Special Revenue Funds: Prepared Food and Beverage Fund, Emergency Telephone Fund, Recreation Fund, Juvenile Crime Prevention Fund, Transportation Fund, Flea Hill Drainage District Fund, Community Development Fund, Fire Protection Fund, Federal Drug Justice Fund, Federal Drug Forfeiture Fund, North Carolina Controlled Substance Fund, Animal Medical Fund, the Inmate Welfare Fund, CDBG Disaster Recovery Fund, Linden Little River Park Fund, Fines and Forfeitures Fund, Deeds of Trust Fund, Emergency Rental Assistance Fund, DSS Representative Payee Fund, Innovative Court Program Fund, Human Trafficking Worth Fund, Stream Restoration Grant Fund, SCIF Homeless Grant Fund, Opioid Settlement Fund, and Cumberland Industrial Center Sewer Fund.

# Notes to the Financial Statements

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*Capital Project Funds:* Capital Project Funds account for financial resources to be used for the acquisition or construction of governmental capital assets. The County reports the following Capital Project Funds: Cultural and Recreation Fund, the Emergency Operations Center Fund, and the MLK Park Fund.

*Cemetery Permanent Fund:* The Cemetery Permanent Fund is used to account for perpetual care of the County owned cemetery.

The County reports the following major enterprise funds:

*Cumberland County Solid Waste Fund:* This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

*Cumberland County Crown Center Fund:* This fund accounts for the operations of the Crown Arena, the Crown Theatre, the Crown Exposition Center, and the Crown Coliseum. As of November 2013, Global Spectrum has been managing operations on the County's behalf.

*Kelly Hills Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district. This fund is reported as a major fund despite not qualifying as a major fund to remain consistent with prior years' presentation.

*NORCRESS Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district. This fund is reported as a major fund despite not qualifying as a major fund to remain consistent with prior years' presentation.

*Southpoint Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district. This fund is reported as a major fund despite not qualifying as a major fund to remain consistent with prior years' presentation.

*Overhills Park Water and Sewer District Fund:* This fund accounts for the sewer operations for the district. This fund is reported as a major fund despite not qualifying as a major fund to remain consistent with prior years' presentation.

*Bragg Estates Water and Sewer District Fund:* This fund accounts for the capital assets for the District. During fiscal year 2021, the Board determined construction of sewer lines in the District was not viable and the capital project was closed. As a result, there are no on-going operational costs. This fund is reported as a major fund despite not qualifying as a major fund to remain consistent with prior years' presentation.

The County reports the following internal service funds:

*Internal Service Funds:* The County has a Group Insurance Fund, Employee Flexible Benefit Fund, Workers' Compensation Fund, General Litigation Fund, and a Vehicle Insurance Fund. These funds are used to account for the financing services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

The County reports the following fiduciary fund types:

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

## Notes to the Financial Statements

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*Custodial Funds:* 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. 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 City Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County; the Inmate Payee Fund, which accounts for funds held by the County on behalf of inmates of the County jail; the Stormwater Utility Fund, which accounts for monies collected in connection with the joint storm water utility agreement with the City of Fayetteville; and the Vehicle Interest Fund, which consists of the 3% penalty interest fee collected by the County for delinquent motor vehicle taxes of prior years that will be distributed to various municipalities within the County. Custodial funds use the economic resources measurement focus.

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, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the custodial 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, entitlements, 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 all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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. Issuances of general long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received.



## Notes to the Financial Statements

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Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, 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 fund balance 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.

(continued on next page)

# Notes to the Financial Statements

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## C – BUDGETARY DATA

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund; the Special Revenue Funds which include: Prepared Food and Beverage Fund, Emergency Telephone Fund, Recreation Fund, Juvenile Crime Prevention Fund, Transportation Fund, Flea Hill Drainage District Fund, Community Development Fund, Fire Protection Fund, Federal Drug Justice Fund, Federal Drug Forfeiture Fund, North Carolina Controlled Substance Fund, Animal Medical Fund, Inmate Welfare Fund, CDBG Disaster Recovery Fund, Linden Little River Park, Fund Fines and Forfeitures Fund, Deeds of Trust Fund, Emergency Rental Assistance Fund, DSS Representative Payee Fund, Innovative Court Program Fund, Human Trafficking Worth Fund, Stream Restoration Grant Fund, SCIF Homeless Grant Fund, Opioid Settlement Special Revenue Fund, and Cumberland Industrial Center Sewer Fund; the Permanent; the Enterprise Funds, and the Internal Services Funds. Project ordinances are adopted for the Governmental Capital Projects Funds, the ARPA Special Revenue Fund, and the Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the fund level. Any revisions that increase revenues of any fund or changes that relate to creating new positions must be approved by the governing board.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the annual budget process are to be performed as follows:

- April 30 – Each department head will transmit to the budget officer the budget requests and revenues estimates for their department for the budget year.
- May 15 – The finance officer for the school board transmits the budget and the budget message to the County.
- June 1 – The budget and the budget message shall be submitted to the governing board and shall also be made available for public inspection.
- July 1 – The public hearing shall be held before adopting the budget [G.S. 159-12(b)]. The budget ordinance shall be adopted by the governing board.

The budget ordinance must be adopted by July 1 of each fiscal year, or the governing board must instead adopt an interim budget that covers that time until the annual ordinance can be adopted.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Eligible encumbrances outstanding at year-end are re-appropriated into the next year's budget through a governing board approved budget ordinance amendment. Any encumbrance balance that is not due and owing is adjusted to a zero balance.

**(continued on next page)**

# Notes to the Financial Statements

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## D – ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS, AND FUND EQUITY

### 1. Deposits and Investments

All deposits of the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC 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, the ABC Board, the District, the Bureau, the TDA, and the FCEDC 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; and certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC 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 North Carolina Capital Management Trust (NCCMT), which consists of one SEC-registered mutual fund (the Government portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAM rating from Standard and Poor's and AAAMf by Moody's Investor Services. It is reported at fair value.

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

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

### 2. Cash and Cash Equivalents

The County pools moneys from several funds, except the OPEB Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents. The County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC consider demand deposits and investments purchased with an original maturity of one year or less to be cash and cash equivalents.

# Notes to the Financial Statements

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## 3. Restricted Assets

Amounts on hand at year-end for unexpended bond proceeds, future construction, payment of asserted and unasserted malpractice claims, self-insurance, trust arrangements, and customer deposits for future services have been restricted. Funds are restricted for the purpose for which the revenue was received. Restrictions in the general fund relate to the several ongoing capital projects. Money in the Tax Revaluation Organization is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Outlay Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22. Cash and cash equivalents in the OPEB Trust Fund is considered restricted because it can only be used to pay other postemployment benefit obligations. Cash and cash equivalents in the Opioid Settlement Fund and the ARPA Fund are also restricted.

## 4. Ad Valorem Taxes Receivable

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

## 5. Allowance for Doubtful Accounts

Receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivable that were written off in prior years.

## 6. Lease Receivable

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

## 7. Inventories and Prepaid Items

The inventories of the County, the ABC Board, and the Bureau are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the ABC Board and the Bureau consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the ABC Board and the Bureau is recorded as an expense as it is consumed or sold.

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 are accounted for using the purchases method.

**(continued on next page)**

# Notes to the Financial Statements

## 8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Cumberland County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide the County will convey title to the property back to the Board 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 Cumberland County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Improvements water lines	40
Improvements	25
Furniture and equipment	5 – 10
Vehicles	5

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Buildings	40
Leasehold Improvements	10 – 20
Equipment	5 – 10
Vehicles	5

For the Eastover Sanitary District, water lines are depreciated over a 40-year life.

For the Bureau, depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Software	3
Equipment	5
Furniture	10
Improvements	3 – 40

## 9. Right-to-Use Assets

The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

# Notes to the Financial Statements

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The County has recorded subscription-based information technology arrangement assets and liabilities as a result of implementing GASB 96. The subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, and plus any ancillary charges necessary to place the subscription asset into service. The subscription assets are amortized on a straight-line basis over the life of the related contract. Subscriptions which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expenses as incurred.

## 10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, OPEB, pension, and contributions made to the OPEB or pension plans in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for Deferred Inflows of Resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, taxes receivable, special assessments receivable, other OPEB or pension related deferrals, and leases.

## 11. Long-term Obligations

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

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## 12. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The vacation policy of the Bureau provides for the accumulation of up to sixty-two and one-half (62.50) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, the ABC Board and the Bureau, an expense and a liability for compensated absences and the salary related payments are recorded within those funds as the leave is earned.

The sick leave policies of the County and the ABC Board provide for unlimited accumulation of earned sick leave. The Bureau allows for up to thirty-seven and one-half (37.50) days accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made by the County or its component units.

## 13. Net Position/Fund Balances

### Net Position

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

# Notes to the Financial Statements

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## 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:

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

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

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

*Cemetery* – Portion of fund balance that is not available because it represents the year-end balance of nonspendable resources used to maintain the cemetery.

*Restricted Fund Balance* – This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

*Restricted for Stabilization of 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 1930s that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (“RSS”), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as “restricted by State statute”. *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation”. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

*Restricted for Register of Deeds* – Portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds’ office.

*Restricted for Public Health* – Portion of fund balance that is restricted for maternal and child health and women’s health by state statute [G.S. 130A-124(c)].

*Restricted for Inmates* – Portion of fund balance available for use by inmates in the County’s Detention Center.

*Restricted for County School* – Portion of fund balance that is restricted by revenue source for school capital or debt service per G.S. 159-18-22.

*Restricted for Fire Protection* – Portion of fund balance that is restricted by revenue source for fire protection.

*Restricted for Public Safety* – Portion of fund balance that is restricted by revenue source for law enforcement purposes and the Injured Animal Stabilization Fund.

# Notes to the Financial Statements

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*Restricted for Economic and Physical Development* – Portion of fund balance that is restricted by revenue source for the Workforce Development and Flea Hill Funds.

*Restricted for Human Services* – Portion of fund balance restricted by revenue source for Juvenile Crime Control Program purposes.

*Restricted for Cultural and Recreational* – Portion of fund balance restricted by revenue source for the Recreation Fund and the Prepared Food and Beverage Fund.

*Committed Fund Balance* – Portion of fund balance that can only be used for specific purposes imposed by majority vote of Cumberland County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

*Committed for Tax Revaluation* – Portion of fund balance that can only be used for Tax Revaluation.

*Committed for Capital Investment Fund* – Portion of fund balance committed by the Board of Commissioners to fund future capital needs.

*Assigned Fund Balance* – Portion of fund balance the Cumberland County governing board has set aside for future use.

*Subsequent Year's Expenditures* – Portion of fund balance that has been approved by formal action of the Board of County Commissioners for appropriation into the next fiscal year. A modification of this amount requires action by the Board. The Board may at its discretion, make other assignments of fund balance. The Board authorizes the County Manager to amend these assigned amounts to comply with the County's fund balance percentage policies.

*Economic Development Incentives* – Portion of total fund balance assigned by management for incentives to promote business creation or expansion.

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

## Spending and Fund Balance Policies

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

The County will maintain a General Fund unassigned fund balance of no less than 12% which exceeds the minimum 8% recommended by the LGC. Additionally, the target goal for total spendable (available) fund balance will be at least 15% of total expenditures for the fiscal year. The annual appropriation for subsequent years' expenditures should not exceed 3% of budgeted recurring general fund expenditures. The General Fund is the only fund that reports a positive, unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive, unassigned fund balance amount. However, in governmental funds other than the General Fund, 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.

The County required all open purchase orders as of June 30, 2023 to be closed prior to closing out the fiscal year. Departments have the option of requesting re-appropriation of funds for items that were not included in the fiscal year 2024 budget. Therefore, the balance of encumbrances as of June 30, 2023 is zero for all funds.



# Notes to the Financial Statements

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## 14. Defined Benefit Pension Plans and OPEB Plans

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

## 15. Accounting Estimates

The preparation of the basic 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 2 – CASH AND CASH EQUIVALENTS

### A – DEPOSITS

All of the County's, the ABC Board's, the District's, the Bureau's, the TDA's, and the FCEDC's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the ABC Board's, the District's, the Bureau's, the TDA's, and the FCEDC's agents in these units' names.

The County has a Board-approved policy to address custodial credit risk of deposits collateralized under the Pooling Method. 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, the ABC Board, the District, the Bureau, the TDA, and the FCEDC, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, the District, the Bureau, the TDA, the FCEDC, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC, 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.

# Notes to the Financial Statements

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the ABC Board, the District, the Bureau, the TDA and the FCEDC rely on the State Treasurer to monitor those financial institutions. 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.

At June 30, 2023 the County's deposits had a carrying amount of \$270,871,498 and a bank balance of \$272,538,581. Included in the County's deposits is cash of \$4,086,392 for the District, \$3,200,496 for the TDA, and \$449,357 for FCEDC. Of the bank balance, \$1,500,000 was covered by federal depository insurance and \$271,038,581 was covered by collateral under the Pooling Method. The County had \$10,870 in the petty cash and change funds. The District, the TDA, and FCEDC had \$0 of petty cash.

At June 30, 2023, the ABC Board's deposits had a carrying amount of \$4,804,593 and a bank balance of \$5,689,455. Of the bank balance, \$250,000 was covered by federal depository insurance and \$5,439,455 was covered by collateral under the Pooling Method. The ABC Board cash on hand total \$30,800.

At June 30, 2023, the Bureau's deposits had a carrying amount of \$2,047,586. As of June 30, 2023, the Bureau had \$1,290,832, which exceed the federal depository insurance amount.

## B – INVESTMENTS – COUNTY

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

Investment Type	Valuation Measurement	Fair Value	Less than		
	Method		6 Months	6 - 12 Months	1 - 2 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 199,942,387	\$ 199,942,387	\$ -	\$ -
<b>Total</b>		<b>\$ 199,942,387</b>	<b>\$ 199,942,387</b>	<b>\$ -</b>	<b>\$ -</b>

All investments are measured using the market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

*Levels of Fair Value Hierarchy:* Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires investment purchases to be based upon cash flow needs with staggered maturity dates of no more than two years.

*Credit Risk:* The County has a Board-adopted investment policy which places greater restrictions than required under G.S. 159-30(c). This policy seeks to assure investment quality and to mitigate credit risks. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2023. The County's investments in U.S. Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investor Service.

# Notes to the Financial Statements

**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. Cumberland County has adopted a formal investment policy. Cumberland County uses Wells Fargo Securities to provide third-party safekeeping service for the County. The securities are held in a separate entity with the bank and are held in the name of County of Cumberland. Cumberland County uses the Pooling Method of collateralization when purchasing Certificates of Deposits.

**Concentration of Credit Risk:** It is the County's policy that no more than 20% of the total investment portfolio may be invested in commercial paper and banker's acceptances. In addition, no more than \$4 million of the total investment portfolio will be invested in any one company's commercial paper or \$7 million in financial institution's bankers' acceptances. More than 75% of the County's investment are in the North Carolina Capital Management Trust (NCCMT).

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

At June 30, 2023, the County's OPEB Trust Fund had \$4,103,052 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, funds submitted were held in the State Treasurer's Short-Term Investment Fund (STIF). Allowable STIF investments are detailed in G.S. 147-69.1.

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

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

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

## C – RECONCILIATION TO CASH AND CASH EQUIVALENTS

	County	ABC Board	Eastover Sanitary District	TDA	Bureau	FCEDC
Cash and cash equivalents - Unrestricted	\$ 359,034,289	\$ 4,835,393	\$ 3,764,316	\$ 3,200,496	\$ 2,047,586	\$ 449,357
Cash and cash equivalents - Restricted	99,650,590	-	322,076	-	-	-
Cash and cash equivalent - Restricted: Fiduciary funds	4,403,630	-	-	-	-	-
Total cash and cash equivalents	<u>\$ 463,088,509</u>	<u>\$ 4,835,393</u>	<u>\$ 4,086,392</u>	<u>\$ 3,200,496</u>	<u>\$ 2,047,586</u>	<u>\$ 449,357</u>

# Notes to the Financial Statements

## NOTE 3 – RECEIVABLES

### A – LEASES

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

As of June 30, 2023, the County had nine lease agreements, six for buildings, two for land and one for equipment. The terms of the leases range from 17 months to 74 months. The interest rates range from 0.316% to 1.090%. From these leases, the entities paid the County \$405,650 over the fiscal year. In fiscal year 2023, the County recognized \$395,991 of lease revenue and \$9,659 of interest revenue from the leases.

### B – ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts at the government-wide level at June 30, 2023 are as follows:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
Taxes receivable	\$ 3,454,392	\$ -
Other receivables	17,373	-
	<u>\$ 3,471,765</u>	<u>\$ -</u>

The allowance for doubtful accounts for Eastover Sanitary District at June 30, 2023 is \$237,938.

(continued on next page)

# Notes to the Financial Statements

## NOTE 4 – CAPITAL ASSETS

### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases and Adjustments	Decreases and Adjustments	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,454,597	\$ 400	\$ 15,625	\$ 16,439,372
Construction in progress	12,683,833	2,627,816	2,458,502	12,853,147
Total capital assets not being depreciated	29,138,430	2,628,216	2,474,127	29,292,519
Capital assets being depreciated/amortized:				
Buildings and improvements	292,078,743	4,913,594	-	296,992,337
Equipment, furniture, and fixtures	30,298,166	6,758,026	114,202	36,941,990
Vehicles	15,359,005	1,281,369	944,325	15,696,049
Leased asset - buildings	50,806	-	-	50,806
Leased asset - equipment	85,165	98,838	-	184,003
IT subscriptions	-	1,279,268	-	1,279,268
Total capital assets being depreciated/amortized	337,871,885	14,331,095	1,058,527	351,144,453
Less accumulated depreciation/amortization for:				
Buildings and improvements	137,208,046	7,220,936	-	144,428,982
Equipment, furniture, and fixtures	22,723,612	1,686,986	45,958	24,364,640
Vehicles	11,696,691	1,326,162	932,527	12,090,326
Leased asset - buildings	20,322	20,322	-	40,644
Leased asset - equipment	24,517	44,285	-	68,802
IT subscriptions	-	643,136	-	643,136
Total accumulated depreciation/amortization	171,673,188	10,941,827	978,485	181,636,530
Total capital assets being depreciated/amortized, net	166,198,697			169,507,923
Governmental activity capital assets, net	<u>\$ 195,337,127</u>			<u>\$ 198,800,442</u>

Total governmental activities capital assets include internal service fund capital assets with a book value of \$0.

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

General government	\$ 3,097,363
Public safety	3,434,361
Human services	1,600,399
Economic and physical development	1,107,066
Cultural and recreational	994,895
Total depreciation expense	<u>\$ 10,234,084</u>

(continued on next page)

## Notes to the Financial Statements

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The County, ABC Board, and the Bureau have recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Amortization expense for right-to-use assets totaling \$64,607 was charged to Economic and physical development expense.

The County has recorded subscription-based information technology arrangements (“SBITAs”) assets and liabilities as a result of implementing GASB 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expenses as incurred.

Amortization expense for SBITA assets totaling \$643,136 was charged to Economic and physical development expense.

**(continued on next page)**

# Notes to the Financial Statements

Capital asset activity for the business-type activities for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>Business-type activities:</b>				
<b><i>Cumberland County Solid Waste</i></b>				
Capital assets not being depreciated:				
Land	\$ 3,360,411	\$ -	\$ -	\$ 3,360,411
Construction in progress	2,597,000	18,781	-	2,615,781
Total capital assets not being depreciated	5,957,411	18,781	-	5,976,192
Capital assets being depreciated:				
Landfill	23,477,295	-	-	23,477,295
Buildings and building improvements	9,100,089	-	-	9,100,089
Furniture, fixtures, and equipment	16,724,094	2,647,721	656,300	18,715,515
Vehicles	4,323,274	193,960	43,486	4,473,748
Total capital assets being depreciated	53,624,752	2,841,681	699,786	55,766,647
Less accumulated depreciation for:				
Landfill	11,948,016	303,624	-	12,251,640
Building and building improvements	5,543,240	95,586	-	5,638,826
Furniture, fixtures, and equipment	9,187,535	1,222,200	656,300	9,753,435
Vehicles	3,262,926	357,713	43,487	3,577,152
Total accumulated depreciation	29,941,717	\$ 1,979,123	\$ 699,787	31,221,053
Total capital assets being depreciated, net	23,683,035			24,545,594
Cumberland County Solid Waste capital assets, net	29,640,446			30,521,786
<b><i>Cumberland County Crown Center</i></b>				
Capital assets not being depreciated:				
Land	3,503,162	\$ 1,252,500	\$ -	4,755,662
Construction in progress	171,591	1,192,770	38,269	1,326,092
Total capital assets not being depreciated	3,674,753	2,445,270	38,269	6,081,754
Capital assets being depreciated:				
Buildings and building improvements	83,131,495	806,390	23,000	83,914,885
Furniture, fixtures, and equipment	4,885,219	140,357	-	5,025,576
Vehicles	26,619	-	-	26,619
Total capital assets being depreciated	88,043,333	946,747	23,000	88,967,080
Less accumulated depreciation for:				
Building and building improvements	47,043,259	2,089,147	77	49,132,329
Furniture, fixtures, and equipment	4,004,502	125,166	-	4,129,668
Vehicles	26,619	-	-	26,619
Total accumulated depreciation	51,074,380	\$ 2,214,313	\$ 77	53,288,616
Total capital assets being depreciated, net	36,968,953			35,678,464
Cumberland County Crown Center capital assets, net	40,643,706			41,760,218
<b><i>Kelly Hills Water and Sewer District</i></b>				
Capital assets being depreciated:				
Plant and distribution system	2,676,498	\$ -	\$ -	2,676,498
Total capital assets being depreciated	2,676,498	-	-	2,676,498
Less accumulated depreciation for:				
Plant and distribution system	1,082,212	66,429	-	1,148,641
Total accumulated depreciation	1,082,212	\$ 66,429	\$ -	1,148,641
Total capital assets being depreciated, net	1,594,286			1,527,857
Kelly Hills Water and Sewer District capital assets, net	1,594,286			1,527,857

# Notes to the Financial Statements

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>Business-type activities: (continued)</b>				
<b>Norcross Water and Sewer District</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 17,247	\$ 145,145	\$ -	\$ 162,392
Total capital assets not being depreciated	17,247	145,145	-	162,392
Capital assets being depreciated:				
Plant and distribution system	9,628,123	-	-	9,628,123
Total capital assets being depreciated	9,628,123	-	-	9,628,123
Less accumulated depreciation for:				
Plant and distribution system	4,180,435	230,840	-	4,411,275
Total accumulated depreciation	4,180,435	\$ 230,840	\$ -	4,411,275
Total capital assets being depreciated, net	5,447,688			5,216,848
Norcross Water and Sewer District capital assets, net	5,464,935			5,379,240
<b>Southpoint Water and Sewer District</b>				
Capital assets being depreciated:				
Plant and distribution system	471,733	\$ -	\$ -	471,733
Total capital assets being depreciated	471,733	-	-	471,733
Less accumulated depreciation for:				
Plant and distribution system	106,140	11,793	-	117,933
Total accumulated depreciation	106,140	\$ 11,793	\$ -	117,933
Total capital assets being depreciated, net	365,593			353,800
Southpoint Water and Sewer District capital assets, net	365,593			353,800
<b>Overhills Park Water and Sewer District</b>				
Capital assets not being depreciated:				
Land	16,923	\$ -	\$ -	16,923
Construction in progress	-	-	-	-
Total capital assets not being depreciated	16,923	-	-	16,923
Capital assets being depreciated:				
Plant and distribution system	4,435,995	-	-	4,435,995
Total capital assets being depreciated	4,435,995	-	-	4,435,995
Less accumulated depreciation for:				
Plant and distribution system	277,250	110,900	-	388,150
Total accumulated depreciation	277,250	\$ 110,900	\$ -	388,150
Total capital assets being depreciated, net	4,158,745			4,047,845
Overhills Parks Water and Sewer District capital assets, net	4,175,668			4,064,768
<b>Bragg Estates Water and Sewer District</b>				
Capital assets not being depreciated:				
Land	12,040	\$ -	\$ -	12,040
Total capital assets not being depreciated	12,040	\$ -	\$ -	12,040
Bragg Estates Water and Sewer District capital assets, net	12,040			12,040
<b>Total Business-type activities capital assets, net</b>	<b>\$ 81,896,674</b>			<b>\$ 83,619,709</b>

At June 30, 2023, the County has construction contracts in progress in the amount of \$14,056,277 for various capital projects and improvements including construction of additional cells and a scale house at the County landfill. The remaining commitment on these contracts is \$6,120,347.



# Notes to the Financial Statements

## Discretely Presented Component Units

The following is a summary of proprietary fund-type capital assets for the ABC Board at June 30, 2023:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases and Transfers</b>	<b>Ending Balances</b>
<b>ABC Board</b>				
Capital assets not being depreciated:				
Land	\$ 1,981,094	\$ -	\$ -	\$ 1,981,094
Capital assets being depreciated/amortized:				
Buildings and building improvements	3,759,436	-	-	3,759,436
Leasehold improvements	1,884,103	88,572	1,202	1,971,473
Furniture and equipment	1,435,258	132,444	61,157	1,506,545
Vehicles	450,200	25,000	17,258	457,942
Leased asset - buildings	2,003,772	-	-	2,003,772
Leased asset - equipment	5,164	-	-	5,164
Total capital assets being depreciated/amortized	9,537,933	246,016	79,617	9,704,332
Less accumulated depreciation/amortization	4,614,562	685,843	79,617	5,220,788
Total capital assets being depreciated, net	4,923,371	\$ (439,827)	\$ -	4,483,544
ABC capital assets, net	<u>\$ 6,904,465</u>			<u>\$ 6,464,638</u>

The following is a summary of proprietary fund-type capital assets for the Eastover Sanitary District at June 30, 2023:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases and Transfers</b>	<b>Ending Balances</b>
<b>Eastover Sanitary District</b>				
Capital assets not being depreciated:				
Land	\$ 109,799	\$ -	\$ -	\$ 109,799
Construction in progress	-	-	-	-
Total capital assets not being depreciated	109,799	-	-	109,799
Capital assets being depreciated:				
Buildings	1,399,281	-	-	1,399,281
Water lines	25,091,103	6,720	-	25,097,823
Furniture, fixtures, and equipment	23,874	-	-	23,874
Total capital assets being depreciated	26,514,258	6,720	-	26,520,978
Less accumulated depreciation	8,152,828	629,035	-	8,781,863
Total capital assets being depreciated, net	18,361,430	\$ (622,315)	\$ -	17,739,115
Eastover Sanitary District capital assets, net	<u>\$ 18,471,229</u>			<u>\$ 17,848,914</u>

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## Notes to the Financial Statements

The following is a summary of proprietary fund-type capital assets for the Fayetteville Area Visitors and Convention Bureau at June 30, 2023:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b><i>Fayetteville Area Visitors and Convention Bureau</i></b>				
Capital assets being depreciated/amortized:				
Furniture and fixtures	\$ 65,455	\$ 4,701	\$ -	\$ 70,156
Equipment	183,961	-	-	183,961
Software	1,406	-	-	1,406
Capital improvements	172,440	-	-	172,440
Leased space - office	102,621	326,702	-	429,323
Leased space - train depot	71,246	-	-	71,246
Total capital assets being depreciated/amortized	597,129	331,403	-	928,532
Less accumulated depreciation/amortization	273,718	91,396	-	365,114
Total capital assets being depreciated/amortized, net	323,411	\$ 240,007	\$ -	563,418
FAVCB capital assets, net	<u>\$ 323,411</u>			<u>\$ 563,418</u>

The following is a summary of proprietary fund-type capital assets for the Fayetteville Cumberland Economic Development Corporation at June 30, 2023:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b><i>Fayetteville Economic Development Center</i></b>				
Capital assets being depreciated/amortized:				
Furniture and fixtures	\$ 11,944	\$ -	\$ -	\$ 11,944
Leased asset - buildings	948,471	31,750	-	980,221
Total capital assets being depreciated/amortized	960,415	31,750	-	992,165
Less accumulated depreciation/amortization				
Furniture and fixtures	10,806	1,138	-	11,944
Leased asset - buildings	155,426	152,782	-	308,208
Total accumulated depreciation/amortization	166,232	153,920	-	320,152
Total capital assets being depreciated/amortized, net	794,183	\$ (122,170)	\$ -	672,013
Fayetteville Cumberland Economic Development				

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# Notes to the Financial Statements

## NOTE 5 – PENSION PLAN AND OTHER POSTEMPLOYMENT OBLIGATIONS

### A – LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE SYSTEM

#### Plan Description

The 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 0.85% 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, 2021 (Valuation Date) the Separation Allowance’s membership consisted of:

Retirees receiving benefits	49
Active plan members	<u>251</u>
Total	<u>300</u>

#### 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.

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# Notes to the Financial Statements

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## Actuarial Assumptions

The “Entry Age Normal” (EAN) actuarial cost method was used in the December 31, 2021 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The discount rate used to measure the TPL was the Standard & Poor’s Municipal Bond 20-year High Grade Rate Index.

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

*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 one year.

*Deaths Before Retirement:* Mortality rates are based on the Safety Mortality Table for Employees.

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

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

## Contributions

The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits. The amounts necessary to cover the cost of the benefits are budgeted each fiscal year and are funded on a pay-as-you-go basis. 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. The County paid \$730,180 as benefits came due for the reporting period.

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

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## Notes to the Financial Statements

At June 30, 2023, the County reported a total pension liability of \$11,738,337. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$1,371,034.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 772,166	\$ -
Changes of assumptions and other inputs	1,716,740	1,719,947
County benefit payments and plan admin expense made subsequent to the measurement date	433,525	-
Total	\$ 2,922,431	\$ 1,719,947

The County paid \$433,525 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension benefits will be recognized in pension expense as follows:

<b><u>Years Ended June 30:</u></b>	
2024	\$ 459,841
2025	442,629
2026	250,657
2027	(267,880)
2028	(116,288)
	\$ 768,959

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of (4.31%), as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current rate:

	<b>1% Decrease (3.31%)</b>	<b>Discount Rate (4.31%)</b>	<b>1% Increase (5.31%)</b>
Total pension liability	\$ 12,585,710	\$ 11,738,337	\$ 10,961,719

(continued on next page)

# Notes to the Financial Statements

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

	<u>2023</u>
Beginning balance	\$ 13,260,556
Service Cost	586,862
Interest on the total pension liability	289,459
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	220,562
Changes of assumptions or other inputs	(1,827,675)
Benefit payments	(791,427)
Other changes	-
Ending balance of the total pension liability	<u>\$ 11,738,337</u>

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at the December 31, 2021 Measurement Date (MD) to 4.31% at December 31, 2022 MD.

*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 the Society of Actuaries ("SOA") RP-2010 Mortality Tables Report'. The SOA has updated the mortality rates with the Mortality Improvement Scale MP-2019.

### ABC Board

In regard to the Law Enforcement Officers Special Separation Allowance System ("LEO"), the ABC board is governed by the same laws as the County and has also established a Separation Allowance for its law enforcement officers. At December 31, 2021, membership of the Board's Separation Allowance consisted of three retirees receiving benefits and four active plan members. The Board has chosen to pay benefits and administration costs on a pay as you go basis. The Board paid \$51,036 as benefits came due for the reporting period. No contributions were made to the plan by employees. The ABC Board's Actuarial Valuation for the LEO Retirement plan is reported in the ABC Board's Annual Independent Audit. This report may be obtained by writing the Cumberland County ABC Board; 1705 Owen Drive, Fayetteville, North Carolina 28303; or calling (910) 484-8167.

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# Notes to the Financial Statements

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## B – LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

**Plan Description.** The County and the ABC Board are participating employers 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. The County's Crown Coliseum is classified as a separate entity from the County for LGERS reporting purposes. 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 (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for 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. 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 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 postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 13.10% of compensation for law enforcement officers and 12.10% for general employees, 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 County were \$13,090,689 for the year ended June 30, 2023.

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

# Notes to the Financial Statements

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

At June 30, 2023, the County reported a liability of \$69,215,808 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing updated 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, 2023 (measured as of June 30, 2022), the County's proportion was 1.227%, which was a decrease of 0.061% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$19,144,328. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,982,446	\$ 292,412
Changes of assumptions	6,906,185	-
Net difference between projected and actual earnings on pension plan investments	22,876,549	-
Changes in proportion and differences between County contributions and proportionate share of contributions	211,250	948,403
County contributions subsequent to the measurement date	13,090,689	-
Total	<b>\$ 46,067,119</b>	<b>\$ 1,240,815</b>

\$13,090,689 was reported as deferred outflows of resources related to pensions resulting from County contributions made subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Years Ended June 30:</u></b>	
2024	\$ 9,931,387
2025	8,599,051
2026	2,306,362
2027	10,898,815
	<b>\$ 31,735,615</b>

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

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



## Notes to the Financial Statements

The plan actuary uses mortality rates based on the *Pub 2010 Public Plan 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, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

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

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Fix Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Credit	7.0%	6.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 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 2.25%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.50%. 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.

# Notes to the Financial Statements

*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 liability calculated using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Total pension liability	\$ 124,925,620	\$ 69,215,808	\$ 23,307,689

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 (ACFR) for the State of North Carolina.

## C – SUPPLEMENTAL RETIREMENT INCOME PLAN FOR LAW ENFORCEMENT OFFICERS

*Plan Description.* The County and the ABC Board contribute 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 employed by the County and the ABC Board. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report ("ACFR") for the State of North Carolina. The State's ACFR 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 or [www.osc.nc.gov](http://www.osc.nc.gov).

*Funding Policy.* Article 12E of G. S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$1,221,971 which consisted of \$879,060 from the County and \$342,911 from the law enforcement officers.

Article 12E of G.S. Chapter 143 requires the ABC Board to contribute each month an amount equal to 5% of each officer's salary. The Board also contributes 5% of each employee's salary for employees not engaged in law enforcement. All amounts contributed are vested immediately. Also, employees participating may make voluntary contributions to the plan.

For the year ended June 30, 2023, contributions for law enforcement officers were \$17,471 which consisted of \$12,541 from the ABC Board and \$4,930 from the law enforcement officers. Total contributions for employees not engaged in law enforcement for the year ended June 30, 2023 were \$168,564 which consisted of \$117,752 from the ABC Board and \$50,812 from the employees.

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# Notes to the Financial Statements

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## D – REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

*Plan Description.* Cumberland 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. 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 Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report ("ACFR") for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the 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. Registers 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 \$31,091 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$426,554 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension asset was then rolled forward to the measurement date of June 30, 2022 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was 3.222%, which was an increase of 0.252% from its proportion measured as of June 30, 2021.

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# Notes to the Financial Statements

For the year ended June 30, 2023, the County recognized pension expense of \$57,034. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,286	\$ 7,732
Changes of Assumptions	22,584	-
Net difference between projected and actual earnings on pension plan investments	177,291	-
Changes in proportion and differences between County contributions and proportionate share of contributions	10,900	34,448
County contributions subsequent to the measurement date	31,091	-
Total	\$ 245,152	\$ 42,180

\$31,091 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years Ended June 30:</b>	
2024	\$ 46,222
2025	22,049
2026	59,022
2027	44,588
	\$ 171,881

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

Inflation	2.50%
Salary increases	3.25% to 8.25% including inflation and productivity factors
Investment rate of return	3.00%, 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, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

# Notes to the Financial Statements

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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 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 asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023 is 0.78%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 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 2.25%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.00%. 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 3.00%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (2.00%) or one percentage point higher (4.00%) than the current rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
County's proportionate share of the net pension liability (asset)	\$ (301,327)	\$ (426,554)	\$ (532,001)

*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 (ACFR) for the State of North Carolina.

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# Notes to the Financial Statements

## E – SUMMARY TABLES – PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The net pension liability/asset for LGERS and ROD was measured as of June 30, 2022. The total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability/asset was then rolled forward to the measurement date of June 30, 2022 utilizing updated procedures incorporating the actuarial assumptions. The total pension liability for LEOSSA liability was measured as December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 69,215,808	\$ (426,554)	n/a	\$ 68,789,254
Proportion of the Net Pension Liability (Asset)	1.227%	3.222%	n/a	
Total Pension Liability	n/a	n/a	\$ 11,738,337	\$ 11,738,337
Pension Expense	\$ 19,144,328	\$ 57,034	\$ 1,371,034	\$ 20,572,396

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 2,982,446	\$ 3,286	\$ 772,166	\$ 3,757,898
Changes of assumptions	6,906,185	22,584	1,716,740	8,645,509
Net difference between projected and actual earnings on pension plan investments	22,876,549	177,291	-	23,053,840
Changes in proportion and differences between County contributions and proportionate share of contributions	211,250	10,900	-	222,150
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	13,090,689	31,091	433,525	13,555,305
<b>Total Deferred Outflows</b>	<b>\$ 46,067,119</b>	<b>\$ 245,152</b>	<b>\$ 2,922,431</b>	<b>\$ 49,234,702</b>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 292,412	\$ 7,732	\$ -	\$ 300,144
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes of assumptions	-	-	1,719,947	1,719,947
Changes in proportion and differences between County contributions and proportionate share of contributions	948,403	34,448	-	982,851
<b>Total Deferred Inflows</b>	<b>\$ 1,240,815</b>	<b>\$ 42,180</b>	<b>\$ 1,719,947</b>	<b>\$ 3,002,942</b>

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# Notes to the Financial Statements

## F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

*Plan Description.* Under the terms of a County resolution, the County administers a single-employer defined benefit Health Care Benefits Plan (the “HCB Plan”). The County has discontinued offering retiree health insurance for employees hired after June 30, 2016. For employees hired between July 1, 2008 and June 30, 2016, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees Retirement System and have at least 25 years of consecutive years of creditable service with the County. Prior to July 1, 2008, employees qualified for a similar level of benefits after 10 years of creditable service with the County. The plan, which has a June 30, 2023 year-end, does not issue a stand-alone report. Management of the HCB Plan is vested in the County Board of Commissioners.

*Plan Membership.* At the June 30, 2021 Valuation Date. The HCB Plan Membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	844
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	991
Total	<u>1,835</u>

*Benefits Provided.* The HCB Plan provides healthcare benefits for retirees. The County is self-insured and contracts with a private insurer to provide all administrative services. Effective July 1, 2019, the County has contracted with Amwins to provide fully insured coverage for the Medicare Supplement Plan. The County pays a monthly premium for each retiree. The County will continue to be self-insured for the claims of retirees under age 65.

*Contributions.* The Board of Commissioners has established the contribution requirements of plan and may amend the plan. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis. Currently, active County employees pay a monthly premium for the HCB Plan. The premium is adjusted based on whether or not the employee has submitted to the County’s health risk assessment. Family member premium amounts vary based on the number of covered dependents and spouse. Retirees not eligible for Medicare are enrolled in the same plan as active County employees. A retiree’s spouse may continue to be covered under the County’s group plan until the spouse becomes eligible for Medicare health benefits, or the retired employee dies, at which time the coverage ceases. Once a retiree reaches age 65, they must enroll in Medicare Part A and B to continue eligibility in the County’s HCB Plan. The County pays the retiree’s monthly premium into the fully insured Medicare supplement, underwritten by United American, as well as the Medicare Part D prescription plan, underwritten by Express Scripts.

During fiscal year 2023, a \$1,000,000 contribution was paid into the Cumberland County OPEB Trust. This irrevocable trust was established for the purpose of paying future postemployment benefits (“OPEB”) for which the County is liable. The Fiscal Year 2024 Budget includes an additional \$1,000,000 contribution to be deposited into the OPEB Trust.

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# Notes to the Financial Statements

## **Investments**

*Investment Policy.* The HCB Plan does not have a formal investment policy. The allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Investments are valued at fair value. The HCB Plan's Trust had \$4,103,052 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Trust at June 30, 2023. The following was the Board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
	<b>2023</b>	<b>2023</b>
Bond Index Fund	0.0%	N/A
Equity Index Fund	0.0%	N/A
Short Term Investment Fund	100.0%	2.58%
Total	100.0%	

*Rate of Return.* For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was 2.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## **Net OPEB Liability**

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

Total OPEB liability	\$ 168,902,822
Plan fiduciary net position	4,103,052
County's net OPEB liability	164,799,770
Plan fiduciary net position as a percentage of the total OPEB liability	2.43%

*Actuarial Assumptions.* The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2021 using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage Inflation	3.25%
Salary increases, including wage inflation:	
General Employees	3.25% to 8.41%
Law Enforcement Officers	3.25% to 7.90%
Municipal Bond Index:	
Prior Measurement Date	3.54%
Measurement Date	3.65%
Healthcare cost trend rates:	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024



# Notes to the Financial Statements

The discount rate used to measure the TOL was based upon the Single Equivalent Interest Rate.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using the Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2021 valuation.

*Discount Rate.* The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.65% which was a change from the discount rate of 3.54% at June 30, 2022. Because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate was based off of the municipal bond rate which was 3.65% at June 30, 2023 per the Standard & Poor's Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2022, the Standard & Poor's Municipal Bond 20 Year High Grade rate was 3.54%.

*Sensitivity of the Net OPEB Liability (NOL) to Changes in Discount Rates*

The following presents the NOL of the County reported at June 30, 2023, as well as what the County's NOL would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Net OPEB liability (asset)	\$ 191,811,684	\$ 164,799,770	\$ 143,232,641

*Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rates.*

The following presents the NOL of the County, determined using current healthcare cost trend rates, as well as what the County's NOL would be if it were to calculate healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ 139,045,858	\$ 164,799,770	\$ 197,557,519

*Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2023, the County Reported a net OPEB liability of \$164,799,770. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing updated procedures incorporating the actuarial assumptions.

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# Notes to the Financial Statements

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

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
<b>Total OPEB Liability as of June 30, 2022</b>	\$ 168,476,481	\$ 3,014,295	\$ 165,462,186
<b>Changes for the year</b>			
Service cost	3,600,589	-	3,600,589
Interest	5,824,744	-	5,824,744
Change in benefit terms	-	-	-
Differences between expected and actual experience	1,617,895	-	1,617,895
Changes in assumptions or other inputs	(2,676,460)	-	(2,676,460)
Contributions - employer	-	8,940,427	(8,940,427)
Net Investment Income	-	88,757	(88,757)
Benefit payments	(7,940,427)	(7,940,427)	-
<b>Net changes</b>	<b>426,341</b>	<b>1,088,757</b>	<b>(662,416)</b>
<b>Balance at June 30, 2023</b>	<b>\$ 168,902,822</b>	<b>\$ 4,103,052</b>	<b>\$ 164,799,770</b>

*Changes in Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65% in 2023. Medical claims cost and rates were changed based on the most recent experience and changed to the current schedule. The Excise Tax of 40% on healthcare plans that are above the thresholds set by the Affordable Care Act are effective in 2023 and have been reflected.

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

For the year ended June 30, 2023, the County recognized OPEB income of \$23,802,797. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,258,363	\$ 22,072,949
Changes of assumptions	7,686,644	20,713,382
Net difference between projected and actual earnings on plan investments	66,779	-
<b>Total</b>	<b>\$ 9,011,786</b>	<b>\$ 42,786,331</b>

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# Notes to the Financial Statements

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Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

**Measurement Period Ended June 30:**

2024	\$ (14,941,027)
2025	(11,869,220)
2026	(6,849,574)
2027	(114,724)
	<u>\$ (33,774,545)</u>

**ABC Board**

*Plan Description.* Under the terms of an ABC Board Resolution the ABC Board administers a single-employer defined benefit, Healthcare Benefits Plan (“HCB”). The plan provides postemployment healthcare benefits to retirees of the ABC Board, provided they participate in the LGERS and have at least 30 years of creditable service with the ABC Board. The ABC Board pays 96% of the cost of coverage for these benefits through private insurers. The ABC Board’s retirees cannot purchase spouse or dependent coverage. The ABC Board’s Actuarial Valuation for OPEB benefits is reported in the ABC Board’s Annual Independent Audit. This report may be obtained by writing the Cumberland County ABC Board; 1705 Owen Drive, Fayetteville, North Carolina 28303; or calling (910) 484-8167.

## G – OTHER EMPLOYMENT BENEFITS

The County and ABC Board have elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees’ Retirement System (“LGERS”), a multiple-employer State-administered cost-sharing 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 employees’ death, but the benefit may not be less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually 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 by the County, the County does not determine the number of eligible participants.

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# Notes to the Financial Statements

## NOTE 6 – CLOSURE AND POST-CLOSURE CARE COSTS – ANN ST. SANITARY LANDFILL FACILITY

State and federal laws and regulations require the County to place a final cover on its Ann Street Sanitary Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date 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 \$15,652,775 reported as landfill closure and post-closure care liability at June 30, 2023 represents a closed landfill with estimated costs of \$197,204, a Construction & Demolition (C & D) landfill with estimated costs of \$2,621,699 and the subtitle D landfill with estimated costs of \$12,833,872. The costs associated with the C & D landfill and the subtitle D landfill represent a cumulative amount reported to date based on the use of 60.68% and 76.66%, respectively, of the total estimated capacity. The County will recognize the remaining estimated post-closure costs of \$448,131 for the old unlined landfill and the cost of closure and post-closure care of \$1,699,015 and \$3,908,133 for the C & D landfill and subtitle D landfill, respectively, as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. The life expectancy of the C & D landfill is estimated at 9.3 years and the subtitle D landfill at 7.4 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and Federal laws and regulations that helps determine if a unit is financially able to meet closure and post-closure care requirements.

## NOTE 7 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

### Primary Government

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Deferred charge of refunding of debt	\$ 1,157,692	\$ -
(Pensions, OPEB) - difference between expected and actual experiences	5,016,261	22,373,093
(Pensions, OPEB) - Changes of Assumptions	16,332,153	22,433,329
(Pensions, OPEB) - difference between projected and actual earnings on plan investments	23,120,619	-
(Pensions, OPEB) - Change in proportion and difference between employer (County) contributions and proportionate share of contributions	222,150	982,851
Pensions, OPEB) - Employer (County) contributions (subsequent to the measurement date)	13,555,305	-
Prepaid Taxes not yet earned (General)	-	1,409,997
Leases	-	718,165
<b>Total</b>	<b>\$ 59,404,180</b>	<b>\$ 47,917,435</b>

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# Notes to the Financial Statements

## NOTE 8 – RISK MANAGEMENT

The County is self-insured with respect to health insurance (up to \$200,000 per occurrence), workers' compensation (up to \$850,000 per occurrence), unemployment compensation, and some general liability risks. Losses from asserted claims and from unasserted claims identified under the County's incident reporting system are accrued based on estimates that incorporate the County's past experience, as well as other considerations including the nature of each claim and relevant trend factors. Incurred but not reported claims have been accrued as a liability based upon the carrier's estimate. Additional Health Insurance stop loss coverage is purchased through the Blue Cross Blue Shield health insurance trust for claims in excess of coverage.

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

The claims liability of each insurance fund at June 30, 2023, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported, if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Changes in the balances of claim liabilities for the County during the years ended June 30, 2022 and 2023 were as follows:

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2022-2023	\$ 6,249,767	\$ 20,491,034	\$ (20,984,316)	\$ 5,756,485
2021-2022	\$ 4,847,051	\$ 21,652,624	\$ (20,249,908)	\$ 6,249,767

Note: The County contracted with an actuary to perform a Loss Reserve Analysis for fiscal year 2022. The total loss reserve estimate is \$2,325,178. The actuarial report states that a reasonable range for the reserve is plus or minus ten percent which is \$2,092,660 to \$2,557,696. The County's reserve as of June 30, 2023, is \$3,622,800. The County's reserve will remain the same for fiscal year 2023.

The County does not carry flood insurance through the National Flood Insurance Plan (NFIP). The County's insurance carriers performed an analysis of the flood maps and made a determination that the County was not designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency.

In accordance with the revisions to G.S. 159-29(a) effective as of January 1, 2023, the amount of the finance officer's faithful performance bond should equal or exceed the greater of \$50,000 or an amount equal to 10 percent of the "unit's annually budgeted funds," up to a cap of \$1,000,000.

The County Finance Officer is bonded for \$1,000,000. The County Finance Officer, as Finance Officer for the Cumberland County Tourism Development Authority and Eastover Sanitary District, is individually bonded for \$897,605 and \$264,151, respectively. As Finance Officer for each of the Water & Sewer Districts, is individually bonded for NORCRESS Water & Sewer District for \$142,137; Grays Creek Water & Sewer District, Overhills Water & Sewer District; and Kelly Hills Water & Sewer District for \$50,000 each, respectively. The County also maintains individual bonds ranging from \$20,000 to \$50,000 for other selected officials. As part of the County's property insurance policy, County employees are insured for theft up to \$100,000. The Tax Administrator is bonded for \$200,000.

## Notes to the Financial Statements

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Alcohol Beverage Control Board (ABC) - The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, worker's compensation, and employee health coverage. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

**(continued on next page)**

# Notes to the Financial Statements

## NOTE 9 – LONG-TERM OBLIGATIONS

### A – SUMMARY OF LONG-TERM OBLIGATIONS

The following is a summary of the County's long-term debt obligations (principal) at June 30, 2023:

Name of Debt Issue	Issue Date	Purpose of Debt Issue	Interest Rate	Issue Amount	Principal 6/30/23
<b>General Obligation Bonds - Direct Borrowings and Direct Placements</b>					
Sanitary Sewer Series 2005 (USDA)	8/22/2005	NORCRESS Sewer	4.125%	\$ 1,250,000	\$ 934,000
<b>Revenue Bonds - Direct Borrowings and Direct Placements</b>					
2018A USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	2.375%	\$ 819,000	\$ 777,000
2018B USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	1.625%	560,000	527,000
				<u>\$ 1,379,000</u>	<u>\$ 1,304,000</u>
<b>Certificates of Participation &amp; Limited Obligation Bonds</b>					
LOBS Series 2011A (QSCB) (Regions Bank) (1)	1/26/2011	New Century Middle School	6.1%	\$ 14,805,000	\$ 2,961,000
LOBS Refunding Series 2017	8/2/2017	Partial Refund of COPS 2009A Partial Refund of LOBS Ref 2011B	2.0 - 5.0%	9,815,000 13,190,000	6,475,000 11,030,000
				<u>23,005,000</u>	<u>17,505,000</u>
LOBS Series 2021	2/24/2021	Emergency Operations Center FTCC Fire Training Center	1.0 - 4.0%	11,095,000 10,000,000	9,985,000 9,000,000
				<u>21,095,000</u>	<u>18,985,000</u>
				<u>\$ 58,905,000</u>	<u>\$ 39,451,000</u>
<b>Certificates of Participation - Direct Borrowings and Direct Placements</b>					
COPS Tax Credit Series 2009 (QSCB) (Wachovia)	12/1/2009	Various School Projects	1.25%	\$ 15,900,000	\$ 2,981,250
LOBS Refunding Series 2019A	10/15/2019	Refund PNC Bank CIP Draw Program	1.73%	11,300,000	6,455,000
LOBS Refunding Series 2019B	10/15/2019	Partial Refund of COPS Ref 2009B	1.56%	22,550,000	7,793,000
				<u>33,850,000</u>	<u>14,248,000</u>
				<u>\$ 49,750,000</u>	<u>\$ 17,229,250</u>
<b>Installment Financing Notes - Direct Borrowings and Direct Placements</b>					
NC Clean Drinking Water Loan	11/1/2013	Southpoint Water Project	0.00%	\$ 100,323	\$ 49,955
Governmental Capital Improvements (PNC Bank)	6/15/2016	Governmental Capital Projects	1.84%	1,100,000	183,334
				<u>\$ 1,200,323</u>	<u>\$ 233,289</u>
<b>Total</b>				<u>\$ 112,484,323</u>	<u>\$ 59,151,539</u>

(1) The interest rate shown is the gross interest rate. The effective rate is less after the federal interest rebate.

(continued on next page)

# Notes to the Financial Statements

## B – GENERAL OBLIGATION BONDS

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. The County's general obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

*Business type Activities (direct borrowings and direct placements):*

**\$1,250,000 General Obligation Sewer Bonds, Series 2005**

Serial bonds payable annually from June 1, 2008 through June 1, 2045 in amounts from \$14,000 to \$56,000; interest of 4.125%.

\$ 934,000

At June 30, 2023, the County had no bonds authorized but unissued and a legal debt margin of \$2,283,145,000.

## C – REVENUE BONDS

USDA Revenue bonds were issued on June 11, 2018 to retire bond anticipation notes used to fund construction of infrastructure for Overhills Park Water and Sewer District. These bonds are payable solely from revenues generated through the operations of Overhills Park Water and Sewer District. No County funds have been pledged for repayment of the obligation. Revenue bonds payable at June 30, 2023 are comprised of the following issues:

*Business-type Activities (direct borrowings and direct placements):*

**\$819,000 USDA Revenue Bonds, Series 2018A**

Serial bonds with annual interest-only payments for two years. Principal payable annually from June 1, 2021 through June 1, 2058 in amounts ranging from \$14,000 to \$32,000. Interest is paid annually at a rate of 2.375%.

\$ 777,000

**\$560,000 USDA Revenue Bonds, Series 2018B**

Serial bonds with annual interest-only payments for two years. Principal payable annually from June 1, 2021 through June 1, 2058 in amounts ranging from \$11,000 to \$21,000. Interest is paid annually at a rate of 1.625%.

527,000  
\$ 1,304,000

(continued on next page)



# Notes to the Financial Statements

## D – CERTIFICATES OF PARTICIPATION AND LIMITED OBLIGATION BONDS

Certificates of participation and other limited obligation bonds outstanding for the year ended June 30, 2023 are as follows:

*Governmental Activities (public offerings):*

**\$14,805,000 Current Interest Serial 2011A QSCB Limited Obligation Bonds**

Due in annual installments of \$987,000 from November 1, 2011 to November 1, 2025. Interest is paid semiannually at the rate of 6.10% prior to a federal interest subsidy of 5.49%.

\$ 2,961,000

**\$23,005,000 Current Interest Serial 2017 Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$1,110,000 to \$3,280,000, from November 1, 2020 through November 1, 2028. Interest is paid semiannually at rates ranging from 2.0% to 5.0%.

17,505,000

**\$21,095,000 Current Interest Serial 2021 Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$1,050,000 to \$1,055,000, from November 1, 2021 through November 1, 2040. Interest is paid semiannually at rates ranging from 1.0% to 4.0%.

18,985,000

39,451,000

Premium

5,037,214

\$ 44,488,214

*Governmental Activities (direct borrowings and direct placements):*

**\$15,900,000 Current Interest Serial 2009 QSCB Tax Credit Certificates**

Due in annual installments of \$993,750 from December 15, 2010 to December 15, 2025. Interest is paid semiannually at 1.25%.

\$ 2,981,250

**\$4,928,300 Current Interest Serial 2019A Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$702,174 to \$704,354 from December 1, 2020 to December 1, 2026. Interest is paid semi-annually at 1.73%.

2,815,237

**\$7,849,500 Current Interest Serial 2019B Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$1,028,615 to \$1,725,846 from December 1, 2020 to December 1, 2024. Interest is paid semi-annually at 1.56%.

2,712,690

\$ 8,509,177

(continued on next page)

# Notes to the Financial Statements

*Business-type Activities (direct borrowings and direct placements):*

**\$6,371,700 Current Interest Serial 2019A Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$907,826 to \$910,646 from December 1, 2020 to December 1, 2026. Interest is paid semi-annually at 1.73%.

\$ 3,639,763

**\$14,700,500 Current Interest Serial 2019B Limited Obligation Refunding Bonds**

Due in annual installments ranging from \$1,926,385 to \$3,232,154 from December 1, 2020 to December 1, 2024. Interest is paid semi-annually at 1.56%.

5,080,310

\$ 8,720,073

## E – INSTALLMENT FINANCING OBLIGATIONS

Installment financing notes payable at June 30, 2023 are comprised of the following:

*Governmental Activities (direct borrowings and direct placements):*

**\$1,100,000 Governmental Capital Improvements (PNC)**

Interest only for two years beginning June 15, 2017 followed by six annual principal payments of \$183,333 plus interest of 1.84%.

\$ 183,334

*Business-type Activities (direct borrowings and direct placements):*

**\$100,323 NC Clean Drinking Water Loan**

Payable in twenty annual installments without interest beginning May 1, 2014.

\$ 49,955

## F – LONG-TERM OBLIGATION ACTIVITY

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

	Balance June 30, 2022	Additions	Refundings	Decreases	Balance June 30, 2023	Current Portion of Long-Term Liabilities
<b>Governmental activities:</b>						
General obligation bonds	\$ 165,000	\$ -	\$ -	\$ 165,000	\$ -	\$ -
Premium	3,707	-	-	3,707	-	-
COPS & limited obligation bonds	44,763,000	-	-	5,312,000	39,451,000	5,322,000
Premium	5,591,549	-	-	554,335	5,037,214	554,335
COPS from direct borrowings and placements	11,905,627	-	-	3,396,450	8,509,177	3,382,179
Notes from direct borrowings and placements	366,667	-	-	183,333	183,334	183,334
Lease liabilities	90,898	98,837	-	64,125	125,610	45,666
IT subscription liabilities	-	1,204,733	-	644,870	559,863	426,052
Compensated absences	6,578,105	6,470,115	-	6,249,200	6,799,020	6,459,070
Net OPEB liability	160,609,983	-	-	644,169	159,965,814	-
Net pension liability (LGERS)	19,384,764	48,286,602	-	-	67,671,366	-
Total pension liability (LEO)	13,260,556	-	-	1,522,219	11,738,337	-
<b>Total governmental activities</b>	<u>\$ 262,719,856</u>	<u>\$ 56,060,287</u>	<u>\$ -</u>	<u>\$ 18,739,408</u>	<u>\$ 300,040,735</u>	<u>\$ 16,372,636</u>

# Notes to the Financial Statements

Unspent debt proceeds related to governmental activities shown on the previous page is \$2,671,647.

The Board of Education holds title to certain schools even though the related debt is held by the County. At June 30, 2023, the County owes \$17,070,776 for projects for which the Board of Education holds title.

	Balance June 30, 2022	Additions	Refundings	Decreases	Balance June 30, 2023	Current Portion of Long-Term Liabilities
<b>Business-type activities:</b>						
GO bonds from direct						
borrowings and placements	\$ 960,000	\$ -	\$ -	\$ 26,000	\$ 934,000	\$ 27,000
USDA Revenue bonds from direct						
borrowings and placements	1,329,000	-	-	25,000	1,304,000	26,000
COPS & limited obligation bonds from						
direct borrowings and placements	12,811,373	-	-	4,091,300	8,720,073	4,064,571
Notes from direct						
borrowings and placements	54,951	-	-	4,996	49,955	4,996
Accrued landfill closure and						
postclosure costs	14,242,041	1,410,734	-	-	15,652,775	-
Compensated absences	190,696	165,047	-	181,161	174,582	165,853
Net OPEB liability	4,852,203	-	-	18,247	4,833,956	-
Net pension liability (LGERS)	372,553	1,171,889	-	-	1,544,442	-
<b>Total business-type activities</b>	<b>\$ 34,812,817</b>	<b>\$ 2,747,670</b>	<b>\$ -</b>	<b>\$ 4,346,704</b>	<b>\$ 33,213,783</b>	<b>\$ 4,288,420</b>

There are no unspent proceeds related to business-type activities debt shown above.

Net pension liability, total pension liability, and total OPEB liability for governmental activities are all typically liquidated in the General Fund. Compensated absences typically have been liquidated in the General Fund and are accounted for on a last in, first out basis, assuming employees are taking leave time as it is earned.

Employer contributions made to liquidate the total OPEB liability for governmental funds are typically funded from the Retiree Insurance Fund.

(continued on next page)

# Notes to the Financial Statements

The following summarizes the annual debt service requirements to maturity for the County (excluding accrued vacation, OPEB liability, net pension liability, leases, SBITAs, accrued landfill closure and post-closure costs, and adjustments to carrying value for amortization of premiums):

	General Obligation Bonds from Direct Borrowings and Direct Placements		Certificates of Participation and Limited Obligation Bonds		Certificates of Participation from Direct Borrowings and Direct Placements		Revenue Bonds from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<b>Governmental Activities:</b>												
2024	\$ -	\$ -	\$ 5,322,000	\$ 2,221,655	\$ 3,382,179	\$ 270,543	\$ -	\$ -	\$ 183,334	\$ 3,373	\$ 8,887,513	\$ 2,495,571
2025	-	-	5,277,000	2,065,105	2,726,720	237,199	-	-	-	-	8,003,720	2,302,304
2026	-	-	5,232,000	1,459,253	1,698,104	117,615	-	-	-	-	6,930,104	1,576,868
2027	-	-	4,240,000	806,125	702,174	6,074	-	-	-	-	4,942,174	812,199
2028	-	-	4,240,000	604,675	-	-	-	-	-	-	4,240,000	604,675
2029-2033	-	-	6,705,000	1,686,325	-	-	-	-	-	-	6,705,000	1,686,325
2034-2038	-	-	5,275,000	785,475	-	-	-	-	-	-	5,275,000	785,475
2039-2043	-	-	3,160,000	99,975	-	-	-	-	-	-	3,160,000	99,975
	-	-	39,451,000	9,728,588	8,509,177	631,431	-	-	183,334	3,373	48,143,511	10,363,392
Premium	-	-	5,037,214	-	-	-	-	-	-	-	5,037,214	-
(Total net of amortization)	\$ -	\$ -	\$ 44,488,214	\$ 9,728,588	\$ 8,509,177	\$ 631,431	\$ -	\$ -	\$ 183,334	\$ 3,373	\$ 53,180,725	\$ 10,363,392
<b>Business-type Activities:</b>												
2024	\$ 27,000	\$ 38,528	\$ -	\$ -	\$ 4,064,571	\$ 109,743	\$ 26,000	\$ 27,018	\$ 4,995	\$ -	\$ 4,122,566	\$ 175,289
2025	29,000	37,414	-	-	2,837,030	54,362	26,000	26,483	4,995	-	2,897,025	118,259
2026	30,000	36,218	-	-	910,646	23,583	27,000	25,947	4,995	-	972,641	85,748
2027	31,000	34,980	-	-	907,826	7,853	28,000	25,396	4,995	-	971,821	68,229
2028	32,000	33,701	-	-	-	-	28,000	24,821	4,996	-	64,996	58,522
2029-2033	182,000	147,428	-	-	-	-	149,000	115,266	24,979	-	355,979	262,694
2034-2038	223,000	106,674	-	-	-	-	164,000	99,298	-	-	387,000	205,972
2039-2043	268,000	56,926	-	-	-	-	183,000	81,544	-	-	451,000	138,470
2044-2048	112,000	6,926	-	-	-	-	203,000	61,790	-	-	315,000	68,716
2049-2053	-	-	-	-	-	-	224,000	39,830	-	-	224,000	39,830
2054-2058	-	-	-	-	-	-	246,000	15,465	-	-	246,000	15,465
	934,000	498,795	-	-	8,720,073	195,541	1,304,000	542,858	49,955	-	11,008,028	1,237,194
Premium	-	-	-	-	-	-	-	-	-	-	-	-
(Total net of amortization)	\$ 934,000	\$ 498,795	\$ -	\$ -	\$ 8,720,073	\$ 195,541	\$ 1,304,000	\$ 542,858	\$ 49,955	\$ -	\$ 11,008,028	\$ 1,237,194

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# Notes to the Financial Statements

## G – LEASES

The County has entered into agreements to lease certain land, buildings, and equipment. The lease agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The County has five lease agreements starting July 2022. There are no variable payment components of the lease. The terms of the leases range from 24 months to 60 months. The interest rates range from 0.316% to 2.489%. As a result of the leases, the County has recorded a right-to-use asset with a net book value of \$125,363 at June 30, 2023.

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

<b>Years Ending June 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	\$ 45,666	\$ 2,039	\$ 47,705
2025	35,136	1,407	36,543
2026	24,088	798	24,886
2027	20,720	280	21,000
	<u>\$ 125,610</u>	<u>\$ 4,524</u>	<u>\$ 130,134</u>

## H – IT SUBSCRIPTIONS

The County has entered into subscription-based IT arrangements for the use of certain software systems. These subscriptions have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

The County has twenty-one SBITA agreements starting July 2022. There are no variable payment components of the SBITAs. The terms of the SBITAs range from 12 months to 36 months. The interest rates range from 1.710% to 2.894%. As a result of the SBITAs, the County has recorded a right to use asset with a net book value of \$636,132 at June 30, 2023.

The future SBITA obligations as of June 30, 2023, were as follows:

<b>Years Ending June 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	\$ 426,052	\$ 11,854	\$ 437,906
2025	133,811	2,987	136,798
	<u>\$ 559,863</u>	<u>\$ 14,841</u>	<u>\$ 574,704</u>

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# Notes to the Financial Statements

## I – ASSETS PLEDGED AS COLLATERAL FOR DEBT

Name of Issue	Date of Issue	Type of Borrowing	Project(s) Financed	Collateral
\$15,900,000 Tax Credit COPS (QSCB), Series 2009	12/1/2009	Direct	Renovations to 15 school facilities	Deed of Trust on Lloyd Aumen Elementary School
\$14,805,000 Taxable LOBS (QSCBs), Series 2011A	1/26/2011	Public	New Century Middle School	Deed of Trust on New Century Middle School
\$1,100,000 Installment Financing Contract with PNC Bank for various capital improvements	6/15/2016	Direct	Various governmental capital improvement projects	Deed of Trust on East Regional Library
\$23,005,000 Refunding LOBS, Series 2017	8/2/2017	Public	Partial refinance of two Installment Financing Contracts with RBC including the 2011B Refunding COPS (Gray's Creek Middle School and Public Health Facility) and the 2009A COPS (Western Elementary School and Western Branch Library)	Deed of Trust on New Century Middle School, Gray's Creek Middle School and the Central Maintenance Facility
\$33,850,000 Refunding Limited Obligation Bonds Series 2019 consisting of Series 2019A (\$11,300,000) and Series 2019B (\$22,550,000)	10/15/2019	Direct	Refund (i) the \$89,490,000 Refunding COPS (Cumberland Improvement Projects), Series 2009B (used to refund the Series 1998 Refunding COPS (Civic Center Project), Series 1998 Installment Payment Revenue Bonds (Public Building and Equipment Projects), and Series 2000 Installment Payment Revenue Refunding Bonds (Detention Center and Mental Health Facility Projects)), and (ii) \$11,220,000 installment Financing Contract with PNC Bank, National Association (2073433-0001) for various governmental and enterprise CIP projects	Deed of Trust on Spring Lake Library and Family Resource Center
\$21,095,000 Limited Obligation Bonds Series 2021	2/24/2021	Public	Fund acquisition construction and equipping of new Emergency Operations Center (EOC) and provide a portion of the cost of the Fire Training Facility at Fayetteville Technical Community College	Deed of Trust on Emergency Operations Center

# Notes to the Financial Statements

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## J – DEBT OBLIGATIONS FOR SOUTHPOINT WATER AND SEWER DISTRICT

On March 13, 2013, the County entered an agreement with the North Carolina Department of Environment and Natural Resources (“DENR”) for a loan from the Drinking Water State Revolving Fund for the Southpoint Water Project. DENR agreed to provide funding in an amount up to \$540,802 in the form of a loan from the Drinking Water State Revolving Fund with 80% of the loan immediately forgiven and the 20% loan balance to be repaid in annual installments over 20 years without interest. At June 30, 2016, the final total funding received under this agreement amounted to \$501,615, of which \$401,292 (80%) was immediately forgiven. The 20% remaining balance of \$100,323 is the final loan amount payable to the State of North Carolina without interest. This loan is included in the two tables shown above in Note F (Long-term Obligation Activity). The first principal payment of \$5,408 was made on May 1, 2014. At June 30, 2023, the outstanding loan balance is \$49,955. Annual loan payments are \$4,996 ending May 1, 2033.

## K – CONDUIT DEBT OBLIGATIONS

The County’s Industrial Facility and Pollution Control Financing Authority has at various times 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 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 other political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds, if any, are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were no industrial revenue bonds outstanding.

## L – DEFEASANCE OF DEBT

### **Current Year Defeasance of Debt**

There were no defeasances of debt during the fiscal year ended June 30, 2023.

### **Prior Years’ Defeasance of Debt**

In prior years, the County defeased various bond issues by creating separate irrevocable trust funds. New debt was issued, and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the call or maturity date. For financial reporting purposes, the debt is considered defeased and, therefore, removed from the County’s liabilities. At June 30, 2023, the County had no outstanding defeased debt.

Gains and losses from debt refundings must be deferred and recognized over the lesser of the original remaining life of the old debt or the life of the new debt. At June 30, 2023, the County has net losses on defeasances totaling \$1,157,692 related to prior year refundings. Net losses on defeasance related to governmental activities debt consists of \$0 for general obligation bonds and \$1,034,806 for certificates of participation and other limited obligation bonds. Losses on defeasance related to business-type activities debt consist of \$122,886 for limited obligation bonds. Deferred amounts are reported as deferred outflows of resources in the government wide financial statements. In addition, unamortized premium increases the carrying value of the debt. At June 30, 2023, the County has unamortized premium totaling \$5,037,214. At June 30, 2023, the County had no governmental activities general obligation debt or unamortized premium. The carrying value of prior years’ governmental activities certificates of participation and other limited obligation bonds has been adjusted for unamortized premium of \$5,037,214. At June 30, 2023, the County has no unamortized premium related to business-type activities debt.

# Notes to the Financial Statements

## M – ABC BOARD LONG-TERM OBLIGATIONS

The following is a summary of changes in the ABC Board’s long-term obligations as of June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current Portion</u> <u>of Long-Term</u> <u>Liabilities</u>
Net Pension Liability (LGERS)	\$ 520,196	\$ 1,296,908	\$ -	\$ 1,817,104	\$ -
Net Pension Liability (LEO)	263,670	-	66,717	196,953	-
OPEB liability	266,647	-	32,391	234,256	-
Lease Liabilities	1,800,398	-	216,783	1,583,615	223,863
	<u>\$ 2,850,911</u>	<u>\$ 1,296,908</u>	<u>\$ 315,891</u>	<u>\$ 3,831,928</u>	<u>\$ 223,863</u>

## N– EASTOVER SANITARY DISTRICT – GENERAL OBLIGATION BONDS

The general obligation bonds of the District, used for the acquisition and construction of a major sanitary system capital improvement, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due. There were no issuances of general obligation debt in fiscal year 2023. Principal payments amounted to \$93,000 during fiscal year 2023.

The District’s general obligation bonds payable at June 30, 2023 are comprised of the following individual issues (direct borrowings and direct placements):

**\$2,802,000 USDA General Obligation Water Bonds, Series 2002A**

Serial bonds payable annually from June 1, 2003 through June 1, 2042 in amounts ranging from \$0 to \$124,000; interest is paid annually at rate of 4.375%.

\$ 1,920,500

**\$1,102,000 USDA General Obligation Water Bonds, Series 2002B**

Serial bonds payable annually from June 1, 2003 through June 1, 2042 in amounts ranging from \$0 to \$46,000; interest is paid annually at rate of 4.75%.

758,500

Total 2,679,000

Less current portion (97,000)

Noncurrent portion \$ 2,582,000

Annual debt service requirements to maturity for the District’s general obligation bonds are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 97,000	\$ 120,051
2025	101,500	115,702
2026	106,000	111,151
2027	111,000	106,399
2028	115,500	101,423
2029-2033	661,500	424,472
2034-2038	806,500	262,777
2039-2043	680,000	76,098
	<u>\$ 2,679,000</u>	<u>\$ 1,318,073</u>



# Notes to the Financial Statements

## O – EASTOVER SANITARY DISTRICT – NON-GENERAL OBLIGATION DEBT

In March 2010, the Eastover Sanitary District issued bond anticipation notes to finance construction of a major new water project. On August 1, 2011, the District issued new revenue bonds to satisfy the bond anticipation notes. The District will service the new revenue bonds over a period of 40 years from revenues generated by services provided.

The District's revenue bonds payable at June 30, 2023 are comprised of the following individual issues (direct borrowings and direct placements):

**\$4,971,000 USDA Revenue Water Bonds, Series 2011A**

Serial bonds payable annually from June 1, 2012 through June 1, 2051 in amounts ranging from \$0 to \$256,000; interest is paid annually at rate of 4.25%.

\$ 4,307,000

**\$1,206,000 USDA Revenue Water Bonds, Series 2011B**

Serial bonds payable annually from June 1, 2012 through June 1, 2051 in amounts ranging from \$0 to \$53,000; interest is paid annually at rate of 3.25%.

1,014,000

**\$1,400,000 USDA Revenue Water Bonds, Series 2022**

Serial bonds payable annually from June 1, 2022 through June 1, 2060 in amounts ranging from \$0 to \$48,000; interest is paid annually at rate of 3.25%.

1,265,109

Total	6,586,109
Less current portion	(131,000)
Noncurrent portion	<u>\$ 6,455,109</u>

During fiscal year 2012, the District signed a contract with the City of Dunn, North Carolina that provides for the City of Dunn to become the primary water supplier to the District upon completion of a new water line from the City of Dunn to the District's northern boundary. The major terms of the agreement are that the City of Dunn will fund the cost of construction of the water line; the District will purchase a minimum of 300,000 gallons of water per day; and the District will repay the City of Dunn for the actual final cost of construction in monthly installments of \$16,000 over approximately 20 years at 4.0% interest. Construction was completed in fiscal year 2013 at a total cost of \$2,604,064 and the District began making monthly debt payments of principal and interest totaling \$16,000 in January 2013.

The District's installment financing note payable at June 30, 2023 is as follows (direct borrowing):

**\$2,604,064 Dunn Water Line Note**

Payable in monthly installments of \$16,000 including interest at a fixed rate of 4.0% beginning January 8, 2013 and ending August 8, 2032.

Total	\$ 1,472,353
Less current portion	<u>(135,573)</u>
Noncurrent portion	<u>\$ 1,336,780</u>

# Notes to the Financial Statements

Annual debt service requirements to maturity for the District's non-general obligation debt are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 266,573	\$ 297,779
2025	276,097	287,512
2026	286,845	276,860
2027	297,828	265,785
2028	310,055	254,263
2029-2033	1,576,955	1,083,980
2034-2038	1,005,000	852,484
2039-2043	1,209,000	650,236
2044-2048	1,456,000	404,574
2049-2053	1,094,000	119,589
2054-2058	224,000	26,156
2059-2063	56,109	4,481
	<u>\$ 8,058,462</u>	<u>\$ 4,523,699</u>

## P – EASTOVER SANITARY DISTRICT – LONG-TERM OBLIGATION ACTIVITY

The following is a summary of changes in the District's long-term obligations as of June 30, 2023:

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Portion</u>
					<u>of Long-Term</u>
					<u>Liabilities</u>
USDA general obligation bonds	\$ 2,772,000	\$ -	\$ 93,000	\$ 2,679,000	\$ 97,000
USDA revenue bonds	6,712,109	-	126,000	6,586,109	131,000
Bond anticipation note	-	-	-	-	-
Installment notes	1,602,619	-	130,266	1,472,353	135,573
Accrued Vacation	14,846	12,328	16,054	11,120	10,564
Total	<u>\$ 11,101,574</u>	<u>\$ 12,328</u>	<u>\$ 365,320</u>	<u>\$ 10,748,582</u>	<u>\$ 374,137</u>

(continued on next page)

# Notes to the Financial Statements

## NOTE 10 – INTERFUND BALANCES AND ACTIVITY

### Due From/To Other Funds

The composition of interfund balances included in the fund financial statements as of June 30, 2023 is as follows:

	Payable Fund		
	Nonmajor Governmental	Crown Center	Total
<b>Receivable Fund</b>			
General Fund	\$ 733,866	\$ 5,500	\$ 739,366
<b>Total</b>	<b>\$ 733,866</b>	<b>\$ 5,500</b>	<b>\$ 739,366</b>

Amounts were due to the general fund from other individual major and non-major funds primarily for operating purposes.

### Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2023 are summarized below:

	Transfers in					
	General	Nonmajor Governmental	Water & Sewer Districts	Cumberland County Crown Center	Internal Service	Total
<b>Transfers out:</b>						
General	\$ -	\$ 1,086,730	\$ 1,072,226	\$ -	\$ 2,196,873	\$ 4,355,829
ARPA	16,158,230	-	-	-	-	16,158,230
Nonmajor governmental	91,455	-	-	12,504,890	-	12,596,345
Total transfers	<b>\$ 16,249,685</b>	<b>\$ 1,086,730</b>	<b>\$ 1,072,226</b>	<b>\$ 12,504,890</b>	<b>\$ 2,196,873</b>	<b>\$ 33,110,404</b>

Transfers between the major funds, other non-major governmental and enterprise funds, and internal service funds were primarily to support operations of the funds. Interfund transfers have been eliminated.

\$67,455 was transferred from the Prepared Food & Beverage Fund to the General Fund for personnel costs of the Tax Assistant who accounts for Food & Beverage taxes for Cumberland County.

\$24,000 was transferred from the Fire Protection Fund to the General Fund for personnel costs of Information Technology staff that support the Cumberland County Fire Districts.

\$11,149,693 was transferred from the ARPA Fund to the general fund for personnel and benefit costs incurred as the County moves to restore staffing to pre pandemic employment levels.

\$4,960,963 was transferred from the ARPA fund to the general fund for personnel and benefit costs of public safety employees to recognize the remainder of allowable revenue replacement funds.

\$47,574 was transferred from the ARPA fund to the general fund for interest earnings that were generated from ARPA funds during fiscal year 2022 that can be utilized for any government purpose.

\$1,086,730 was transferred from the General Fund to multiple Special Revenue funds to satisfy grant matching requirements for operations.

\$807,775 was transferred from the General Fund (capital investment fund) to the Norcross Water & Sewer District to provide funding for infrastructure.

\$264,451 was transferred from the General Fund to the Solid Waste Fund to recognize retention pay for employees.

\$12,504,890 was transferred from the Prepared Food & Beverage Fund to the Crown Center Fund to provide funding for operations, debt service, and several capital improvement projects.

# Notes to the Financial Statements

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\$2,061,873 was transferred from the General Fund to the Group Health Insurance Fund to offset projected increases in the health insurance claims cost.

\$135,000 was transferred from the General Fund to the General Litigation Fund to fund miscellaneous legal matters that come up during the year.

## NOTE 11 – JOINT VENTURE

The County, in conjunction with the State of North Carolina and the Cumberland County Board of Education, participates in a joint venture to operate the Fayetteville Technical Community College. Each of the three participants appoints four members of the 13-member Board of Trustees of the community college. The president of the community college's student government serves as an ex-officio nonvoting 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. The County also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds, limited obligation bonds, or other installment financing to provide financing for new and restructured facilities.

The County contributed \$14,213,903 and \$7,296,570 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2023. Fiscal year 2023 budgeted, but unspent capital funds in the amount of \$654,971 remain available for appropriation for capital purposes in future years. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the community college may be obtained from the Fayetteville Technical Community College's administrative offices at 2201 Hull Road, Fayetteville, North Carolina 28303.

## NOTE 12 – CONTINGENT LIABILITIES

### Federal and State Assisted Programs

The County has received proceeds from several Federal and State grants. Periodic audits of these grants are required. Certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refunds of grant moneys.

### Claims and Judgments

The County is a defendant in various lawsuits. It is the opinion of the County's management and attorney that the resolution of these matters will not have a material, adverse effect on the County's financial condition.

### Arbitrage

The County's bond issues are subject to federal arbitrage regulations, and the County has elected to review its potential arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year after that date. At June 30, 2023, the County has no arbitrage liability. Although future amounts to be paid, if any, are not presently determinable, the County believes arbitrage payables have been adequately provided for in the accompanying financial statements.

# Notes to the Financial Statements

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## NOTE 13 – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is 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.

## NOTE 14 – LAW ENFORCEMENT AND ALCOHOLIC EDUCATION EXPENSES

The ABC Board is required by law to expend at least 5% of its total profits for law enforcement, and not less than 7% of its profits for education on the excessive use of alcoholic beverages and for rehabilitation of alcoholics. Profits are defined by law for these calculations as income before law enforcement and educational expenses, less the 3.5% markup provided in G. S. 18B-804(b)(5) and the bottle charge provided for in G. S. 18B-804(b)(6b).

## NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Negative Fund Balance in Special Revenue Fund

The CDBG Disaster Recovery Fund has a fund balance on June 30, 2023 totaling (\$28,434). The fund is supported by federal and/or state funds on a reimbursement basis. For fiscal year 2023 expenditures were incurred, but a reimbursement request for those expenditures was not completed in a timely enough manner to be able to record that revenue to fiscal year 2023. The negative fund balance is a result. In the future, staff will work to ensure reimbursement requests are submitted in a timely manner to better match current year expenditures with current year revenues.

The Cumberland Industrial Center Sewer Fund has a fund balance on June 30, 2023, totaling (\$300,369). The fund is supported by an allocation of state funds on a reimbursement basis. Per agreement with the state agency, a reimbursement request will be submitted upon project completion. The project is expected to be completed during fiscal year 2024.

### Negative Fund Balances in Custodial Funds

The City Tax Fund and the Vehicle Interest Fund have negative fund balances on June 30, 2023 totaling (\$57,774) and (\$165), respectively. The City Tax Fund accounts for funds that are billed and collected by the County for various municipalities and special districts within the County. The Vehicle Interest Fund consists of the 3% penalty interest fee collected by the County for delinquent motor vehicle taxes of prior years, that will be distributed to various municipalities within the County. The negative fund balances are a result of the timing of payments and receipts. In the future, staff will work to ensure the timing of receipts and payments are matched in the current year.

# Notes to the Financial Statements

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## NOTE 16 – OPIOID SETTLEMENT FUNDS

In April 2023, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

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

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

The County received over \$1,549,422 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

## NOTE 17 – REIMBURSEMENTS FOR PANDEMIC-RELATED EXPENDITURES

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. Cumberland County was allocated and paid \$65,168,690 of fiscal recovery funds. The grant project budget ordinance adopted by the Board of County Commissioners, establishes multiple allowable projects across the following expenditure categories: **Public Health** (project costs for COVID 19 Vaccinations and Testing, as well as medical expenses, providing assistance to small businesses); **Addressing Negative Economic Impacts** (project costs to address affordable housing, provide rental assistance, provide assistance to the unemployed or under employed through implementation of a job-training program); **Public Sector Capacity** (funds to support the rehiring of public sector staff); **Infrastructure** (a project to fund a sanitary sewer system, construction of a water system, and expansion of broadband); **Revenue Replacement** (funds to support costs of public safety staff); and the allowable Direct **Administrative Expenses** to provide funding to support staff costs of individuals who are directly involved with administering this award.

## NOTE 18 – SUBSEQUENT EVENTS

The County, Board, and District have evaluated subsequent events for potential recognition and disclosure through December 1, 2023, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

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

**Last Seven Fiscal Years**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 13,260,556	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970	\$ 7,819,888
Service Cost	586,862	676,788	400,153	384,671	412,469	365,895	392,574
Interest on the total pension liability	289,459	239,748	282,120	297,705	264,882	291,307	270,277
Differences between expected and actual experience in the measurement of the total pension liability	220,562	609,803	326,375	165,417	3,481	194,482	-
Changes of assumptions or other inputs	(1,827,675)	(322,873)	3,444,073	248,522	(303,123)	528,706	(172,562)
Benefit payments	(791,427)	(730,180)	(638,884)	(603,201)	(559,449)	(530,301)	(498,207)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 11,738,337</u>	<u>\$ 13,260,556</u>	<u>\$ 12,787,270</u>	<u>\$ 8,973,433</u>	<u>\$ 8,480,319</u>	<u>\$ 8,662,059</u>	<u>\$ 7,811,970</u>

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

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



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

**Last Seven Fiscal Years**

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	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 11,738,337	\$ 13,260,556	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970
Covered-employee payroll	15,761,957	16,616,977	15,843,101	16,728,726	16,293,728	16,467,454	16,343,167
Total pension liability as a percentage of covered-employee payroll	74.47%	79.80%	80.71%	53.64%	52.05%	52.60%	47.80%

Notes to the schedules:

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

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

**Last Ten Fiscal Years \***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	1.227%	1.288%	1.273%	1.326%	1.343%	1.519%	1.542%	1.505%	1.520%	1.501%
County's proportionate share of the net pension liability (asset) \$	\$ 69,215,808	\$ 19,757,317	\$ 45,483,638	\$ 36,211,480	\$ 31,862,451	\$ 23,202,140	\$ 32,723,222	\$ 6,755,651	\$ (8,963,314)	\$ 18,087,992
County's covered payroll	94,298,539	93,895,155	92,136,967	93,267,871	89,267,532	94,553,360	94,035,999	90,486,857	81,788,429	90,188,266
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.40%	21.04%	49.37%	38.83%	35.69%	24.54%	34.80%	7.47%	(10.96%)	20.06%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,090,689	\$ 11,206,539	\$ 9,750,651	\$ 8,507,911	\$ 7,277,190	\$ 6,772,970	\$ 6,987,172	\$ 6,390,360	\$ 6,314,854	\$ 6,340,214
Contributions in relation to the contractually required contribution	<u>13,090,689</u>	<u>11,206,539</u>	<u>9,750,651</u>	<u>8,507,911</u>	<u>7,277,190</u>	<u>6,772,970</u>	<u>6,987,172</u>	<u>6,390,360</u>	<u>6,314,854</u>	<u>6,340,214</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 103,235,064	\$ 94,298,539	\$ 93,895,155	\$ 92,136,967	\$ 93,267,871	\$ 89,267,532	\$ 94,553,360	\$ 94,035,999	\$ 90,486,857	\$ 81,788,429
Contributions as a percentage of covered payroll	12.680%	11.884%	10.385%	9.234%	7.802%	7.587%	7.390%	6.796%	6.979%	7.752%

**Schedule of the County's Proportionate Share of the Net Pension  
Liability (Asset) - Crown  
Local Government Employees' Retirement Fund**

**Last Ten Fiscal Years**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) %	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.033%
County's proportionate share of the net pension liability (asset) \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,949)	\$ 396,571
County's covered payroll	-	-	-	-	-	-	-	-	-	1,589,412
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	24.95%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Schedule of the County Contributions - Crown  
Local Government Employees' Retirement Fund**

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,442
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	48,442
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,589,412
Contributions as a percentage of covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	3.048%

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

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

**Last Ten Fiscal Years \***

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) %	3.222%	2.970%	3.130%	2.828%	2.956%	3.271%	3.320%	3.456%	3.514%	3.50%
County's proportionate share of the net pension liability (asset) \$	\$ (426,554)	\$ (570,624)	\$ (717,239)	\$ (558,205)	\$ (489,604)	\$ (558,321)	\$ (620,657)	\$ (800,785)	\$ (796,558)	\$ (747,653)
County's covered payroll	158,938	144,877	143,072	140,216	133,835	138,455	132,630	128,767	128,767	128,458
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(268.38%)	(393.87%)	(501.31%)	(398.10%)	(365.83%)	(403.25%)	(467.96%)	(621.89%)	(618.60%)	(582.02%)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.51%	153.77%	160.17%	197.29%	193.88%	190.50%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 31,091	\$ 36,933	\$ 35,644	\$ 29,966	\$ 27,291	\$ 27,333	\$ 28,420	\$ 27,120	\$ 27,651	\$ 28,693
Contributions in relation to the contractually required contribution	<u>31,091</u>	<u>36,933</u>	<u>35,644</u>	<u>29,966</u>	<u>27,291</u>	<u>27,333</u>	<u>28,420</u>	<u>27,120</u>	<u>27,651</u>	<u>28,693</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 168,617	\$ 158,938	\$ 144,877	\$ 143,072	\$ 140,216	\$ 133,835	\$ 138,455	\$ 132,630	\$ 128,767	\$ 128,767
Contributions as a percentage of covered payroll	18.439%	23.237%	24.603%	20.945%	19.464%	20.423%	20.527%	20.448%	21.474%	22.283%

**Schedule of Changes in Total OPEB Liability and Related Ratios  
Other Post Employment Benefit Retiree Healthcare Plan**

**Last Six Fiscal Years**

<b>TOTAL OPEB Liability</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 3,600,589	\$ 6,761,551	\$ 6,785,884	\$ 6,444,733	\$ 9,517,173	\$ 10,922,897
Interest	5,824,744	4,740,286	4,730,960	6,554,732	10,410,855	9,344,450
Changes of benefit terms	-	1,247,343	-	-	-	-
Differences between expected and actual experience	1,617,895	(27,088,507)	(615,627)	(7,634,053)	(128,191,230)	(433,811)
Changes of assumptions	(2,676,460)	(32,918,027)	1,177,366	27,084,706	(9,315,098)	(31,765,312)
Benefit payments	(7,940,427)	(7,408,089)	(5,981,799)	(5,320,327)	(6,264,272)	(5,897,406)
<b>Net change in total OPEB liability</b>	<b>426,341</b>	<b>(54,665,443)</b>	<b>6,096,784</b>	<b>27,129,791</b>	<b>(123,842,572)</b>	<b>(17,829,182)</b>
<b>Total OPEB liability - beginning, as restated</b>	<b>168,476,481</b>	<b>223,141,924</b>	<b>217,045,140</b>	<b>189,915,349</b>	<b>295,544,503</b>	<b>313,373,685</b>
<b>Total OPEB liability - ending</b>	<b>\$ 168,902,822</b>	<b>\$ 168,476,481</b>	<b>\$ 223,141,924</b>	<b>\$ 217,045,140</b>	<b>\$ 171,701,931</b>	<b>\$ 295,544,503</b>
<b>Plan fiduciary net position:</b>						
Contributions - employer	\$ 8,940,427	\$ 8,408,089	\$ 6,981,799	\$ 6,320,327	\$ -	\$ -
Net investment income	88,757	6,043	7,401	851	-	-
Benefit payments	(7,940,427)	(7,408,089)	(5,981,799)	(5,320,327)	-	-
<b>Net change in plan fiduciary net position</b>	<b>1,088,757</b>	<b>1,006,043</b>	<b>1,007,401</b>	<b>1,000,851</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,014,295</b>	<b>2,008,252</b>	<b>1,000,851</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 4,103,052</b>	<b>\$ 3,014,295</b>	<b>\$ 2,008,252</b>	<b>\$ 1,000,851</b>	<b>\$ -</b>	<b>\$ -</b>
<b>County's net OPEB liability - ending</b>	<b>\$ 164,799,770</b>	<b>\$ 165,462,186</b>	<b>\$ 221,133,672</b>	<b>\$ 216,044,289</b>	<b>\$ 171,701,931</b>	<b>\$ 295,544,503</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>2.43%</b>	<b>1.79%</b>	<b>0.90%</b>	<b>0.46%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 52,246,606</b>	<b>\$ 52,246,606</b>	<b>\$ 61,103,256</b>	<b>\$ 61,103,256</b>	<b>\$ 77,093,623</b>	<b>\$ 77,093,623</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>315%</b>	<b>317%</b>	<b>362%</b>	<b>354%</b>	<b>223%</b>	<b>383%</b>

**Notes to the 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>
2018	3.56%
2019	3.89%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



## MAJOR FUNDS



**Comparative Balance Sheets  
General Fund  
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 282,101,839	\$ 248,829,870
Taxes receivable, net	1,094,317	1,852,129
Sales tax receivable	22,505,494	22,155,727
Due from other governments	15,439,589	16,868,859
Other receivables, net	1,564,462	2,040,558
Due from other funds	739,366	450,310
Due from component units	483,986	583,377
Inventories	211,532	220,740
Prepays	-	210
Lease receivable	725,451	751,561
Restricted:		
Cash and cash equivalents	24,336,763	4,881,034
<b>Total assets</b>	<u>\$ 349,202,799</u>	<u>\$ 298,634,375</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts and vouchers payable	\$ 8,626,849	\$ 10,147,554
Due to other governments	364,852	361,045
Accrued payroll	4,643,522	3,843,708
Other payables	696,391	14,531
Unearned revenue	1,065,096	-
<b>Total liabilities</b>	<u>15,396,710</u>	<u>14,366,838</u>
<b>Deferred inflows of resources</b>		
Taxes	2,491,363	3,142,873
Leases	718,165	749,121
<b>Total deferred inflows of resources</b>	<u>3,209,528</u>	<u>3,891,994</u>
<b>Fund balances</b>		
Nonspendable:		
Inventories	211,532	220,740
Prepays	-	210
Leases	7,286	2,440
Restricted:		
Stabilization by State statute	42,111,209	44,546,143
Register of Deeds	988,560	1,018,697
Public health	8,438,671	7,451,692
County school	19,767,100	11,900,413
Committed:		
Tax revaluation	2,500,000	2,431,671
Capital investment fund	147,253,777	126,983,896
Assigned:		
Subsequent year's expenditures	6,454,775	8,071,721
Economic development incentives	2,000,000	2,000,000
Unassigned	100,863,651	75,747,920
<b>Total fund balances</b>	<u>330,596,561</u>	<u>280,375,543</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 349,202,799</u>	<u>\$ 298,634,375</u>

Legally budgeted County School and Capital Investment Funds are consolidated into the General Fund for reporting purposes.

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year	\$ 170,695,791	\$ 173,008,171	\$ 2,312,380	\$ 169,937,874
Prior years	1,270,000	1,227,090	(42,910)	1,437,083
Penalties and interest	806,864	903,988	97,124	864,165
Motor vehicle - current	23,242,940	25,299,826	2,056,886	23,716,490
Motor vehicle - prior	25,000	22,909	(2,091)	30,546
Other rental receipts	828,000	1,040,783	212,783	1,054,783
<b>Total ad valorem taxes</b>	<b>196,868,595</b>	<b>201,502,767</b>	<b>4,634,172</b>	<b>197,040,941</b>
<b>Other taxes:</b>				
Pet registration fees	-	-	-	14
Real estate transfer	2,100,000	2,620,117	520,117	3,299,733
Beer and wine	383,000	416,100	33,100	359,625
Sales	61,801,900	62,946,775	1,144,875	61,168,963
Other	434,060	426,815	(7,245)	440,385
<b>Total other taxes</b>	<b>64,718,960</b>	<b>66,409,807</b>	<b>1,690,847</b>	<b>65,268,720</b>
<b>Unrestricted intergovernmental revenues:</b>				
Federal	35,000	19,600	(15,400)	24,000
State government	246,200	54,228	(191,972)	117,219
Fayetteville	9,319,560	9,818,452	498,892	9,539,815
Municipalities	1,293,113	1,518,488	225,375	1,382,065
Other governmental	7,381,534	5,113,205	(2,268,329)	6,208,378
<b>Total unrestricted intergovernmental revenues</b>	<b>18,275,407</b>	<b>16,523,973</b>	<b>(1,751,434)</b>	<b>17,271,477</b>
<b>Restricted intergovernmental revenues:</b>				
Federal	1,391,744	3,316,882	1,925,138	346,996
NC health programs	12,631,814	7,902,559	(4,729,255)	6,730,082
NC mental health programs	838,348	668,691	(169,657)	596,909
NC social services programs	37,339,593	33,901,456	(3,438,137)	37,293,374
NC library programs	860,352	642,933	(217,419)	553,627
NC other restricted revenue	8,259,222	5,728,077	(2,531,145)	4,490,209
Other restricted revenue	634,108	574,875	(59,233)	589,581
<b>Total restricted intergovernmental revenues</b>	<b>61,955,181</b>	<b>52,735,473</b>	<b>(9,219,708)</b>	<b>50,600,778</b>
<b>Licenses and permits:</b>				
Inspection department permits	1,117,000	947,143	(169,857)	1,327,681
Marriage licenses	75,623	76,200	577	78,075
Register of Deeds fees	1,132,377	1,694,680	562,303	2,030,167
<b>Total licenses and permits</b>	<b>2,325,000</b>	<b>2,718,023</b>	<b>393,023</b>	<b>3,435,923</b>
<b>Sales and services:</b>				
Health department fees	4,249,703	6,070,672	1,820,969	6,008,298
Library fees	2,695	8,705	6,010	16,370
Sheriff department fees	5,048,000	4,127,041	(920,959)	4,216,452
Social services fees	54,609	2,250	(52,359)	6,328
Other department fees	1,767,700	1,880,374	112,674	2,174,419
<b>Total sales and services</b>	<b>11,122,707</b>	<b>12,089,042</b>	<b>966,335</b>	<b>12,421,867</b>
<b>Interest earned on investments</b>	<b>20,000</b>	<b>9,188,166</b>	<b>9,168,166</b>	<b>139,648</b>
<b>Miscellaneous:</b>				
Miscellaneous	2,463,128	497,132	(1,965,996)	5,396,872
Rent, land, and buildings	4,703,629	5,429,892	726,263	4,711,139
<b>Total miscellaneous</b>	<b>7,166,757</b>	<b>5,927,024</b>	<b>(1,239,733)</b>	<b>10,108,011</b>
<b>Total revenues</b>	<b>362,452,607</b>	<b>367,094,275</b>	<b>4,641,668</b>	<b>356,287,365</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund (continued)**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Governing body	\$ 779,624	\$ 742,015	\$ 37,609	\$ 643,556
Administration	2,684,727	2,407,803	276,924	1,545,377
Public information	1,654,724	1,313,573	341,151	810,924
Court facilities	161,920	135,296	26,624	109,890
Human resources	1,136,388	1,105,075	31,313	866,284
Innovation and technology services	7,864,718	7,302,362	562,356	5,810,123
Board of elections	1,563,875	1,221,913	341,962	1,129,321
Financial services	1,634,215	1,487,150	147,065	1,376,589
Legal	1,169,384	1,107,578	61,806	883,476
Register of Deeds	3,114,362	2,403,919	710,443	2,224,802
Register of Deeds Automation	336,475	209,571	126,904	250,949
Tax Administration	6,552,543	6,258,689	293,854	5,548,182
Print, mail & design services	-	-	-	604,615
Facilities Maintenance	1,307,789	1,237,443	70,346	994,256
Carpentry shop	238,280	218,434	19,846	194,157
Facilities Management	1,633,867	1,487,165	146,702	1,422,683
Public buildings - janitorial	1,263,358	1,034,473	228,885	924,415
Central maintenance	5,449,882	3,720,304	1,729,578	679,908
Landscaping and grounds	876,764	829,912	46,852	701,454
Property revaluation	1,099,067	880,423	218,644	337,154
General government - other	12,919,301	5,069,712	7,849,589	7,681,170
<b>Total general government</b>	<b>53,441,263</b>	<b>40,172,810</b>	<b>13,268,453</b>	<b>34,739,285</b>
<b>Public safety:</b>				
Emergency services	4,653,569	4,462,522	191,047	3,840,587
Emergency services grants	473,988	182,167	291,821	58,198
Sheriff	33,302,506	31,943,237	1,359,269	26,446,249
Jail	22,278,658	17,055,703	5,222,955	15,277,087
School law enforcement-local	5,774,761	4,867,248	907,513	4,782,208
Sheriff's grants	1,152,744	908,730	244,014	206,486
Animal services	4,061,412	3,921,983	139,429	3,324,166
Public safety other	2,506,207	1,437,673	1,068,534	1,705,453
LEO Separation Allowance	870,900	856,322	14,578	822,385
Justice services	791,751	642,262	149,489	508,043
Misdemeanor program	40,199	38,013	2,186	32,581
<b>Total public safety</b>	<b>75,906,695</b>	<b>66,315,860</b>	<b>9,590,835</b>	<b>57,003,443</b>
<b>Economic and physical development:</b>				
Planning and inspections department	3,505,230	3,181,344	323,886	3,199,929
Engineering	2,415,708	568,037	1,847,671	599,820
NC cooperative extension service	818,474	744,976	73,498	620,936
NC cooperative extension program	75,100	13,769	61,331	9,601
Soil conservation district	2,937,648	1,066,844	1,870,804	421,595
Soil conservation cost share	96,266	88,496	7,770	78,027
Economic physical development - other	957,600	113,990	843,610	153,531
Industrial park	6,106	-	6,106	3,893
Location services	249,994	241,407	8,587	148,999
Economic incentives	510,626	276,652	233,974	613,541
Water & sewer industrial expansion	102,411	1,569	100,842	56,223
Public utilities	105,235	103,625	1,610	93,375
<b>Total economic and physical development</b>	<b>11,780,398</b>	<b>6,400,709</b>	<b>5,379,689</b>	<b>5,999,470</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund (continued)**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Human services:</b>				
<b>Mental Health:</b>				
Mental health other	\$ 5,302,498	\$ 5,093,703	\$ 208,795	\$ 5,039,693
Court ordered evaluations	318,840	318,840	-	318,840
Sobriety court	463,316	123,614	339,702	81,879
<b>Subtotal - mental health</b>	<b>6,084,654</b>	<b>5,536,157</b>	<b>548,497</b>	<b>5,440,412</b>
<b>Health:</b>				
Health - administration	2,601,973	2,864,254	(262,281)	2,249,071
Laboratory	484,835	500,225	(15,390)	416,831
Pharmacy	581,901	604,633	(22,732)	398,050
C. C. Jail health program	3,452,920	3,366,464	86,456	3,020,156
Management support	272,353	307,820	(35,467)	239,941
NC environmental health	2,102,508	1,836,458	266,050	1,649,317
Immunization clinic	766,277	901,931	(135,654)	670,800
School health program	2,030,726	1,818,283	212,443	1,679,016
Child health clinic	1,019,103	1,010,214	8,889	779,234
Dental clinic	-	14	(14)	503
Health promotion	586,555	421,219	165,336	325,893
Maternal health clinic	989,694	1,070,213	(80,519)	930,724
Medical records	285,531	291,940	(6,409)	253,952
Breast/cervical cancer	140,600	129,154	11,446	122,169
Child service coordination	911,090	714,289	196,801	682,691
Child fatality prevention	17,876	17,584	292	5,887
Chest TB clinic	223,649	226,025	(2,376)	199,055
Family planning clinic	1,120,939	931,414	189,525	942,406
NC general communicable disease	379,537	322,939	56,598	201,944
NC AIDS	81,556	82,111	(555)	66,836
Adult health clinic	394,824	389,169	5,655	307,539
School health	1,101,937	789,060	312,877	652,249
WIC - clinic services	2,835,723	2,184,256	651,467	2,220,021
Health - other	83,771	83,540	231	79,623
Bioterrorism preparedness and response	75,124	68,082	7,042	50,178
STD clinic	1,871,267	1,472,520	398,747	1,308,931
Maternal care coordination	1,479,615	1,145,298	334,317	1,108,089
Community transformation grant	151,375	124,714	26,661	118,072
Claims processing	246,825	241,823	5,002	199,839
Teen Pregnancy Preventive Initiative	88,526	76,621	11,905	69,019
Triple P Program	282,828	270,663	12,165	260,081
Comprehensive opioid abuse	319,169	232,488	86,681	173,142
American Public Health Association	26,857	16,994	9,863	49,403
NC Partnership for the Children	254,233	179,359	74,874	98,017
COVID-19 response	6,130,003	1,916,620	4,213,383	1,173,785
Health Outcomes	32,000	31,654	346	31,792
Monkeypox	-	11,855	(11,855)	-
Connected care	747,233	267,450	479,783	-
<b>Subtotal - health</b>	<b>34,170,933</b>	<b>26,919,350</b>	<b>7,251,583</b>	<b>22,734,256</b>
<b>Welfare:</b>				
Social services department	58,386,881	45,729,839	12,657,042	44,588,703
Social services - other	12,496,285	9,429,204	3,067,081	10,968,914
Grant - FV care center	617,333	588,464	28,869	456,200
Welfare - other	380,064	348,714	31,350	334,626
<b>Subtotal - welfare</b>	<b>71,880,563</b>	<b>56,096,221</b>	<b>15,784,342</b>	<b>56,348,443</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund (concluded)**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Human services (continued):</b>				
<b>Other human services:</b>				
Veterans' services	\$ 605,725	\$ 604,817	\$ 908	\$ 499,932
Spring Lake Resource Center	39,074	30,265	8,809	32,962
Child support enforcement	6,315,617	5,525,083	790,534	4,756,643
<b>Subtotal - other human services</b>	<u>6,960,416</u>	<u>6,160,165</u>	<u>800,251</u>	<u>5,289,537</u>
<b>Total human services</b>	<u>119,096,566</u>	<u>94,711,893</u>	<u>24,384,673</u>	<u>89,812,648</u>
<b>Cultural and recreational:</b>				
Library	11,656,634	11,042,952	613,682	9,957,751
Culture recreation other	260,569	260,569	-	260,569
Library - grants	677,775	220,919	456,856	151,281
<b>Total cultural and recreational</b>	<u>12,594,978</u>	<u>11,524,440</u>	<u>1,070,538</u>	<u>10,369,601</u>
<b>Education:</b>				
Public schools - current	84,305,166	84,305,166	-	83,033,918
Public schools - other contractual	1,963,194	1,923,448	39,746	1,822,031
Community colleges - current	14,213,903	14,213,903	-	13,278,659
<b>Total education</b>	<u>100,482,263</u>	<u>100,442,517</u>	<u>39,746</u>	<u>98,134,608</u>
<b>Debt service</b>				
Principal payments	-	335,813	(335,813)	-
Interest and fees	-	1,037	(1,037)	-
<b>Total debt service</b>	<u>-</u>	<u>336,850</u>	<u>(336,850)</u>	<u>-</u>
<b>Total expenditures</b>	<u>373,302,163</u>	<u>319,905,079</u>	<u>53,397,084</u>	<u>296,059,055</u>
<b>Revenues over (under) expenditures</b>	<u>(10,849,556)</u>	<u>47,189,196</u>	<u>58,038,752</u>	<u>60,228,310</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	347,624	347,624	(765,998)
Issuance of lease	-	98,837	98,837	135,971
Issuance of IT subscription agreement	-	1,204,733	1,204,733	-
Transfers in	11,966,406	16,641,820	4,675,414	380,851
Transfers out	(45,115,460)	(43,532,750)	1,582,710	(85,187,817)
Fund balance appropriated	43,998,610	-	(43,998,610)	-
<b>Total other financing sources (uses)</b>	<u>10,849,556</u>	<u>(25,239,736)</u>	<u>(36,089,292)</u>	<u>(85,436,993)</u>
<b>Revenues and other financing sources (uses) over expenditures</b>	<u>\$ -</u>	<u>21,949,460</u>	<u>\$ 21,949,460</u>	<u>(25,208,683)</u>
<b>Fund Balances:</b>				
Fund balance - beginning		136,999,332		162,208,015
Fund balance - ending		<u>\$ 158,948,792</u>		<u>\$ 136,999,332</u>
<b>Reconciliation to H-1:</b>				
General Fund - ending fund balance		\$ 158,948,792		\$ 136,999,332
County School Fund - ending fund balance (H-6)		24,263,894		16,263,770
Capital Investment Fund - ending fund balance (H-7)		147,383,875		127,112,441
		<u>\$ 330,596,561</u>		<u>\$ 280,375,543</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - County School Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Other taxes	\$ 13,900,000	\$ 17,430,271	\$ 3,530,271	\$ 15,985,916
Unrestricted intergovernmental revenue	930,000	1,923,448	993,448	1,549,739
Restricted intergovernmental revenue	3,256,990	3,256,990	-	3,281,839
Interest earned on investments	-	298,618	298,618	11,793
<b>Total revenues</b>	<b>18,086,990</b>	<b>22,909,327</b>	<b>4,822,337</b>	<b>20,829,287</b>
<b>Expenditures:</b>				
Education:				
School capital outlay I	18,958,062	8,726,901	10,231,161	9,038,133
School capital outlay II	2,401,892	1,287,415	1,114,477	1,581,296
School capital outlay III	1,392,855	377,680	1,015,175	352,598
<b>Total expenditures</b>	<b>22,752,809</b>	<b>10,391,996</b>	<b>12,360,813</b>	<b>10,972,027</b>
<b>Revenues over (under) expenditures</b>	<b>(4,665,819)</b>	<b>12,517,331</b>	<b>17,183,150</b>	<b>9,857,260</b>
<b>Other financing sources (uses):</b>				
Transfers out	(4,517,208)	(4,517,207)	1	(4,928,533)
Sale of capital assets	75,000	-	(75,000)	5,584
Appropriated fund balance	9,108,027	-	(9,108,027)	-
<b>Total other financing sources (uses)</b>	<b>4,665,819</b>	<b>(4,517,207)</b>	<b>(9,183,026)</b>	<b>(4,922,949)</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>8,000,124</b>	<b>\$ 8,000,124</b>	<b>4,934,311</b>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<b>16,263,770</b>		<b>11,329,459</b>
<b>Fund balance - ending</b>		<b>\$ 24,263,894</b>		<b>\$ 16,263,770</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Capital Investment Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Interest income	\$ 1,050,484	\$ 2,479,011	\$ 1,428,527	\$ 1,146,982
Miscellaneous	-	1,320	1,320	100
<b>Total revenues</b>	<u>1,050,484</u>	<u>2,480,331</u>	<u>1,429,847</u>	<u>1,147,082</u>
<b>Expenditures:</b>				
General government	3,039,155	1,982,286	1,056,869	4,160,936
Economic and physical development	39,215,450	4,433,765	34,781,685	3,591,178
Education - community college capital outlay	7,951,541	7,296,570	654,971	5,394,206
<b>Debt service:</b>				
Principal	9,056,786	9,056,784	2	9,396,056
Interest	2,741,490	2,741,488	2	3,117,836
<b>Total expenditures</b>	<u>62,004,422</u>	<u>25,510,893</u>	<u>36,493,529</u>	<u>25,660,212</u>
<b>Revenues over (under) expenditures</b>	<u>(60,953,938)</u>	<u>(23,030,562)</u>	<u>37,923,376</u>	<u>(24,513,130)</u>
<b>Other financing sources (uses):</b>				
Transfers in	44,501,904	44,501,903	(1)	89,197,483
Transfers out	(1,199,907)	(1,199,907)	-	(3,600,554)
Sale of capital assets	-	-	-	4,643,425
Fund balance appropriated	17,651,941	-	(17,651,941)	-
<b>Total other financing sources (uses)</b>	<u>60,953,938</u>	<u>43,301,996</u>	<u>(17,651,942)</u>	<u>90,240,354</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>20,271,434</u>	<u>\$ 20,271,434</u>	<u>65,727,224</u>
<b>Fund Balances:</b>				
Fund balance - beginning		<u>127,112,441</u>		<u>61,385,217</u>
Fund balance - ending		<u>\$ 147,383,875</u>		<u>\$ 127,112,441</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - ARPA Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ 65,168,690	\$ 5,102,607	\$ -	\$ 18,590,189	\$ 23,692,796
Interest earnings	47,574	47,574	-	667,746	715,320
<b>Total revenues</b>	<u>65,216,264</u>	<u>5,150,181</u>	<u>-</u>	<u>19,257,935</u>	<u>24,408,116</u>
<b>Expenditures:</b>					
Economic and physical development	53,740,459	5,102,607	-	2,431,961	7,534,568
<b>Total expenditures</b>	<u>53,740,459</u>	<u>5,102,607</u>	<u>-</u>	<u>2,431,961</u>	<u>7,534,568</u>
<b>Revenues over (under) expenditures</b>	<u>11,475,805</u>	<u>47,574</u>	<u>-</u>	<u>16,825,974</u>	<u>16,873,548</u>
<b>Other financing sources (uses)</b>					
Transfers in	7,014	-	-	-	-
Transfers out	(11,482,819)	-	-	(16,158,230)	(16,158,230)
<b>Total other financing sources (uses)</b>	<u>(11,475,805)</u>	<u>-</u>	<u>-</u>	<u>(16,158,230)</u>	<u>(16,158,230)</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 47,574</u>	<u>\$ -</u>	<u>667,744</u>	<u>\$ 715,318</u>
<b>Fund Balances:</b>					
Fund balance - beginning				47,574	
Fund balance - ending				<u>\$ 715,318</u>	

## NONMAJOR GOVERNMENTAL FUNDS

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 15,285,715	\$ -	\$ -	\$ 15,285,715
Taxes receivable, net	402,134	-	-	402,134
Due from other governments	955,316	-	-	955,316
Other receivables, net	42,751	9	2	42,762
Restricted assets:				
Cash and cash equivalents	3,504,349	4,387,108	60,022	7,951,479
<b>Total assets</b>	<u>\$ 20,190,265</u>	<u>\$ 4,387,117</u>	<u>\$ 60,024</u>	<u>\$ 24,637,406</u>
<b>Liabilities deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts and vouchers payable	\$ 2,036,194	\$ 183,346	\$ -	\$ 2,219,540
Due to other governments	337,507	-	-	337,507
Accrued payroll	60,641	-	-	60,641
Other payables	200	-	-	200
Due to other funds	733,866	-	-	733,866
Unearned revenue	2,310,836	-	-	2,310,836
<b>Total liabilities</b>	<u>5,479,244</u>	<u>183,346</u>	<u>-</u>	<u>5,662,590</u>
<b>Deferred inflows of resources - taxes</b>	<u>487,270</u>	<u>-</u>	<u>-</u>	<u>487,270</u>
<b>Fund balances</b>				
Nonspendable:				
Cemetery	-	-	60,024	60,024
Restricted:				
Stabilization by State Statute	998,067	9	-	998,076
Inmates	1,249,525	-	-	1,249,525
Cemetery	-	-	-	-
Fire protection	2,380,208	-	-	2,380,208
Register of Deeds	180,813	-	-	180,813
Public safety	3,079,877	1,257,134	-	4,337,011
Economic and physical development	3,582,351	-	-	3,582,351
Human services	1,585,387	-	-	1,585,387
Cultural and recreational	1,883,281	2,946,628	-	4,829,909
Unassigned	(715,758)	-	-	(715,758)
<b>Total fund balances</b>	<u>14,223,751</u>	<u>4,203,771</u>	<u>60,024</u>	<u>18,487,546</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 20,190,265</u>	<u>\$ 4,387,117</u>	<u>\$ 60,024</u>	<u>\$ 24,637,406</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023**

	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 16,704,723	\$ -	\$ -	\$ 16,704,723
Other taxes	12,678,402	-	-	12,678,402
Restricted intergovernmental revenue	12,959,237	-	-	12,959,237
Sales and services	1,453,227	-	-	1,453,227
Licenses and permits	106,680	-	-	106,680
Interest earned on investments	294,156	284,633	753	579,542
Burial fees	-	-	2,000	2,000
Miscellaneous	662,973	-	-	662,973
<b>Total revenues</b>	<b>44,859,398</b>	<b>284,633</b>	<b>2,753</b>	<b>45,146,784</b>
<b>Expenditures:</b>				
Current:				
General government	3,103,996	-	-	3,103,996
Public safety	13,442,621	1,821,491	-	15,264,112
Economic and physical development	8,900,648	-	2,715	8,903,363
Human services	3,221,828	-	-	3,221,828
Cultural and recreational	4,995,464	-	-	4,995,464
<b>Total expenditures</b>	<b>33,664,557</b>	<b>1,821,491</b>	<b>2,715</b>	<b>35,488,763</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>11,194,841</b>	<b>(1,536,858)</b>	<b>38</b>	<b>9,658,021</b>
<b>Other financing sources (uses):</b>				
Transfers in	1,398,151	-	-	1,398,151
Transfers out	(12,907,769)	-	-	(12,907,769)
<b>Total other financing sources (uses)</b>	<b>(11,509,618)</b>	<b>-</b>	<b>-</b>	<b>(11,509,618)</b>
<b>Net change in fund balances</b>	<b>(314,777)</b>	<b>(1,536,858)</b>	<b>38</b>	<b>(1,851,597)</b>
<b>Fund Balances:</b>				
Fund balance - beginning	14,538,528	5,740,629	59,986	20,339,143
Fund balance - ending	<u>\$ 14,223,751</u>	<u>\$ 4,203,771</u>	<u>\$ 60,024</u>	<u>\$ 18,487,546</u>

## NONMAJOR SPECIAL REVENUE FUNDS

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023**

	Prepared Food and Beverage Fund	Emergency Telephone Fund	Recreation Fund	Juvenile Crime Prevention Fund	Transportation Fund	Flea Hill Drainage District Fund	Community Development Fund	Fire Protection Fund	Federal Drug Justice Fund
<b>Assets</b>									
Cash and cash equivalents	\$ 314,817	\$ 1,978,074	\$ 1,926,772	\$ 382,943	\$ 60,912	\$ 80,149	\$ 1,746,775	\$ 3,139,897	\$ 68,071
Taxes receivable, net	-	-	132,239	-	-	-	-	269,895	-
Due from other governments	-	-	-	-	471,325	-	380,089	-	-
Other receivables, net	207	279	64	976	40,973	2	33	67	2
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 315,024</u>	<u>\$ 1,978,353</u>	<u>\$ 2,059,075</u>	<u>\$ 383,919</u>	<u>\$ 573,210</u>	<u>\$ 80,151</u>	<u>\$ 2,126,897</u>	<u>\$ 3,409,859</u>	<u>\$ 68,073</u>
<b>Liabilities</b>									
Accounts and vouchers payable	\$ -	\$ 5,427	\$ 343,784	\$ 189,830	\$ 18,724	\$ -	\$ 194,238	\$ 703,070	\$ 1,233
Due to other governments	-	-	-	4,163	-	-	47	-	-
Accrued payroll	-	-	-	15,564	21,803	-	19,687	-	-
Other payables	-	-	-	-	-	-	200	-	-
Due to other funds	-	-	-	-	172,028	-	82,712	-	-
Unearned revenue	-	-	-	-	131,904	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>5,427</u>	<u>343,784</u>	<u>209,557</u>	<u>344,459</u>	<u>-</u>	<u>296,884</u>	<u>703,070</u>	<u>1,233</u>
Deferred inflows of resources - taxes	-	5,009	155,747	-	-	-	-	326,514	-
<b>Fund balances</b>									
Restricted:									
Stabilization by State Statute	207	279	64	976	512,298	2	380,122	67	2
Inmates	-	-	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-	2,380,208	-
Public safety	-	1,967,638	-	-	-	-	-	-	66,838
Register of Deeds	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	80,149	1,449,891	-	-
Human services	-	-	-	173,386	-	-	-	-	-
Cultural and recreational	314,817	-	1,559,480	-	-	-	-	-	-
Unassigned	-	-	-	-	(283,547)	-	-	-	-
<b>Total fund balances</b>	<u>315,024</u>	<u>1,967,917</u>	<u>1,559,544</u>	<u>174,362</u>	<u>228,751</u>	<u>80,151</u>	<u>1,830,013</u>	<u>2,380,275</u>	<u>66,840</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 315,024</u>	<u>\$ 1,978,353</u>	<u>\$ 2,059,075</u>	<u>\$ 383,919</u>	<u>\$ 573,210</u>	<u>\$ 80,151</u>	<u>\$ 2,126,897</u>	<u>\$ 3,409,859</u>	<u>\$ 68,073</u>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2023**

(continued)

	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	CDBG Disaster Recovery Fund	Linden Little River Park Fund	Fines and Forfeitures Fund	Deeds of Trust Fund	Emergency Rental Assistance Fund
<b>Assets</b>									
Cash and cash equivalents	\$ 882,937	\$ 134,113	\$ 28,752	\$ -	\$ -	\$ 40,850	\$ 800	\$ 471,142	\$ 256,421
Taxes receivable, net	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	103,408	-	-	-	-
Other receivables, net	18	2	-	-	-	2	-	-	8
Restricted assets:									
Cash and cash equivalents	-	-	-	1,301,613	-	-	-	-	-
<b>Total assets</b>	<u>882,955</u>	<u>134,115</u>	<u>28,752</u>	<u>1,301,613</u>	<u>103,408</u>	<u>40,852</u>	<u>800</u>	<u>471,142</u>	<u>256,429</u>
<b>Liabilities</b>									
Accounts and vouchers payable	-	-	-	1,586	-	31,866	700	290,329	218,468
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	3,587	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	46,915	131,842	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,088</u>	<u>131,842</u>	<u>31,866</u>	<u>700</u>	<u>290,329</u>	<u>218,468</u>
<b>Deferred inflows of resources - taxes</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>									
Restricted:									
Stabilization by State Statute	18	2	-	-	103,408	2	-	-	8
Inmates	-	-	-	1,249,525	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-	-	-
Public safety	882,937	134,113	28,752	-	-	-	100	-	-
Register of Deeds	-	-	-	-	-	-	-	180,813	-
Economic and physical development	-	-	-	-	-	-	-	-	37,953
Human services	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	8,984	-	-	-
Unassigned	-	-	-	-	(131,842)	-	-	-	-
<b>Total fund balances</b>	<u>882,955</u>	<u>134,115</u>	<u>28,752</u>	<u>1,249,525</u>	<u>(28,434)</u>	<u>8,986</u>	<u>100</u>	<u>180,813</u>	<u>37,961</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 882,955</u>	<u>\$ 134,115</u>	<u>\$ 28,752</u>	<u>\$ 1,301,613</u>	<u>\$ 103,408</u>	<u>\$ 40,852</u>	<u>\$ 800</u>	<u>\$ 471,142</u>	<u>\$ 256,429</u>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023**

(concluded)

	DSS Representative Payee Fund	Innovative Court Program Fund	Human Trafficking Worth Fund	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 465,496	\$ 225,220	\$ 124,165	\$ 2,014,358	\$ 943,051	\$ -	\$ -	\$ 15,285,715
Taxes receivable, net	-	-	-	-	-	-	-	402,134
Due from other governments	-	494	-	-	-	-	-	955,316
Other receivables, net	-	5	2	43	20	48	-	42,751
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	2,202,736	-	3,504,349
<b>Total assets</b>	<u>\$ 465,496</u>	<u>\$ 225,719</u>	<u>\$ 124,167</u>	<u>\$ 2,014,401</u>	<u>\$ 943,071</u>	<u>\$ 2,202,784</u>	<u>\$ -</u>	<u>\$ 20,190,265</u>
<b>Liabilities</b>								
Accounts and vouchers payable	\$ -	\$ 10,316	\$ 6,273	\$ -	\$ 20,350	\$ -	\$ -	\$ 2,036,194
Due to other governments	-	215,403	117,894	-	-	-	-	337,507
Accrued payroll	-	-	-	-	-	-	-	60,641
Other payables	-	-	-	-	-	-	-	200
Due to other funds	-	-	-	-	-	-	300,369	733,866
Unearned revenue	-	-	-	-	-	2,178,932	-	2,310,836
<b>Total liabilities</b>	<u>-</u>	<u>225,719</u>	<u>124,167</u>	<u>-</u>	<u>20,350</u>	<u>2,178,932</u>	<u>300,369</u>	<u>5,479,244</u>
<b>Deferred inflows of resources - taxes</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,270</u>
<b>Fund balances:</b>								
Restricted:								
Stabilization by State Statute	-	499	2	43	20	48	-	998,067
Inmates	-	-	-	-	-	-	-	1,249,525
Fire protection	-	-	-	-	-	-	-	2,380,208
Public safety	-	(499)	(2)	-	-	-	-	3,079,877
Register of Deeds	-	-	-	-	-	-	-	180,813
Economic and physical development	-	-	-	2,014,358	-	-	-	3,582,351
Human services	465,496	-	-	-	922,701	23,804	-	1,585,387
Cultural and recreational	-	-	-	-	-	-	-	1,883,281
Unassigned	-	-	-	-	-	-	(300,369)	(715,758)
<b>Total fund balances</b>	<u>465,496</u>	<u>-</u>	<u>-</u>	<u>2,014,401</u>	<u>922,721</u>	<u>23,852</u>	<u>(300,369)</u>	<u>14,223,751</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 465,496</u>	<u>\$ 225,719</u>	<u>\$ 124,167</u>	<u>\$ 2,014,401</u>	<u>\$ 943,071</u>	<u>\$ 2,202,784</u>	<u>\$ -</u>	<u>\$ 20,190,265</u>



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2023**

	Prepared Food and Beverage Fund	Emergency Telephone Fund	Recreation Fund	Juvenile Crime Prevention Fund	Transportation Fund	Flea Hill Drainage District Fund	Community Development Fund	Fire Protection Fund	Federal Drug Justice Fund
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ 4,903,815	\$ -	\$ -	\$ -	\$ -	\$ 11,800,908	\$ -
Other taxes	10,058,285	-	-	-	-	-	-	-	-
Restricted intergovernmental revenue	-	1,080,421	6,301	1,417,925	1,351,767	-	1,433,696	-	150
Sales and services	-	-	-	235,567	72,588	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Interest earned on investments	84,993	25,031	42,699	984	388	982	20,673	37,961	918
Miscellaneous	-	-	-	-	-	-	168,283	-	-
<b>Total revenues</b>	<u>10,143,278</u>	<u>1,105,452</u>	<u>4,952,815</u>	<u>1,654,476</u>	<u>1,424,743</u>	<u>982</u>	<u>1,622,652</u>	<u>11,838,869</u>	<u>1,068</u>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	839,823	-	-	-	-	-	11,609,477	19,899
Economic and physical development	-	-	-	-	1,651,536	-	2,040,752	-	-
Human services	-	-	-	2,166,166	-	-	-	-	-
Cultural and recreational	-	-	4,903,815	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>839,823</u>	<u>4,903,815</u>	<u>2,166,166</u>	<u>1,651,536</u>	<u>-</u>	<u>2,040,752</u>	<u>11,609,477</u>	<u>19,899</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>10,143,278</u>	<u>265,629</u>	<u>49,000</u>	<u>(511,690)</u>	<u>(226,793)</u>	<u>982</u>	<u>(418,100)</u>	<u>229,392</u>	<u>(18,831)</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	-	-	509,791	504,774	-	353,079	-	-
Transfers out	(12,572,345)	-	-	-	(311,424)	-	-	(24,000)	-
<b>Total other financing sources (uses)</b>	<u>(12,572,345)</u>	<u>-</u>	<u>-</u>	<u>509,791</u>	<u>193,350</u>	<u>-</u>	<u>353,079</u>	<u>(24,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(2,429,067)</u>	<u>265,629</u>	<u>49,000</u>	<u>(1,899)</u>	<u>(33,443)</u>	<u>982</u>	<u>(65,021)</u>	<u>205,392</u>	<u>(18,831)</u>
<b>Fund Balances:</b>									
<b>Fund balance - beginning</b>	<u>2,744,091</u>	<u>1,702,288</u>	<u>1,510,544</u>	<u>176,261</u>	<u>262,194</u>	<u>79,169</u>	<u>1,895,034</u>	<u>2,174,883</u>	<u>85,671</u>
<b>Fund balance - ending</b>	<u>\$ 315,024</u>	<u>\$ 1,967,917</u>	<u>\$ 1,559,544</u>	<u>\$ 174,362</u>	<u>\$ 228,751</u>	<u>\$ 80,151</u>	<u>\$ 1,830,013</u>	<u>\$ 2,380,275</u>	<u>\$ 66,840</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2023**

(continued)

	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	CDBG Disaster Recovery Fund	Linden Little River Park Fund	Fines and Forfeitures Fund	Deeds of Trust Fund	Emergency Rental Assistance Fund
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	2,620,117	-
Restricted intergovernmental revenue	229,280	63,807	9,264	-	15,757	100,000	16,800	195,176	5,044,158
Sales and services	-	-	-	-	-	-	-	216,505	-
Licenses and permits	-	-	-	-	-	-	-	106,680	-
Interest earned on investments	11,246	1,710	382	-	-	635	-	-	11,036
Miscellaneous	-	-	-	494,690	-	-	-	-	-
<b>Total revenues</b>	<u>240,526</u>	<u>65,517</u>	<u>9,646</u>	<u>494,690</u>	<u>15,757</u>	<u>100,635</u>	<u>16,800</u>	<u>3,138,478</u>	<u>5,055,194</u>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	16,800	3,087,196	-
Public safety	189,403	32,053	8,310	423,642	-	-	-	-	-
Economic and physical development	-	-	-	-	19,223	-	-	-	5,044,157
Human services	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	91,649	-	-	-
<b>Total expenditures</b>	<u>189,403</u>	<u>32,053</u>	<u>8,310</u>	<u>423,642</u>	<u>19,223</u>	<u>91,649</u>	<u>16,800</u>	<u>3,087,196</u>	<u>5,044,157</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>51,123</u>	<u>33,464</u>	<u>1,336</u>	<u>71,048</u>	<u>(3,466)</u>	<u>8,986</u>	<u>-</u>	<u>51,282</u>	<u>11,037</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	-	-	9,915	-	-	-	-	20,592
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,592</u>
<b>Net change in fund balances</b>	51,123	33,464	1,336	80,963	(3,466)	8,986	-	51,282	31,629
<b>Fund Balances:</b>									
<b>Fund balance - beginning</b>	<u>831,832</u>	<u>100,651</u>	<u>27,416</u>	<u>1,168,562</u>	<u>(24,968)</u>	<u>-</u>	<u>100</u>	<u>129,531</u>	<u>6,332</u>
<b>Fund balance - ending</b>	<u>\$ 882,955</u>	<u>\$ 134,115</u>	<u>\$ 28,752</u>	<u>\$ 1,249,525</u>	<u>\$ (28,434)</u>	<u>\$ 8,986</u>	<u>\$ 100</u>	<u>\$ 180,813</u>	<u>\$ 37,961</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2023**

(concluded)

	DSS Representative Payee Fund	Innovative Court Program Fund	Human Trafficking Worth Fund	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,704,723
Other taxes	-	-	-	-	-	-	-	12,678,402
Restricted intergovernmental revenue	-	14,597	(42,894)	2,000,000	-	23,032	-	12,959,237
Sales and services	928,567	-	-	-	-	-	-	1,453,227
Licenses and permits	-	-	-	-	-	-	-	106,680
Interest earned on investments	-	2,601	1,866	14,401	12,185	23,465	-	294,156
Miscellaneous	-	-	-	-	-	-	-	662,973
<b>Total revenues</b>	<u>928,567</u>	<u>17,198</u>	<u>(41,028)</u>	<u>2,014,401</u>	<u>12,185</u>	<u>46,497</u>	<u>-</u>	<u>44,859,398</u>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	-	-	-	3,103,996
Public safety	-	144,342	175,672	-	-	-	-	13,442,621
Economic and physical development	-	-	-	-	-	-	144,980	8,900,648
Human services	943,166	-	-	-	89,464	23,032	-	3,221,828
Cultural and recreational	-	-	-	-	-	-	-	4,995,464
<b>Total expenditures</b>	<u>943,166</u>	<u>144,342</u>	<u>175,672</u>	<u>-</u>	<u>89,464</u>	<u>23,032</u>	<u>144,980</u>	<u>33,664,557</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(14,599)</u>	<u>(127,144)</u>	<u>(216,700)</u>	<u>2,014,401</u>	<u>(77,279)</u>	<u>23,465</u>	<u>(144,980)</u>	<u>11,194,841</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	1,398,151
Transfers out	-	-	-	-	-	-	-	(12,907,769)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,509,618)</u>
<b>Net change in fund balances</b>	<u>(14,599)</u>	<u>(127,144)</u>	<u>(216,700)</u>	<u>2,014,401</u>	<u>(77,279)</u>	<u>23,465</u>	<u>(144,980)</u>	<u>(314,777)</u>
<b>Fund Balances:</b>								
<b>Fund balance - beginning</b>	<u>480,095</u>	<u>127,144</u>	<u>216,700</u>	<u>-</u>	<u>1,000,000</u>	<u>387</u>	<u>(155,389)</u>	<u>14,538,528</u>
<b>Fund balance - ending</b>	<u>\$ 465,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,401</u>	<u>\$ 922,721</u>	<u>\$ 23,852</u>	<u>\$ (300,369)</u>	<u>\$ 14,223,751</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Prepared Food and Beverage Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Revenues:</b>				
Other taxes	\$ 9,345,190	\$ 10,058,285	\$ 713,095	\$ 8,980,879
Interest earned on investments	1,000	84,993	83,993	10,998
<b>Total revenues</b>	<u>9,346,190</u>	<u>10,143,278</u>	<u>797,088</u>	<u>8,991,877</u>
<b>Expenditures:</b>				
Cultural and recreational	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>9,346,190</u>	<u>10,143,278</u>	<u>797,088</u>	<u>8,991,877</u>
<b>Other financing sources (uses):</b>				
Transfers out	(12,572,345)	(12,572,345)	-	(11,786,280)
Fund balance appropriated	3,226,155	-	(3,226,155)	-
<b>Total other financing sources (uses)</b>	<u>(9,346,190)</u>	<u>(12,572,345)</u>	<u>(3,226,155)</u>	<u>(11,786,280)</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(2,429,067)</u>	<u>\$ (2,429,067)</u>	<u>(2,794,403)</u>
<b>Fund Balances:</b>				
Fund balance - beginning		2,744,091		5,538,494
Fund balance - ending		<u>\$ 315,024</u>		<u>\$ 2,744,091</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Emergency Telephone Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 978,010	\$ 1,080,421	\$ 102,411	\$ 663,759
Interest earned on investments	-	25,031	25,031	2,365
<b>Total revenues</b>	<u>978,010</u>	<u>1,105,452</u>	<u>127,442</u>	<u>666,124</u>
<b>Expenditures:</b>				
Public safety:				
Implemental functions	90,000	116,982	(26,982)	24,144
Telephone/furniture	299,993	245,243	54,750	81,192
Software	197,802	166,469	31,333	154,759
Hardware	295,739	327,294	(31,555)	640,422
Training	147,360	13,738	133,622	18,115
EOC 911	978,010	-	978,010	1,273,377
Adjustments	4,620	(29,903)	34,523	(35,592)
<b>Total expenditures</b>	<u>2,013,524</u>	<u>839,823</u>	<u>1,173,701</u>	<u>2,156,417</u>
<b>Revenues over (under) expenditures</b>	<u>(1,035,514)</u>	<u>265,629</u>	<u>1,301,143</u>	<u>(1,490,293)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	1,035,514	-	(1,035,514)	-
<b>Total other financing sources (uses)</b>	<u>1,035,514</u>	<u>-</u>	<u>(1,035,514)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>265,629</u>	<u>\$ 265,629</u>	<u>\$ (1,490,293)</u>
<b>Fund Balances:</b>				
Fund balance - beginning		1,702,288		3,192,581
Fund balance - ending		<u>\$ 1,967,917</u>		<u>\$ 1,702,288</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Recreation Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Revenues:</b>				
Ad valorem taxes	\$ 5,256,482	\$ 4,903,815	\$ (352,667)	\$ 4,575,841
Restricted intergovernmental revenue	-	6,301	6,301	9,719
Interest earned on investments	-	42,699	42,699	5,395
<b>Total revenues</b>	<u>5,256,482</u>	<u>4,952,815</u>	<u>(303,667)</u>	<u>4,590,955</u>
<b>Expenditures:</b>				
Cultural and recreational	4,285,146	4,744,789	(459,643)	4,455,730
Capital outlay	971,336	159,026	812,310	120,101
<b>Total expenditures</b>	<u>5,256,482</u>	<u>4,903,815</u>	<u>352,667</u>	<u>4,575,831</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>49,000</u>	<u>49,000</u>	<u>15,124</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>49,000</u>	<u>\$ 49,000</u>	<u>15,124</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>1,510,544</u>		<u>1,495,420</u>
<b>Fund balance - ending</b>		<u>\$ 1,559,544</u>		<u>\$ 1,510,544</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Juvenile Crime Prevention Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,405,893	\$ 1,417,925	\$ 12,032	\$ 1,432,582
Sales and services	235,567	235,567	-	290,722
Interest earned on investments	-	984	984	11
<b>Total revenues</b>	<u>1,641,460</u>	<u>1,654,476</u>	<u>13,016</u>	<u>1,723,315</u>
<b>Expenditures:</b>				
Human services:				
JCP programs	1,565,980	1,543,015	22,965	1,602,098
Residential group home	812,168	623,151	189,017	525,543
<b>Total expenditures</b>	<u>2,378,148</u>	<u>2,166,166</u>	<u>211,982</u>	<u>2,127,641</u>
<b>Revenues over (under) expenditures</b>	<u>(736,688)</u>	<u>(511,690)</u>	<u>224,998</u>	<u>(404,326)</u>
<b>Other financing sources (uses):</b>				
Transfers in	712,725	509,791	(202,934)	399,363
Fund balance appropriated	23,963	-	(23,963)	-
<b>Total other financing sources (uses)</b>	<u>736,688</u>	<u>509,791</u>	<u>(226,897)</u>	<u>399,363</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(1,899)</u>	<u>\$ (1,899)</u>	<u>(4,963)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>176,261</u>		<u>181,224</u>
<b>Fund balance - ending</b>		<u>\$ 174,362</u>		<u>\$ 176,261</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Transportation Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 3,003,078	\$ 1,351,767	\$ (1,651,311)	\$ 1,166,755
Sales and services	91,641	72,588	(19,053)	106,591
Interest earned on investments	-	388	388	597
<b>Total revenues</b>	<u>3,094,719</u>	<u>1,424,743</u>	<u>(1,669,976)</u>	<u>1,273,943</u>
<b>Expenditures:</b>				
Economic and physical development	3,413,338	1,651,536	1,761,802	1,406,441
<b>Total expenditures</b>	<u>3,413,338</u>	<u>1,651,536</u>	<u>1,761,802</u>	<u>1,406,441</u>
<b>Revenues over (under) expenditures</b>	<u>(318,619)</u>	<u>(226,793)</u>	<u>91,826</u>	<u>(132,498)</u>
<b>Other financing sources (uses):</b>				
Transfers in	812,666	504,774	(307,892)	90,203
Transfers out	(494,047)	(311,424)	182,623	-
<b>Total other financing sources (uses)</b>	<u>318,619</u>	<u>193,350</u>	<u>(125,269)</u>	<u>90,203</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(33,443)</u>	<u>\$ (33,443)</u>	<u>(42,295)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>262,194</u>		<u>304,489</u>
<b>Fund balance - ending</b>		<u>\$ 228,751</u>		<u>\$ 262,194</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Flea Hill Drainage District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Interest earned on investments	\$ -	\$ 982	\$ 982	\$ 84
<b>Total revenues</b>	<u>-</u>	<u>982</u>	<u>982</u>	<u>84</u>
<b>Expenditures:</b>				
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>982</u>	<u>982</u>	<u>84</u>
<b>Other financing sources (uses)</b>				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>982</u>	<u>\$ 982</u>	<u>84</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>79,169</u>		<u>79,085</u>
<b>Fund balance - ending</b>		<u>\$ 80,151</u>		<u>\$ 79,169</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Community Development Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 6,669,495	\$ 1,433,696	\$ (5,235,799)	\$ 1,741,902
Miscellaneous	237,121	168,283	(68,838)	124,432
Interest earned on investments	-	20,673	20,673	2,028
<b>Total revenues</b>	<u>6,906,616</u>	<u>1,622,652</u>	<u>(5,283,964)</u>	<u>1,868,362</u>
<b>Expenditures:</b>				
Economic and physical development				
Administration	1,234,071	579,088	654,983	727,459
Economic Development	1,836,098	654,942	1,181,156	656,980
Housing activities	5,044,672	221,564	4,823,108	278,494
Public facilities	275,000	-	275,000	38,063
Public services	215,857	186,771	29,086	138,302
Program grants	741,190	398,387	342,803	318,193
<b>Total expenditures</b>	<u>9,346,888</u>	<u>2,040,752</u>	<u>7,306,136</u>	<u>2,157,491</u>
<b>Revenues over (under) expenditures</b>	<u>(2,440,272)</u>	<u>(418,100)</u>	<u>2,022,172</u>	<u>(289,129)</u>
<b>Other financing sources (uses):</b>				
Transfers in	937,519	353,079	(584,440)	329,302
Fund balance appropriated	1,502,753	-	(1,502,753)	-
<b>Total other financing sources (uses)</b>	<u>2,440,272</u>	<u>353,079</u>	<u>(2,087,193)</u>	<u>329,302</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(65,021)</u>	<u>\$ (65,021)</u>	<u>40,173</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		1,895,034		1,841,111
<b>Fund closure</b>		-		13,750
<b>Fund balance - ending</b>		<u>\$ 1,830,013</u>		<u>\$ 1,895,034</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Fire Protection Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Ad valorem taxes	\$ 11,602,599	\$ 11,800,908	\$ 198,309	\$ 11,520,329
Interest earned on investments	475	37,961	37,486	3,481
<b>Total revenues</b>	<u>11,603,074</u>	<u>11,838,869</u>	<u>235,795</u>	<u>11,523,810</u>
<b>Expenditures:</b>				
Public safety	11,683,085	11,609,477	73,608	11,094,447
<b>Total expenditures</b>	<u>11,683,085</u>	<u>11,609,477</u>	<u>73,608</u>	<u>11,094,447</u>
<b>Revenues over (under) expenditures</b>	<u>(80,011)</u>	<u>229,392</u>	<u>309,403</u>	<u>429,363</u>
<b>Other financing sources (uses):</b>				
Transfers out	(24,000)	(24,000)	-	(24,000)
Fund balance appropriated	104,011	-	(104,011)	-
<b>Total other financing sources (uses)</b>	<u>80,011</u>	<u>(24,000)</u>	<u>(104,011)</u>	<u>(24,000)</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>205,392</u>	<u>\$ 205,392</u>	<u>405,363</u>
<b>Fund Balances:</b>				
<b>Fund balance- beginning</b>		<u>2,174,883</u>		<u>1,769,520</u>
<b>Fund balance - ending</b>		<u>\$ 2,380,275</u>		<u>\$ 2,174,883</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Federal Drug Justice Fund  
Year Ended June 30, 2023  
(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 5,000	\$ 150	\$ (4,850)	\$ -
Interest earned on investments	15	918	903	86
<b>Total revenues</b>	<u>5,015</u>	<u>1,068</u>	<u>(3,947)</u>	<u>86</u>
<b>Expenditures:</b>				
Public safety	25,000	19,899	5,101	14,396
<b>Total expenditures</b>	<u>25,000</u>	<u>19,899</u>	<u>5,101</u>	<u>14,396</u>
<b>Revenues over (under) expenditures</b>	<u>(19,985)</u>	<u>(18,831)</u>	<u>1,154</u>	<u>(14,310)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	8,062
Fund balance appropriated	19,985	-	(19,985)	-
<b>Total other financing sources (uses)</b>	<u>19,985</u>	<u>-</u>	<u>(19,985)</u>	<u>8,062</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(18,831)</u>	<u>\$ (18,831)</u>	<u>(6,248)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>85,671</u>		<u>91,919</u>
<b>Fund balance - ending</b>		<u>\$ 66,840</u>		<u>\$ 85,671</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Federal Drug Forfeiture Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 250,000	\$ 229,280	\$ (20,720)	\$ 295,199
Interest earned on investments	75	11,246	11,171	895
<b>Total revenues</b>	<u>250,075</u>	<u>240,526</u>	<u>(9,549)</u>	<u>296,094</u>
<b>Expenditures:</b>				
Public safety	269,575	189,403	80,172	66,803
<b>Total expenditures</b>	<u>269,575</u>	<u>189,403</u>	<u>80,172</u>	<u>66,803</u>
<b>Revenues over (under) expenditures</b>	<u>(19,500)</u>	<u>51,123</u>	<u>70,623</u>	<u>229,291</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	19,500	-	(19,500)	-
<b>Total other financing sources (uses)</b>	<u>19,500</u>	<u>-</u>	<u>(19,500)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>51,123</u>	<u>\$ 51,123</u>	<u>229,291</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>831,832</u>		<u>602,541</u>
<b>Fund balance - ending</b>		<u>\$ 882,955</u>		<u>\$ 831,832</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - North Carolina Controlled Substance Fund  
Year Ended June 30, 2023  
(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 20,000	\$ 63,807	\$ 43,807	\$ 40,022
Interest earned on investments	10	1,710	1,700	106
<b>Total revenues</b>	<u>20,010</u>	<u>65,517</u>	<u>45,507</u>	<u>40,128</u>
<b>Expenditures:</b>				
Public safety	40,000	32,053	7,947	-
<b>Total expenditures</b>	<u>40,000</u>	<u>32,053</u>	<u>7,947</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>(19,990)</u>	<u>33,464</u>	<u>53,454</u>	<u>40,128</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	19,990	-	(19,990)	-
<b>Total other financing sources (uses)</b>	<u>19,990</u>	<u>-</u>	<u>(19,990)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>33,464</u>	<u>\$ 33,464</u>	<u>40,128</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>100,651</u>		<u>60,523</u>
<b>Fund balance - ending</b>		<u>\$ 134,115</u>		<u>\$ 100,651</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Animal Medical Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 5,500	\$ 9,264	\$ 3,764	\$ 560
Interest earned on investments	-	382	382	31
<b>Total revenues</b>	<u>5,500</u>	<u>9,646</u>	<u>4,146</u>	<u>591</u>
<b>Expenditures:</b>				
Public safety	10,000	8,310	1,690	2,065
<b>Total expenditures</b>	<u>10,000</u>	<u>8,310</u>	<u>1,690</u>	<u>2,065</u>
<b>Revenues over (under) expenditures</b>	<u>(4,500)</u>	<u>1,336</u>	<u>5,836</u>	<u>(1,474)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	4,500	-	(4,500)	-
<b>Total other financing sources (uses)</b>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>
<b>Revenues and other financing sources   (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>1,336</u>	<u>\$ 1,336</u>	<u>(1,474)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>27,416</u>		<u>28,890</u>
<b>Fund balance - ending</b>		<u>\$ 28,752</u>		<u>\$ 27,416</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Inmate Welfare Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Miscellaneous	\$ 305,457	\$ 494,690	\$ 189,233	\$ 499,881
<b>Total revenues</b>	<u>305,457</u>	<u>494,690</u>	<u>189,233</u>	<u>499,881</u>
<b>Expenditures:</b>				
Public safety	740,947	423,642	317,305	252,262
<b>Total expenditures</b>	<u>740,947</u>	<u>423,642</u>	<u>317,305</u>	<u>252,262</u>
<b>Revenues over (under) expenditures</b>	<u>(435,490)</u>	<u>71,048</u>	<u>506,538</u>	<u>247,619</u>
<b>Other financing sources (uses):</b>				
Transfers in	9,916	9,915	(1)	-
Fund balance appropriated	425,574	-	(425,574)	-
<b>Total other financing sources (uses)</b>	<u>435,490</u>	<u>9,915</u>	<u>(425,575)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>80,963</u>	<u>\$ 80,963</u>	<u>247,619</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>1,168,562</u>		<u>920,943</u>
<b>Fund balance - ending</b>		<u>\$ 1,249,525</u>		<u>\$ 1,168,562</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - CDBG Disaster Recovery Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,969,434	\$ 15,757	\$ (2,953,677)	\$ 103,408
<b>Total revenues</b>	<u>2,969,434</u>	<u>15,757</u>	<u>(2,953,677)</u>	<u>103,408</u>
<b>Expenditures:</b>				
Economic and physical development	2,969,434	19,223	2,950,211	102,101
<b>Total expenditures</b>	<u>2,969,434</u>	<u>19,223</u>	<u>2,950,211</u>	<u>102,101</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(3,466)</u>	<u>(3,466)</u>	<u>1,307</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(3,466)</u>	<u>\$ (3,466)</u>	<u>1,307</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		(24,968)		(26,275)
<b>Fund balance - ending</b>		<u>\$ (28,434)</u>		<u>\$ (24,968)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Linden Little River Park Fund  
Year Ended June 30, 2023  
(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 100,000	\$ 100,000	\$ -	\$ -
Interest earned on investments	-	635	635	-
<b>Total revenues</b>	<u>100,000</u>	<u>100,635</u>	<u>635</u>	<u>-</u>
<b>Expenditures:</b>				
Cultural and recreational	100,000	91,649	8,351	-
<b>Total expenditures</b>	<u>100,000</u>	<u>91,649</u>	<u>8,351</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>8,986</u>	<u>8,986</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>8,986</u>	<u>\$ 8,986</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>-</u>		<u>-</u>
<b>Fund balance - ending</b>		<u>\$ 8,986</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Fines and Forfeitures Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 23,000	\$ 16,800	\$ (6,200)	\$ 14,600
<b>Total revenues</b>	<u>23,000</u>	<u>16,800</u>	<u>(6,200)</u>	<u>14,600</u>
<b>Expenditures:</b>				
General government	23,000	16,800	6,200	14,600
<b>Total expenditures</b>	<u>23,000</u>	<u>16,800</u>	<u>6,200</u>	<u>14,600</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources   (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>100</u>		<u>100</u>
<b>Fund balance - ending</b>		<u>\$ 100</u>		<u>\$ 100</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Deeds of Trust Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 202,786	\$ 195,176	\$ (7,610)	\$ 252,485
Licenses and permits	108,415	106,680	(1,735)	109,305
Sales and services	250,000	216,505	(33,495)	207,330
Other taxes	2,615,000	2,620,117	5,117	3,299,733
<b>Total revenues</b>	<u>3,176,201</u>	<u>3,138,478</u>	<u>(37,723)</u>	<u>3,868,853</u>
<b>Expenditures:</b>				
General government	3,176,201	3,087,196	89,005	3,832,066
<b>Total expenditures</b>	<u>3,176,201</u>	<u>3,087,196</u>	<u>89,005</u>	<u>3,832,066</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>51,282</u>	<u>51,282</u>	<u>36,787</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>51,282</u>	<u>\$ 51,282</u>	<u>36,787</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>129,531</u>		<u>92,744</u>
<b>Fund balance - ending</b>		<u>\$ 180,813</u>		<u>\$ 129,531</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Emergency Rental Assistance Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 5,023,568	\$ 5,044,158	\$ 20,590	\$ 7,775,965
Interest earned on investments	-	11,036	11,036	6,050
<b>Total revenues</b>	<u>5,023,568</u>	<u>5,055,194</u>	<u>31,626</u>	<u>7,782,015</u>
<b>Expenditures:</b>				
Economic and physical development	5,044,160	5,044,157	3	7,775,964
<b>Total expenditures</b>	<u>5,044,160</u>	<u>5,044,157</u>	<u>3</u>	<u>7,775,964</u>
<b>Revenues over (under) expenditures</b>	<u>(20,592)</u>	<u>11,037</u>	<u>31,629</u>	<u>6,051</u>
<b>Other financing sources (uses):</b>				
Transfers in	20,592	20,592	-	-
<b>Total other financing sources (uses)</b>	<u>20,592</u>	<u>20,592</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>31,629</u>	<u>\$ 31,629</u>	<u>6,051</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>6,332</u>		<u>281</u>
<b>Fund balance - ending</b>		<u>\$ 37,961</u>		<u>\$ 6,332</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - DSS Representative Payee Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Sales and services	\$ 1,038,200	\$ 928,567	\$ (109,633)	\$ 745,774
<b>Total revenues</b>	<u>1,038,200</u>	<u>928,567</u>	<u>(109,633)</u>	<u>745,774</u>
<b>Expenditures:</b>				
Human services	1,038,200	943,166	95,034	766,909
<b>Total expenditures</b>	<u>1,038,200</u>	<u>943,166</u>	<u>95,034</u>	<u>766,909</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(14,599)</u>	<u>(14,599)</u>	<u>(21,135)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(14,599)</u>	<u>\$ (14,599)</u>	<u>(21,135)</u>
<b>Fund Balances:</b>				
Fund balance - beginning		480,095		501,230
Fund balance - ending		<u>\$ 465,496</u>		<u>\$ 480,095</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Innovative Court Program Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 230,000	\$ 14,597	\$ (215,403)	\$ 230,000
Interest earned on investments	-	2,601	2,601	62
<b>Total revenues</b>	<u>230,000</u>	<u>17,198</u>	<u>(212,802)</u>	<u>230,062</u>
<b>Expenditures:</b>				
Public safety	357,083	144,342	212,741	102,918
<b>Total expenditures</b>	<u>357,083</u>	<u>144,342</u>	<u>212,741</u>	<u>102,918</u>
<b>Revenues over (under) expenditures</b>	<u>(127,083)</u>	<u>(127,144)</u>	<u>(61)</u>	<u>127,144</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	127,083	-	(127,083)	-
<b>Total other financing sources (uses)</b>	<u>127,083</u>	<u>-</u>	<u>(127,083)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(127,144)</u>	<u>\$ (127,144)</u>	<u>127,144</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		127,144		-
<b>Fund balance - ending</b>		<u>\$ -</u>		<u>\$ 127,144</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Human Trafficking Worth Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 75,000	\$ (42,894)	\$ (117,894)	\$ 225,000
Interest earned on investments	-	1,866	1,866	130
<b>Total revenues</b>	<u>75,000</u>	<u>(41,028)</u>	<u>(116,028)</u>	<u>225,130</u>
<b>Expenditures:</b>				
Public safety	291,570	175,672	115,898	8,430
<b>Total expenditures</b>	<u>291,570</u>	<u>175,672</u>	<u>115,898</u>	<u>8,430</u>
<b>Revenues over (under) expenditures</b>	<u>(216,570)</u>	<u>(216,700)</u>	<u>(130)</u>	<u>216,700</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	216,570	-	(216,570)	-
<b>Total other financing sources (uses)</b>	<u>216,570</u>	<u>-</u>	<u>(216,570)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(216,700)</u>	<u>\$ (216,700)</u>	<u>216,700</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>216,700</u>		<u>-</u>
<b>Fund balance - ending</b>		<u>\$ -</u>		<u>\$ 216,700</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Stream Restoration Grant Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Interest earned on investments	-	14,401	14,401	-
<b>Total revenues</b>	<u>2,000,000</u>	<u>2,014,401</u>	<u>14,401</u>	<u>-</u>
<b>Expenditures:</b>				
Economic and physical development	2,000,000	-	2,000,000	-
<b>Total expenditures</b>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>2,014,401</u>	<u>2,014,401</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>2,014,401</u>	<u>\$ 2,014,401</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund balance - beginning		-		-
Fund balance - ending		<u>\$ 2,014,401</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - SCIF Homeless Grant Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ 1,000,000
Interest earned on investments	-	12,185	12,185	-
<b>Total revenues</b>	<u>1,000,000</u>	<u>12,185</u>	<u>(987,815)</u>	<u>1,000,000</u>
<b>Expenditures:</b>				
Human services	1,000,000	89,464	910,536	-
<b>Total expenditures</b>	<u>1,000,000</u>	<u>89,464</u>	<u>910,536</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(77,279)</u>	<u>(77,279)</u>	<u>1,000,000</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(77,279)</u>	<u>\$ (77,279)</u>	<u>1,000,000</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		1,000,000		-
<b>Fund balance - ending</b>		<u>\$ 922,721</u>		<u>\$ 1,000,000</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Opioid Settlement Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ 999,990	\$ -	\$ -	\$ 23,032	\$ 23,032
Interest earned on investments	-	387	-	23,465	23,852
<b>Total revenues</b>	<u>999,990</u>	<u>387</u>	<u>-</u>	<u>46,497</u>	<u>46,884</u>
<b>Expenditures:</b>					
Human services	999,990	-	-	23,032	23,032
<b>Total expenditures</b>	<u>999,990</u>	<u>-</u>	<u>-</u>	<u>23,032</u>	<u>23,032</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>387</u>	<u>-</u>	<u>23,465</u>	<u>23,852</u>
<b>Other financing sources (uses):</b>					
Fund balance appropriated	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 387</u>	<u>\$ -</u>	<u>23,465</u>	<u>\$ 23,852</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>387</u>	
Fund balance - ending				<u>\$ 23,852</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Cumberland Industrial Center Sewer Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for Year Ended June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,531,134	\$ -	\$ (2,531,134)	\$ -
<b>Total revenues</b>	<u>2,531,134</u>	<u>-</u>	<u>(2,531,134)</u>	<u>-</u>
<b>Expenditures:</b>				
Economic and physical development	2,531,134	144,980	2,386,154	155,389
<b>Total expenditures</b>	<u>2,531,134</u>	<u>144,980</u>	<u>2,386,154</u>	<u>155,389</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(144,980)</u>	<u>(144,980)</u>	<u>(155,389)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources   (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(144,980)</u>	<u>\$ (144,980)</u>	<u>(155,389)</u>
<b>Fund Balances:</b>				
Fund balance - beginning		<u>(155,389)</u>		<u>-</u>
Fund balance - ending		<u>\$ (300,369)</u>		<u>\$ (155,389)</u>

## NONMAJOR CAPITAL PROJECT FUNDS

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**Combining Balance Sheet  
Nonmajor Capital Project Funds  
June 30, 2023**

	<u>Cultural and Recreation Fund</u>	<u>Emergency Operations Center Fund</u>	<u>MLK Park Fund</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets</b>				
Other receivables, net	\$ 9	\$ -	\$ -	\$ 9
Restricted assets:				
Cash and cash equivalents	446,628	1,440,480	2,500,000	4,387,108
<b>Total assets</b>	<u>\$ 446,637</u>	<u>\$ 1,440,480</u>	<u>\$ 2,500,000</u>	<u>\$ 4,387,117</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts and vouchers payable	\$ -	\$ 183,346	\$ -	\$ 183,346
<b>Total liabilities</b>	<u>-</u>	<u>183,346</u>	<u>-</u>	<u>183,346</u>
<b>Fund balances</b>				
Restricted:				
Stabilization by State Statute	9	-	-	9
Cultural and recreational	446,628	-	2,500,000	2,946,628
Public safety	-	1,257,134	-	1,257,134
<b>Total fund balances</b>	<u>446,637</u>	<u>1,257,134</u>	<u>2,500,000</u>	<u>4,203,771</u>
<b>Total liabilities and fund balances</b>	<u>\$ 446,637</u>	<u>\$ 1,440,480</u>	<u>\$ 2,500,000</u>	<u>\$ 4,387,117</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Capital Project Funds  
Year Ended June 30, 2023**

	Cultural and Recreation Fund	Emergency Operations Center Fund	MLK Park Fund	Total Nonmajor Capital Project Funds
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	5,468	279,165	-	284,633
<b>Total revenues</b>	<u>5,468</u>	<u>279,165</u>	<u>-</u>	<u>284,633</u>
<b>Expenditures:</b>				
Public safety	-	1,821,491	-	1,821,491
<b>Total expenditures</b>	<u>-</u>	<u>1,821,491</u>	<u>-</u>	<u>1,821,491</u>
<b>Revenues over (under) expenditures</b>	<u>5,468</u>	<u>(1,542,326)</u>	<u>-</u>	<u>(1,536,858)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>5,468</u>	<u>(1,542,326)</u>	<u>-</u>	<u>(1,536,858)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	<u>441,169</u>	<u>2,799,460</u>	<u>2,500,000</u>	<u>5,740,629</u>
<b>Fund balance - ending</b>	<u>\$ 446,637</u>	<u>\$ 1,257,134</u>	<u>\$ 2,500,000</u>	<u>\$ 4,203,771</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Cultural and Recreation Fund  
From Inception and for Year Ended June 30, 2023**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
<b>Revenues:</b>					
Interest earned on investments	\$ -	40,990	\$ -	\$ 5,468	\$ 46,458
<b>Total revenues</b>	<u>-</u>	<u>40,990</u>	<u>-</u>	<u>5,468</u>	<u>46,458</u>
<b>Expenditures:</b>					
Cultural and recreational	5,237,218	4,837,490	-	-	4,837,490
<b>Total expenditures</b>	<u>5,237,218</u>	<u>4,837,490</u>	<u>-</u>	<u>-</u>	<u>4,837,490</u>
<b>Revenues over (under) expenditures</b>	<u>(5,237,218)</u>	<u>(4,796,500)</u>	<u>-</u>	<u>5,468</u>	<u>(4,791,032)</u>
<b>Other financing sources (uses):</b>					
Issuance of debt	5,285,165	5,285,165	-	-	5,285,165
Debt issuance costs	(77,006)	(76,555)	-	-	(76,555)
Transfers in	402,962	402,962	-	-	402,962
Transfers out	(402,962)	(402,962)	-	-	(402,962)
Premium on debt issuance	29,059	29,059	-	-	29,059
<b>Total other financing sources (uses)</b>	<u>5,237,218</u>	<u>5,237,669</u>	<u>-</u>	<u>-</u>	<u>5,237,669</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 441,169</u>	<u>\$ -</u>	<u>5,468</u>	<u>\$ 446,637</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>441,169</u>	
Fund balance - ending				<u>\$ 446,637</u>	



**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Emergency Operations Center Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	-	18,768	-	279,165	297,933
<b>Total revenues</b>	<u>-</u>	<u>18,768</u>	<u>-</u>	<u>279,165</u>	<u>297,933</u>
<b>Expenditures:</b>					
Public safety	14,330,702	11,550,011	-	1,821,491	13,371,502
<b>Total expenditures</b>	<u>14,330,702</u>	<u>11,550,011</u>	<u>-</u>	<u>1,821,491</u>	<u>13,371,502</u>
<b>Revenues over (under) expenditures</b>	<u>(14,330,702)</u>	<u>(11,531,243)</u>	<u>-</u>	<u>(1,542,326)</u>	<u>(13,073,569)</u>
<b>Other financing sources (uses):</b>					
Issuance of debt	14,507,300	14,507,300	-	-	14,507,300
Debt issuance costs	(326,598)	(326,597)	-	-	(326,597)
Transfers in	5,951,818	5,951,818	-	-	5,951,818
Transfers out	(5,801,818)	(5,801,818)	-	-	(5,801,818)
<b>Total other financing sources (uses)</b>	<u>14,330,702</u>	<u>14,330,703</u>	<u>-</u>	<u>-</u>	<u>14,330,703</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 2,799,460</u>	<u>\$ -</u>	<u>(1,542,326)</u>	<u>\$ 1,257,134</u>
<b>Fund Balances:</b>					
<b>Fund balance - beginning</b>				<u>2,799,460</u>	
<b>Fund balance - ending</b>				<u>\$ 1,257,134</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - MLK Park Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Cultural and recreational	2,500,000	-	-	-	-
<b>Total expenditures</b>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers in	2,500,000	2,500,000	-	-	2,500,000
<b>Total other financing sources (uses)</b>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
<b>Revenues and other financing sources (uses)     over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 2,500,000</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>2,500,000</u>	
Fund balance - ending				<u>\$ 2,500,000</u>	

## NONMAJOR PERMANENT FUND

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**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Cemetery Permanent Fund  
Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Interest earned on investments	\$ 25	\$ 753	\$ 728	\$ 64
Burial Fees	2,775	2,000	(775)	4,800
<b>Total revenues</b>	<u>2,800</u>	<u>2,753</u>	<u>(47)</u>	<u>4,864</u>
<b>Expenditures:</b>				
Maintenance	2,800	2,715	85	2,132
<b>Total expenditures</b>	<u>2,800</u>	<u>2,715</u>	<u>85</u>	<u>2,132</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>38</u>	<u>38</u>	<u>2,732</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>38</u>	<u>\$ 38</u>	<u>2,732</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>59,986</u>		<u>57,254</u>
<b>Fund balance - ending</b>		<u>\$ 60,024</u>		<u>\$ 59,986</u>

# ENTERPRISE FUNDS



**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Cumberland County Solid Waste Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 4,445,000	\$ 5,100,990	\$ 655,990	\$ 4,200,455
Other operating revenue	1,000,000	396,173	(603,827)	549,383
Solid waste fees	6,042,728	5,977,008	(65,720)	5,924,823
<b>Total operating revenues</b>	<u>11,487,728</u>	<u>11,474,171</u>	<u>(13,557)</u>	<u>10,674,661</u>
<b>Nonoperating revenues and other financing sources (uses):</b>				
Interest earned on investments	196,550	545,402	348,852	75,136
Gain (loss) on disposal of capital assets	-	181,916	181,916	60,916
Miscellaneous	183,891	23,157	(160,734)	27,161
Grant revenue	2,978,711	1,946,200	(1,032,511)	1,755,983
Transfers in	14,401,982	264,451	(14,137,531)	-
<b>Total nonoperating revenues and other financing sources (uses)</b>	<u>17,761,134</u>	<u>2,961,126</u>	<u>(14,800,008)</u>	<u>1,919,196</u>
Fund balance appropriated	<u>6,586,602</u>	<u>-</u>	<u>(6,586,602)</u>	<u>-</u>
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 35,835,464</u>	<u>\$ 14,435,297</u>	<u>\$ (21,400,167)</u>	<u>\$ 12,593,857</u>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 5,068,105	\$ 3,997,803	\$ 1,070,302	\$ 3,550,753
Repairs and maintenance	1,464,000	1,390,501	73,499	1,318,084
Utilities	295,680	213,821	81,859	223,323
Administrative costs	7,143,601	6,243,095	900,506	5,666,449
Landfill closure and postclosure care costs	700,000	1,410,734	(710,734)	1,247,064
<b>Total operating expenditures</b>	<u>14,671,386</u>	<u>13,255,954</u>	<u>1,415,432</u>	<u>12,005,673</u>
<b>Other expenditures and financing uses:</b>				
Capital outlay	20,914,078	2,860,463	18,053,615	3,010,603
Transfers out	250,000	-	250,000	-
<b>Total other expenditures and financing uses</b>	<u>21,164,078</u>	<u>2,860,463</u>	<u>18,303,615</u>	<u>3,010,603</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 35,835,464</u>	<u>\$ 16,116,417</u>	<u>\$ 19,719,047</u>	<u>\$ 15,016,276</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 14,435,297		
Total expenditures and other financing uses		<u>16,116,417</u>		
		(1,681,120)		
Capital outlay		2,860,463		
Depreciation		(1,979,123)		
Change in net pension liability		(1,171,889)		
Change in deferred outflows of resources - pensions		417,075		
Change in deferred inflows of resources - pensions		616,265		
Change in net OPEB liability		18,247		
Change in deferred outflows of resources - OPEB		(108,838)		
Change in deferred inflows of resources - OPEB		<u>992,561</u>		
<b>Change in net position</b>		<u>\$ (36,359)</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Cumberland County Crown Center Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ -	\$ 2,631,881	\$ 2,631,881	\$ 1,797,233
<b>Total operating revenues</b>	<u>-</u>	<u>2,631,881</u>	<u>2,631,881</u>	<u>1,797,233</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	1,013	109,703	108,690	5,726
Room and occupancy tax	2,195,252	2,061,439	(133,813)	2,014,030
Gain (loss) on disposal of capital assets	-	-	-	2,025
Grant revenue	-	9,172	9,172	-
Issuance of debt	138,030,199	-	(138,030,199)	3,098,202
Transfers in	16,791,049	12,504,890	(4,286,159)	11,720,869
<b>Total nonoperating revenues and other financing sources</b>	<u>157,017,513</u>	<u>14,685,204</u>	<u>(142,332,309)</u>	<u>16,840,852</u>
Fund balance appropriated	3,814,759	-	(3,814,759)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 160,832,272</u>	<u>\$ 17,317,085</u>	<u>\$ (143,515,187)</u>	<u>\$ 18,638,085</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	2,393,255	76,063	2,317,192	195,747
Administrative costs	2,864,228	289,718	2,574,510	133,835
Global Spectrum, LP	5,002,809	5,637,848	(635,039)	4,631,059
<b>Total operating expenditures</b>	<u>10,260,292</u>	<u>6,003,629</u>	<u>4,256,663</u>	<u>4,960,641</u>
<b>Nonoperating expenditures:</b>				
Capital outlay	143,040,624	3,353,748	139,686,876	330,746
Interest expense	174,907	247,325	(72,418)	449,832
<b>Total nonoperating expenditures</b>	<u>143,215,531</u>	<u>3,601,073</u>	<u>139,614,458</u>	<u>780,578</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	4,091,300	4,091,300	-	7,079,268
Debt issuance costs	541,210	-	541,210	-
Transfers out	2,723,939	-	2,723,939	-
<b>Total other expenditures and financing uses</b>	<u>7,356,449</u>	<u>4,091,300</u>	<u>3,265,149</u>	<u>7,079,268</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 160,832,272</u>	<u>\$ 13,696,002</u>	<u>\$ 147,136,270</u>	<u>\$ 12,820,487</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 17,317,085		
Total expenditures and other financing uses		<u>13,696,002</u>		
		3,621,083		
Capital outlay		3,353,748		
Depreciation		(2,214,236)		
Principal payments		<u>4,091,300</u>		
<b>Change in net position</b>		<u>\$ 8,851,895</u>		

**Schedule of Revenues and Expenditures  
Budget and Actual - Solid Waste Capital Projects  
From Inception and for Year Ended June 30, 2023**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
<b>Revenues:</b>					
Interest earned on investments	\$ 64,550	\$ 5,778	\$ -	\$ -	\$ 5,778
<b>Total revenues</b>	<u>64,550</u>	<u>5,778</u>	<u>-</u>	<u>-</u>	<u>5,778</u>
<b>Expenditures:</b>					
Administrative	20,000	19,882	-	-	19,882
Contracted Services	1,113,400	1,113,383	-	-	1,113,383
Other	14,344,737	13,396,599	-	-	13,396,599
Depreciation	-	649,534	-	319,864	969,398
<b>Total expenditures</b>	<u>15,478,137</u>	<u>15,179,398</u>	<u>-</u>	<u>319,864</u>	<u>15,499,262</u>
<b>Revenues over (under) expenditures</b>	<u>(15,413,587)</u>	<u>(15,173,620)</u>	<u>-</u>	<u>(319,864)</u>	<u>(15,493,484)</u>
<b>Other financing sources (uses):</b>					
Grant revenues	1,526,056	-	-	1,201,818	1,201,818
Transfers in	14,137,531	13,546,307	-	-	13,546,307
Transfers out	(250,000)	(250,000)	-	-	(250,000)
<b>Total other financing sources (uses)</b>	<u>15,413,587</u>	<u>13,296,307</u>	<u>-</u>	<u>1,201,818</u>	<u>14,498,125</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (1,877,313)</u>	<u>\$ -</u>	<u>\$ 881,954</u>	<u>\$ (995,359)</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Crown Capital Project Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ 513	\$ 509	\$ -	\$ -	\$ 509
<b>Total revenues</b>	<u>513</u>	<u>509</u>	<u>-</u>	<u>-</u>	<u>509</u>
<b>Expenditures:</b>					
Economic & Physical Development	7,717,820	7,759,027	-	-	7,759,027
Depreciation		561,344	-	227,444	788,788
<b>Total expenditures</b>	<u>7,717,820</u>	<u>8,320,371</u>	<u>-</u>	<u>227,444</u>	<u>8,547,815</u>
<b>Revenues over (under) expenditures</b>	<u>(7,717,307)</u>	<u>(8,319,862)</u>	<u>-</u>	<u>(227,444)</u>	<u>(8,547,306)</u>
<b>Other financing sources (uses):</b>					
Installment purchase revenue	6,326,899	4,384,958	-	-	4,384,958
Debt issuance costs	(41,210)	(41,209)	-	-	(41,209)
Transfers in	1,655,557	1,655,557	-	-	1,655,557
Transfers out	(223,939)	(223,938)	-	-	(223,938)
<b>Total other financing sources (uses)</b>	<u>7,717,307</u>	<u>5,775,368</u>	<u>-</u>	<u>-</u>	<u>5,775,368</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(2,544,494)</u>	<u>\$ -</u>	<u>(227,444)</u>	<u>\$ (2,771,938)</u>
<b>Fund Balances:</b>					
Fund balance beginning				<u>(2,544,494)</u>	
Fund balance ending				<u>\$ (2,771,938)</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Crown Event Center Capital Project Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Economic & Physical Development	131,203,300	23,000	-	-	23,000
Depreciation	-	77	-	(77)	-
<b>Total expenditures</b>	<u>131,203,300</u>	<u>23,077</u>	<u>-</u>	<u>(77)</u>	<u>23,000</u>
<b>Revenues over (under) expenditures</b>	<u>(131,203,300)</u>	<u>(23,077)</u>	<u>-</u>	<u>77</u>	<u>(23,000)</u>
<b>Other financing sources (uses):</b>					
Installment purchase revenue	131,703,300	-	-	-	-
Debt issuance costs	(500,000)	-	-	-	-
Transfers in	2,500,000	2,500,000	-	-	2,500,000
Transfers out	(2,500,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>131,203,300</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>2,476,923</u>	<u>\$ -</u>	<u>77</u>	<u>\$ 2,477,000</u>
<b>Fund Balances:</b>					
<b>Fund balance beginning</b>				<u>2,476,923</u>	
<b>Fund balance ending</b>				<u>\$ 2,477,000</u>	

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Kelly Hills Water and Sewer District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 114,658	\$ 102,639	\$ (12,019)	\$ 99,592
<b>Total operating revenues</b>	<u>114,658</u>	<u>102,639</u>	<u>(12,019)</u>	<u>99,592</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	5,256	5,256	403
<b>Total nonoperating revenues</b>	<u>-</u>	<u>5,256</u>	<u>5,256</u>	<u>403</u>
<b>Total revenues</b>	<u>\$ 114,658</u>	<u>\$ 107,895</u>	<u>\$ (6,763)</u>	<u>\$ 99,995</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	\$ 105,568	\$ 39,686	\$ 65,882	\$ 22,602
Administrative	9,090	5,760	3,330	4,335
<b>Total operating expenditures</b>	<u>114,658</u>	<u>45,446</u>	<u>69,212</u>	<u>26,937</u>
<b>Total expenditures</b>	<u>\$ 114,658</u>	<u>\$ 45,446</u>	<u>\$ 69,212</u>	<u>\$ 26,937</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 107,895		
Total expenditures and other financing uses		<u>45,446</u>		
		62,449		
Depreciation		<u>(66,429)</u>		
<b>Change in net position</b>		<u>\$ (3,980)</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**NORCRESS Water and Sewer District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 613,589	\$ 619,297	\$ 5,708	\$ 421,305
<b>Total operating revenues</b>	<u>613,589</u>	<u>619,297</u>	<u>5,708</u>	<u>421,305</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	7,586	7,586	9
Transfers in	1,357,775	807,775	(550,000)	685,000
<b>Total nonoperating revenues and other financing sources</b>	<u>1,357,775</u>	<u>815,361</u>	<u>(542,414)</u>	<u>685,009</u>
<b>Fund balance appropriated</b>	<u>447,530</u>	<u>-</u>	<u>(447,530)</u>	<u>-</u>
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 2,418,894</u>	<u>\$ 1,434,658</u>	<u>\$ (984,236)</u>	<u>\$ 1,106,314</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	\$ 276,893	\$ 251,128	\$ 25,765	\$ 157,324
Utilities	312,702	314,518	(1,816)	193,133
Capital outlay	1,633,305	145,145	1,488,160	17,246
Administrative costs	130,394	64,447	65,947	6,799
<b>Total operating expenditures</b>	<u>2,353,294</u>	<u>775,238</u>	<u>1,578,056</u>	<u>374,502</u>
<b>Nonoperating expenditures:</b>				
Interest expense	65,600	39,511	26,089	40,545
<b>Total nonoperating expenditures</b>	<u>65,600</u>	<u>39,511</u>	<u>26,089</u>	<u>40,545</u>
<b>Other expenditures and financing uses:</b>	-	-	-	-
<b>Total expenditures and other financing uses</b>	<u>\$ 2,418,894</u>	<u>\$ 814,749</u>	<u>\$ 1,604,145</u>	<u>\$ 415,047</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 1,434,658		
Total expenditures and other financing uses		<u>814,749</u>		
		619,909		
Capital outlay		145,145		
Depreciation		<u>(230,840)</u>		
<b>Change in net position</b>		<u>\$ 534,214</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Southpoint Water and Sewer District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 44,483	\$ 61,137	\$ 16,654	\$ 70,672
<b>Total operating revenues</b>	<u>44,483</u>	<u>61,137</u>	<u>16,654</u>	<u>70,672</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	3,264	3,264	246
<b>Total nonoperating revenues</b>	<u>-</u>	<u>3,264</u>	<u>3,264</u>	<u>246</u>
<b>Total revenues and other financing sources</b>	<u>\$ 44,483</u>	<u>\$ 64,401</u>	<u>\$ 19,918</u>	<u>\$ 70,918</u>
<b>Operating expenditures:</b>				
Utilities	\$ 8,066	\$ 8,338	\$ (272)	\$ 6,990
Repairs and maintenance	22,491	2,104	20,387	1,889
Administrative costs	8,930	4,914	4,016	10,749
<b>Total operating expenditures</b>	<u>39,487</u>	<u>15,356</u>	<u>24,131</u>	<u>19,628</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	4,996	-	4,996	-
<b>Total other expenditures</b>	<u>4,996</u>	<u>-</u>	<u>4,996</u>	<u>-</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 44,483</u>	<u>\$ 15,356</u>	<u>\$ 29,127</u>	<u>\$ 19,628</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 64,401		
Total expenditures and other financing uses		<u>15,356</u>		
		49,045		
Depreciation		<u>(11,793)</u>		
<b>Change in net position</b>		<u>\$ 37,252</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Overhills Park Water and Sewer District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 145,048	\$ 151,566	\$ 6,518	\$ 146,872
<b>Total operating revenues</b>	<u>145,048</u>	<u>151,566</u>	<u>6,518</u>	<u>146,872</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	2,793	2,793	206
<b>Total nonoperating revenues</b>	<u>-</u>	<u>2,793</u>	<u>2,793</u>	<u>206</u>
<b>Total revenues and other financing sources</b>	<u>\$ 145,048</u>	<u>\$ 154,359</u>	<u>\$ 9,311</u>	<u>\$ 147,078</u>
<b>Operating expenditures:</b>				
Utilities	\$ 56,653	\$ 53,302	\$ 3,351	\$ 47,820
Administrative costs	30,582	6,475	24,107	10,326
<b>Total operating expenditures</b>	<u>87,235</u>	<u>59,777</u>	<u>27,458</u>	<u>58,146</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	25,000	-	25,000	-
Interest	27,529	27,486	43	27,997
Debt service reserve	5,284	-	5,284	-
<b>Total other expenditures</b>	<u>57,813</u>	<u>27,486</u>	<u>30,327</u>	<u>27,997</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 145,048</u>	<u>\$ 87,263</u>	<u>\$ 57,785</u>	<u>\$ 86,143</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 154,359		
Total expenditures and other financing uses		<u>87,263</u>		
		67,096		
Depreciation		<u>(110,900)</u>		
<b>Change in net position</b>		<u>\$ (43,804)</u>		

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Overhills Park Water and Sewer District Capital Project Fund  
From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ -	\$ 3,273	\$ -	\$ 1,675	\$ 4,948
USDA Rural Development grant	3,099,000	3,099,000	-	-	3,099,000
<b>Total revenues</b>	<u>3,099,000</u>	<u>3,102,273</u>	<u>-</u>	<u>1,675</u>	<u>3,103,948</u>
<b>Expenditures:</b>					
Economic & Physical Development	4,535,700	4,442,625	-	-	4,442,625
<b>Total expenditures</b>	<u>4,535,700</u>	<u>4,442,625</u>	<u>-</u>	<u>-</u>	<u>4,442,625</u>
<b>Revenues over (under) expenditures</b>	<u>(1,436,700)</u>	<u>(1,340,352)</u>	<u>-</u>	<u>1,675</u>	<u>(1,338,677)</u>
<b>Other financing sources (uses):</b>					
Bond issuance proceeds	1,379,000	1,379,000	-	-	1,379,000
Debt issuance costs	(40,000)	(10,458)	-	-	(10,458)
Transfers in	146,500	99,500	-	-	99,500
Transfers out	(48,800)	47,000	-	-	47,000
<b>Total other financing sources (uses)</b>	<u>1,436,700</u>	<u>1,515,042</u>	<u>-</u>	<u>-</u>	<u>1,515,042</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 174,690</u>	<u>\$ -</u>	<u>1,675</u>	<u>\$ 176,365</u>
<b>Fund Balances:</b>					
Fund balance beginning				<u>174,690</u>	
Fund balance ending				<u>\$ 176,365</u>	

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Bragg Estates Water and Sewer District Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Operating revenues:</b>				
Interest earned on investments	\$ -	\$ -	\$ -	\$ -
<b>Total operating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Nonoperating revenues:</b>				
Transfers in	-	-	-	124,113
<b>Total nonoperating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,113</u>
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,113</u>
<b>Operating expenditures:</b>				
Economic and physical development	\$ -	\$ -	\$ -	\$ -
Administrative costs	-	-	-	-
<b>Total operating expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ -		
Total expenditures and other financing uses		<u>-</u>		
Depreciation		<u>-</u>		
<b>Change in net position</b>		<u>\$ -</u>		



# INTERNAL SERVICE FUNDS



**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2023**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
<b>Assets</b>						
Current assets:						
Other receivables, net	\$ 421,430	\$ 2	\$ 159	\$ 14	\$ 18	\$ 421,623
Inventories	296,645	-	-	-	-	296,645
Prepays	-	-	75,000	-	-	75,000
<b>Total current assets</b>	<u>718,075</u>	<u>2</u>	<u>75,159</u>	<u>14</u>	<u>18</u>	<u>793,268</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	13,548,613	93,651	8,145,737	745,885	888,683	23,422,569
<b>Total noncurrent assets</b>	<u>13,548,613</u>	<u>93,651</u>	<u>8,145,737</u>	<u>745,885</u>	<u>888,683</u>	<u>23,422,569</u>
<b>Total assets</b>	<u>14,266,688</u>	<u>93,653</u>	<u>8,220,896</u>	<u>745,899</u>	<u>888,701</u>	<u>24,215,837</u>
<b>Deferred outflows of resources</b>						
Pension	288,062	-	97,288	-	-	385,350
OPEB	12,590	-	13,179	-	-	25,769
<b>Total deferred outflows of resources</b>	<u>300,652</u>	<u>-</u>	<u>110,467</u>	<u>-</u>	<u>-</u>	<u>411,119</u>
<b>Liabilities and net position</b>						
Current liabilities:						
Accounts and vouchers payable	773,725	1,484	83,031	19,685	-	877,925
Accrued payroll	20,177	-	9,693	-	-	29,870
Incurred but not reported	2,114,000	-	3,622,800	-	-	5,736,800
Current portion of long-term debt and compensated absences	32,924	-	9,002	-	-	41,926
<b>Total current liabilities</b>	<u>2,940,826</u>	<u>1,484</u>	<u>3,724,526</u>	<u>19,685</u>	<u>-</u>	<u>6,686,521</u>
Noncurrent liabilities:						
Compensated absences	1,732	-	474	-	-	2,206
Net pension liability	226,967	-	72,671	-	-	299,638
OPEB liability	372,349	-	228,999	-	-	601,348
<b>Total noncurrent liabilities</b>	<u>601,048</u>	<u>-</u>	<u>302,144</u>	<u>-</u>	<u>-</u>	<u>903,192</u>
<b>Total liabilities</b>	<u>3,541,874</u>	<u>1,484</u>	<u>4,026,670</u>	<u>19,685</u>	<u>-</u>	<u>7,589,713</u>
<b>Deferred inflows of resources</b>						
Pension	139,260	-	61,007	-	-	200,267
OPEB	46,802	-	12,682	-	-	59,484
<b>Total deferred inflows of resources</b>	<u>186,062</u>	<u>-</u>	<u>73,689</u>	<u>-</u>	<u>-</u>	<u>259,751</u>
Net position:						
Restricted net position - claims	13,548,613	93,651	8,145,737	745,885	888,683	23,422,569
Unrestricted	(2,709,209)	(1,482)	(3,914,733)	(19,671)	18	(6,645,077)
<b>Total net position</b>	<u>\$ 10,839,404</u>	<u>\$ 92,169</u>	<u>\$ 4,231,004</u>	<u>\$ 726,214</u>	<u>\$ 888,701</u>	<u>\$ 16,777,492</u>

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
Year Ended June 30, 2023**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
<b>Operating revenues:</b>						
Contributions	\$ -	\$ 386,508	\$ 2,362,327	\$ -	\$ 1,100,000	\$ 3,848,835
Contributions - Group health insurance	28,865,660	-	-	-	-	28,865,660
Pharmacy services	3,982,596	-	-	-	-	3,982,596
<b>Total operating revenues</b>	<b>32,848,256</b>	<b>386,508</b>	<b>2,362,327</b>	<b>-</b>	<b>1,100,000</b>	<b>36,697,091</b>
<b>Operating expenses:</b>						
Salaries and employee benefits	-	370,850	265,209	-	-	636,059
Administrative costs	-	-	45,714	123,997	996,119	1,165,830
Workers' compensation claims	-	-	1,058,406	-	-	1,058,406
Group health insurance	25,538,843	-	-	-	-	25,538,843
Employee pharmacy	4,537,801	-	-	-	-	4,537,801
Employee clinic	761,185	-	-	-	-	761,185
Employee wellness program	112,083	-	-	-	-	112,083
Contracted services	-	19,249	-	-	-	19,249
<b>Total operating expenses</b>	<b>30,949,912</b>	<b>390,099</b>	<b>1,369,329</b>	<b>123,997</b>	<b>996,119</b>	<b>33,829,456</b>
<b>Operating income (loss)</b>	<b>1,898,344</b>	<b>(3,591)</b>	<b>992,998</b>	<b>(123,997)</b>	<b>103,881</b>	<b>2,867,635</b>
<b>Nonoperating revenue (expense):</b>						
Interest earned on investments	104,209	167	89,568	8,163	8,667	210,774
ARPA reimbursements	1,208,902	-	-	-	-	1,208,902
<b>Total nonoperating revenue (expense)</b>	<b>1,313,111</b>	<b>167</b>	<b>89,568</b>	<b>8,163</b>	<b>8,667</b>	<b>1,419,676</b>
<b>Income (loss) before transfers</b>	<b>3,211,455</b>	<b>(3,424)</b>	<b>1,082,566</b>	<b>(115,834)</b>	<b>112,548</b>	<b>4,287,311</b>
Transfers in	2,044,032	25,000	17,841	135,000	-	2,221,873
Transfers out	(25,000)	-	-	-	-	(25,000)
<b>Change in net position</b>	<b>5,230,487</b>	<b>21,576</b>	<b>1,100,407</b>	<b>19,166</b>	<b>112,548</b>	<b>6,484,184</b>
<b>Total net position - beginning</b>	<b>5,608,917</b>	<b>70,593</b>	<b>3,130,597</b>	<b>707,048</b>	<b>776,153</b>	<b>10,293,308</b>
<b>Total net position - ending</b>	<b>\$ 10,839,404</b>	<b>\$ 92,169</b>	<b>\$ 4,231,004</b>	<b>\$ 726,214</b>	<b>\$ 888,701</b>	<b>\$ 16,777,492</b>

**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2023**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
<b>Operating activities:</b>						
Contributions	\$ 28,865,660	\$ 386,508	\$ 2,362,327	\$ -	\$ 1,100,000	\$ 32,714,495
Cash paid to employees	33,506	(390,099)	8,740	-	-	(347,853)
Cash paid for goods and services	-	-	-	(110,289)	(996,132)	(1,106,421)
Cash received for goods and services	3,661,095	(66)	(101,418)	-	-	3,559,611
Cash paid for claims	(29,947,927)	-	(1,288,516)	-	-	(31,236,443)
<b>Net cash from operating activities</b>	<u>2,612,334</u>	<u>(3,657)</u>	<u>981,133</u>	<u>(110,289)</u>	<u>103,868</u>	<u>3,583,389</u>
<b>Noncapital financing activities:</b>						
Transfers in	2,044,032	25,000	17,841	135,000	-	2,221,873
Transfers out	(25,000)	-	-	-	-	(25,000)
<b>Net cash from by noncapital financing activities</b>	<u>2,019,032</u>	<u>25,000</u>	<u>17,841</u>	<u>135,000</u>	<u>-</u>	<u>2,196,873</u>
<b>Investing activities:</b>						
Investment earnings	104,209	167	89,568	8,163	8,667	210,774
<b>Net cash from in investing activities</b>	<u>104,209</u>	<u>167</u>	<u>89,568</u>	<u>8,163</u>	<u>8,667</u>	<u>210,774</u>
<b>Net increase in cash and cash equivalents</b>	<u>4,735,575</u>	<u>21,510</u>	<u>1,088,542</u>	<u>32,874</u>	<u>112,535</u>	<u>5,991,036</u>
<b>Cash and cash equivalents:</b>						
Beginning of year	8,813,038	72,141	7,057,195	713,011	776,148	17,431,533
End of year	<u>\$ 13,548,613</u>	<u>\$ 93,651</u>	<u>\$ 8,145,737</u>	<u>\$ 745,885</u>	<u>\$ 888,683</u>	<u>\$ 23,422,569</u>

**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2023**

(concluded)

	<b>Group Insurance Fund</b>	<b>Employee Flexible Benefit Fund</b>	<b>Workers' Compensation Fund</b>	<b>General Litigation Fund</b>	<b>Vehicle Insurance Fund</b>	<b>Total Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>						
Operating income (loss)	\$ 1,898,344	\$ (3,591)	\$ 992,998	\$ (123,997)	\$ 103,881	\$ 2,867,635
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Changes in assets, deferred outflows, liabilities, and deferred inflows:						
Accounts receivables	-	-	-	-	(13)	(13)
Other receivables	(172,279)	(2)	(118)	-	-	(172,399)
Inventories	(71,938)	-	-	-	-	(71,938)
Accounts payable and accrued liabilities	1,004,789	(64)	35,099	13,708	-	1,053,532
Net pension liability	205,994	-	59,561	-	-	265,555
Deferred outflows of resources - pensions	(182,952)	-	(61,156)	-	-	(244,108)
Deferred inflows of resources - pensions	2,781	-	803	-	-	3,584
Compensated absences payable	3,864	-	106	-	-	3,970
OPEB liability	(1,543)	-	(934)	-	-	(2,477)
Deferred outflows of resources - OPEB	9,203	-	5,570	-	-	14,773
Deferred inflows of resources - OPEB	(83,929)	-	(50,796)	-	-	(134,725)
<b>Total adjustments</b>	<u>713,990</u>	<u>(66)</u>	<u>(11,865)</u>	<u>13,708</u>	<u>(13)</u>	<u>715,754</u>
<b>Net cash from operating activities</b>	<u>\$ 2,612,334</u>	<u>\$ (3,657)</u>	<u>\$ 981,133</u>	<u>\$ (110,289)</u>	<u>\$ 103,868</u>	<u>\$ 3,583,389</u>

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Group Insurance Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions - Group health insurance	\$ 29,179,479	\$ 28,865,660	\$ (313,819)	\$ 24,402,391
Pharmacy services	2,923,159	3,982,596	1,059,437	2,813,751
<b>Total operating revenues</b>	<u>32,102,638</u>	<u>32,848,256</u>	<u>745,618</u>	<u>27,216,142</u>
<b>Nonoperating revenues:</b>				
Rebates and reimbursements	1,201,000	1,208,902	7,902	6
Interest earned on investments	2,500	104,209	101,709	7,144
<b>Total nonoperating revenues</b>	<u>1,203,500</u>	<u>1,313,111</u>	<u>109,611</u>	<u>7,150</u>
<b>Other financing sources:</b>				
Fund balance appropriated	1,000,000	-	(1,000,000)	-
Transfers in	2,026,485	2,044,032	17,547	-
<b>Total other financing sources</b>	<u>3,026,485</u>	<u>2,044,032</u>	<u>(982,453)</u>	<u>-</u>
<b>Total revenues and other financing sources</b>	<u>\$ 36,332,623</u>	<u>\$ 36,205,399</u>	<u>\$ (127,224)</u>	<u>\$ 27,223,292</u>
<b>Operating expenditures:</b>				
Employee pharmacy	\$ 5,195,040	\$ 4,588,247	\$ 606,793	\$ 3,445,048
Employee clinic	791,224	761,185	30,039	396,961
Group health insurance	30,196,759	25,538,843	4,657,916	26,368,660
Employee wellness program	124,600	112,083	12,517	204,635
<b>Total operating expenditures</b>	<u>36,307,623</u>	<u>31,000,358</u>	<u>5,307,265</u>	<u>30,415,304</u>
<b>Other financing uses:</b>				
Transfers out	25,000	25,000	-	25,000
<b>Total expenditures and other financing uses</b>	<u>\$ 36,332,623</u>	<u>\$ 31,025,358</u>	<u>\$ 5,307,265</u>	<u>\$ 30,440,304</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 36,205,399		
Total expenditures and other financing uses		<u>31,025,358</u>		
<b>Subtotal</b>		<u>5,180,041</u>		
Change in net pension liability		(205,994)		
Change in deferred outflows of resources - pensions		182,952		
Change in deferred inflows of resources - pensions		(2,781)		
Change in net OPEB liability		1,543		
Change in deferred outflows of resources - OPEB		(9,203)		
Change in deferred inflows of resources - OPEB		<u>83,929</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 5,230,487</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Employee Flexible Benefit Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions	\$ 435,000	\$ 386,508	\$ (48,492)	\$ 392,874
<b>Total operating revenues</b>	<u>435,000</u>	<u>386,508</u>	<u>(48,492)</u>	<u>392,874</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	167	167	18
<b>Total nonoperating revenues</b>	<u>-</u>	<u>167</u>	<u>167</u>	<u>18</u>
<b>Other financing sources:</b>				
Transfers in	25,000	25,000	-	25,000
<b>Total other financing sources</b>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total revenues and other financing sources</b>	<u>\$ 460,000</u>	<u>\$ 411,675</u>	<u>\$ (48,325)</u>	<u>\$ 417,892</u>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 435,000	\$ 370,850	\$ 64,150	\$ 386,216
Contracted services	25,000	19,249	5,751	18,478
<b>Total operating expenditures</b>	<u>460,000</u>	<u>390,099</u>	<u>69,901</u>	<u>404,694</u>
<b>Total expenditures</b>	<u>\$ 460,000</u>	<u>\$ 390,099</u>	<u>\$ 69,901</u>	<u>\$ 404,694</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 411,675		
Total expenditures and other financing uses		<u>390,099</u>		
<b>Subtotal</b>		<u>21,576</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 21,576</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Workers' Compensation Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions	\$ 2,167,113	\$ 2,362,327	\$ 195,214	\$ 2,085,854
<b>Total operating revenues</b>	<u>2,167,113</u>	<u>2,362,327</u>	<u>195,214</u>	<u>2,085,854</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	400	89,568	89,168	7,374
<b>Total nonoperating revenues</b>	<u>400</u>	<u>89,568</u>	<u>89,168</u>	<u>7,374</u>
<b>Other financing sources</b>				
Fund balance appropriated	30,950	-	(30,950)	-
Transfers in	17,841	17,841	-	-
<b>Total other financing sources</b>	<u>48,791</u>	<u>17,841</u>	<u>(30,950)</u>	<u>-</u>
<b>Total revenues and other financing sources</b>	<u>\$ 2,216,304</u>	<u>\$ 2,469,736</u>	<u>\$ 253,432</u>	<u>\$ 2,093,228</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 62,881	\$ 45,714	\$ 17,167	\$ 4,001
Workers' compensation claims	1,792,329	1,058,406	733,923	896,016
Salaries and employee benefits	361,094	312,161	48,933	197,878
<b>Total operating expenditures</b>	<u>2,216,304</u>	<u>1,416,281</u>	<u>800,023</u>	<u>1,097,895</u>
<b>Total expenditures</b>	<u>\$ 2,216,304</u>	<u>\$ 1,416,281</u>	<u>\$ 800,023</u>	<u>\$ 1,097,895</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 2,469,736		
Total expenditures		<u>1,416,281</u>		
<b>Subtotal</b>		<u>1,053,455</u>		
Change in net pension liability		(59,561)		
Change in deferred outflows of resources - pensions		61,156		
Change in deferred inflows of resources - pensions		(803)		
Change in net OPEB liability		934		
Change in deferred outflows of resources - OPEB		(5,570)		
Change in deferred inflows of resources - OPEB		<u>50,796</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 1,100,407</u>		



**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**General Litigation Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
<b>Nonoperating revenues:</b>				
Interest earned on investments	\$ 205	\$ 8,163	\$ 7,958	\$ 662
<b>Total nonoperating revenues</b>	<u>205</u>	<u>8,163</u>	<u>7,958</u>	<u>662</u>
<b>Other financing sources:</b>				
Transfers in	135,000	135,000	-	100,000
<b>Total other financing sources</b>	<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>100,000</u>
<b>Total revenues and other financing sources</b>	<u>\$ 135,205</u>	<u>\$ 143,163</u>	<u>\$ 7,958</u>	<u>\$ 100,662</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 135,205	\$ 123,997	\$ 11,208	\$ 28,532
<b>Total operating expenditures</b>	<u>135,205</u>	<u>123,997</u>	<u>11,208</u>	<u>28,532</u>
<b>Total expenditures</b>	<u>\$ 135,205</u>	<u>\$ 123,997</u>	<u>\$ 11,208</u>	<u>\$ 28,532</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 143,163		
Total expenditures		<u>123,997</u>		
<b>Subtotal</b>		<u>19,166</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 19,166</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Vehicle Insurance Fund**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,023,702
<b>Total operating revenues</b>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>	<u>1,023,702</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	8,667	8,667	809
<b>Total nonoperating revenues</b>	<u>-</u>	<u>8,667</u>	<u>8,667</u>	<u>809</u>
<b>Total revenues</b>	<u>\$ 1,100,000</u>	<u>\$ 1,108,667</u>	<u>\$ 8,667</u>	<u>\$ 1,024,511</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 1,100,000	\$ 996,119	\$ 103,881	\$ 896,234
<b>Total operating expenditures</b>	<u>\$ 1,100,000</u>	<u>\$ 996,119</u>	<u>\$ 103,881</u>	<u>\$ 896,234</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 1,108,667		
Total expenditures		<u>996,119</u>		
<b>Subtotal</b>		<u>112,548</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 112,548</u>		

# CUSTODIAL FUNDS



**Combining Statement of Fiduciary Assets and Liabilities  
Custodial Funds  
June 30, 2023**

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Totals
<b>Assets</b>					
Taxes receivable	\$ 2,311,211	\$ -	\$ -	\$ -	\$ 2,311,211
Due from other governments	1,054,067	-	-	-	1,054,067
Restricted cash and cash equivalents	132,255	143,046	25,277	-	300,578
<b>Total assets</b>	<b>\$ 3,497,533</b>	<b>\$ 143,046</b>	<b>\$ 25,277</b>	<b>\$ -</b>	<b>\$ 3,665,856</b>
<b>Liabilities</b>					
Accounts and vouchers payable	\$ 1,086,393	\$ -	\$ -	\$ -	\$ 1,086,393
Due to other governments	5,280	-	-	165	5,445
Reserve for taxes receivable	2,463,634	-	-	-	2,463,634
<b>Total liabilities</b>	<b>\$ 3,555,307</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 165</b>	<b>\$ 3,555,472</b>
<b>Net Position</b>					
Restricted for:					
Individuals, organizations and other governments	\$ -	\$ 143,046	\$ 25,277	\$ -	\$ 168,323
Unassigned	(57,774)	-	-	(165)	(57,939)
<b>Total net position</b>	<b>\$ (57,774)</b>	<b>\$ 143,046</b>	<b>\$ 25,277</b>	<b>\$ (165)</b>	<b>\$ 110,384</b>

**Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds  
Year Ended June 30, 2023**

	<b>City Tax Fund</b>	<b>Inmate Payee Fund</b>	<b>Stormwater Utility Fund</b>	<b>Vehicle Interest Fund</b>	<b>Totals</b>
<b>Additions:</b>					
Ad valorem taxes for other governments	\$ 115,549,652	\$ -	\$ -	\$ -	\$ 115,549,652
Collections on behalf of inmates and other governments	-	1,267,100	551	-	1,267,651
<b>Total additions</b>	<b>\$ 115,549,652</b>	<b>\$ 1,267,100</b>	<b>\$ 551</b>	<b>\$ -</b>	<b>\$ 116,817,303</b>
<b>Deductions:</b>					
Tax distributions to other governments	\$ 115,592,680	\$ -	\$ -	\$ -	\$ 115,592,680
Payments on behalf of inmates	-	1,238,892	-	-	1,238,892
<b>Total deductions</b>	<b>\$ 115,592,680</b>	<b>\$ 1,238,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 116,831,572</b>
Net increases (decreases) to fiduciary net position	\$ (43,028)	\$ 28,208	\$ 551	\$ -	(14,269)
<b>Net position - beginning</b>	<b>(14,746)</b>	<b>114,838</b>	<b>24,726</b>	<b>(165)</b>	<b>124,653</b>
<b>Net position - ending</b>	<b>\$ (57,774)</b>	<b>\$ 143,046</b>	<b>\$ 25,277</b>	<b>\$ (165)</b>	<b>\$ 110,384</b>

# DISCRETE COMPONENT UNITS



# EASTOVER SANITARY DISTRICT



**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Net Position  
June 30, 2023**

**Assets**

Current assets

Cash and cash equivalents:	\$	3,764,316
Accounts receivable, net		261,916
Other receivables, net		104
<b>Total current assets</b>		<b>4,026,336</b>

Noncurrent assets

Restricted

Cash and cash equivalents		322,076
Capital assets, net of accumulated depreciation		17,848,914
<b>Total noncurrent assets</b>		<b>18,170,990</b>
<b>Total assets</b>		<b>22,197,326</b>

**Liabilities and net position**

Current liabilities

Accounts and vouchers payable		80,309
Accrued payroll		7,406
Accrued interest payable		33,798
Other payables		24,221
Current portion of long-term debt		374,137
<b>Total current liabilities</b>		<b>519,871</b>

Noncurrent liabilities

Long-term debt		10,374,445
<b>Total noncurrent liabilities</b>		<b>10,374,445</b>
<b>Total liabilities</b>		<b>10,894,316</b>

Net position

Net investment in capital assets		7,111,452
Restricted net position - debt service		322,076
Restricted net position - project		668,000
Restricted net position - facility investment fee		59,103
Unrestricted		3,142,379
<b>Total net position</b>		<b>\$ 11,303,010</b>



**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023**

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<b>Operating revenues:</b>	
Charges for services	\$ 2,687,372
<b>Total operating revenues</b>	<u>2,687,372</u>
<b>Operating expenses:</b>	
Salaries and employee benefits	233,220
Repairs and maintenance	42,431
Utilities	23,068
Administrative costs	113,044
Bulk water purchases	453,736
Sewer treatment	169,892
Contracted services	350,224
Depreciation	629,034
<b>Total operating expenses</b>	<u>2,014,649</u>
<b>Operating income (loss)</b>	<u>672,723</u>
<b>Nonoperating revenue (expense):</b>	
Interest earned on investments	53,657
Interest expense	<u>(429,187)</u>
<b>Total nonoperating revenue (expense)</b>	<u>(375,530)</u>
<b>Change in net position</b>	297,193
<b>Total net position - beginning</b>	<u>11,005,817</u>
<b>Total net position - ending</b>	<u>\$ 11,303,010</u>

**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Cash Flows  
Year Ended June 30, 2023**

<b>Operating activities:</b>	
Cash received from customers	\$ 2,684,513
Cash paid to employees	(236,427)
Cash paid for goods and services	<u>(1,167,131)</u>
<b>Net cash from operating activities</b>	<b><u>1,280,955</u></b>
<b>Capital and related financing activities:</b>	
Acquisition and construction of capital assets	(6,719)
Principal paid on long-term debt	(349,266)
Interest paid on debt	<u>(430,240)</u>
<b>Net cash from capital and related financing activities</b>	<b><u>(786,225)</u></b>
<b>Investing activities:</b>	
Investment earnings	<u>56,935</u>
<b>Net cash from investing activities</b>	<b><u>56,935</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>551,665</u></b>
<b>Cash and cash equivalents:</b>	
<b>Beginning of year</b>	<u>3,534,727</u>
<b>End of year</b>	<b><u>\$ 4,086,392</u></b>
<b>Reconciliation of operating income (loss) to net cash</b>	
<b>from operating activities:</b>	
Operating income	\$ 672,723
Adjustments to reconcile operating income (loss) to net cash	
from operating activities:	
Depreciation	629,034
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	(2,859)
Accounts payable and accrued liabilities	(14,217)
Compensated absences payable	<u>(3,726)</u>
<b>Total adjustments</b>	<b><u>608,232</u></b>
<b>Net cash from operating activities</b>	<b><u>\$ 1,280,955</u></b>
<b>Reconciliation to cash and cash equivalents:</b>	
Cash and cash equivalents - unrestricted	\$ 3,764,316
Cash and cash equivalents - restricted	<u>322,076</u>
	<b><u>\$ 4,086,392</u></b>

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Eastover Sanitary District**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<b>Operating revenues:</b>				
Charges for services	\$ 2,495,928	\$ 2,687,372	\$ 191,444	\$ 2,551,816
<b>Total operating revenues</b>	<u>2,495,928</u>	<u>2,687,372</u>	<u>191,444</u>	<u>2,551,816</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	479	53,657	53,178	4,011
Miscellaneous	1,000	-	(1,000)	42,632
Proceeds from issuance of bonds	1,400,000	-	(1,400,000)	-
Transfers in	1,112,069	784,513	(327,556)	802,042
<b>Total nonoperating revenues, and other financing sources</b>	<u>2,513,548</u>	<u>838,170</u>	<u>(1,675,378)</u>	<u>1,287,225</u>
Fund balance appropriated	150,970	-	(150,970)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 5,160,446</u>	<u>\$ 3,525,542</u>	<u>\$ (1,634,904)</u>	<u>\$ 3,839,041</u>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 279,346	\$ 233,220	\$ 46,126	\$ 205,176
Repairs and maintenance	153,500	42,431	111,069	24,088
Utilities	28,000	23,068	4,932	22,145
Administrative costs	356,174	113,044	243,130	292,479
Bulk water purchases	475,000	453,736	21,264	431,681
Sewer treatment	215,208	169,892	45,316	147,709
Contracted services	354,850	350,224	4,626	329,564
<b>Total operating expenditures</b>	<u>1,862,078</u>	<u>1,385,615</u>	<u>476,463</u>	<u>1,452,842</u>
<b>Nonoperating expenditures:</b>				
Debt service & interest	803,181	429,187	373,994	429,129
Debt issuance costs	30,007	-	30,007	11,300
<b>Total nonoperating expenditures</b>	<u>833,188</u>	<u>429,187</u>	<u>404,001</u>	<u>440,429</u>
<b>Other expenditures and financing uses:</b>				
Transfers out	934,870	784,513	150,357	802,042
Capital outlay	1,530,310	-	1,530,310	294,397
<b>Total other expenditures and financing uses</b>	<u>2,465,180</u>	<u>784,513</u>	<u>1,680,667</u>	<u>1,096,439</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 5,160,446</u>	<u>\$ 2,599,315</u>	<u>\$ 2,561,131</u>	<u>\$ 2,989,710</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 3,525,542		
Total expenditures and other financing uses		<u>2,599,315</u>		
		926,227		
Depreciation		<u>(629,034)</u>		
<b>Income (loss) before transfers and contributions per Statement of Revenues, Expenses, and Changes in Net Position</b>		<u>\$ 297,193</u>		

**Schedule of Revenues and Expenditures**  
**Budget and Actual - Eastover Sanitary District Capital Project Fund**  
**From Inception and for Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	154	154	-	-	154
<b>Total revenues</b>	<u>154</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>154</u>
<b>Expenditures:</b>					
Water and sewer	32,074	32,074	-	-	32,074
Buildings	1,498,236	1,411,256	-	-	1,411,256
<b>Total expenditures</b>	<u>1,530,310</u>	<u>1,443,330</u>	<u>-</u>	<u>-</u>	<u>1,443,330</u>
<b>Revenues over (under) expenditures</b>	<u>(1,530,156)</u>	<u>(1,443,176)</u>	<u>-</u>	<u>-</u>	<u>(1,443,176)</u>
<b>Other financing sources (uses):</b>					
Transfers in	325,924	325,924	-	-	325,924
Transfers out	(148,725)	(148,724)	-	-	(148,724)
Interest expense	(22,043)	(22,042)	-	-	(22,042)
Bond anticipation note sale	1,400,000	-	-	-	-
Debt issuance costs	(25,000)	(25,090)	-	-	(25,090)
<b>Total other financing sources</b>	<u>1,530,156</u>	<u>130,068</u>	<u>-</u>	<u>-</u>	<u>130,068</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (1,313,108)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,313,108)</u>

TOURISM DEVELOPMENT AUTHORITY



**Discretely Presented Component Unit  
Tourism Development Authority  
Statement of Net Position  
June 30, 2023**

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**Assets**

Current assets

Cash and cash equivalents:	\$ 3,200,496
Other receivables, net	<u>59</u>
<b>Total current assets</b>	<u>3,200,555</u>
<b>Total assets</b>	<u>\$ 3,200,555</u>

**Liabilities and net position**

Current liabilities

Accounts and vouchers payable	\$ 873,021
<b>Total liabilities</b>	<u>873,021</u>

Net position

Unrestricted	<u>2,327,534</u>
<b>Total net position</b>	<u>\$ 2,327,534</u>

**Discretely Presented Component Unit**  
**Tourism Development Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended June 30, 2023**

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<b>Operating revenues:</b>	
Occupancy taxes	\$ 8,424,240
<b>Operating expenses:</b>	
Cultural and recreational	<u>7,601,506</u>
<b>Operating income (loss)</b>	<u>822,734</u>
<b>Nonoperating revenue (expense):</b>	
Interest earned on investments	<u>29,018</u>
<b>Income (loss) before transfers and contributions</b>	<u>851,752</u>
<b>Change in net position</b>	851,752
<b>Total net position - beginning</b>	<u>1,475,782</u>
<b>Total net position - ending</b>	<u><u>\$ 2,327,534</u></u>

**Discretely Presented Component Unit  
Tourism Development Authority  
Statement of Cash Flows  
Year Ended June 30, 2023**

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<b>Operating activities:</b>	
Cash received from operations	\$ 8,424,240
Cash paid for goods and services	<u>(7,647,370)</u>
<b>Net cash from operating activities</b>	<u>776,870</u>
<b>Investing activities</b>	
Investment earnings	<u>28,971</u>
<b>Net cash from investing activities</b>	<u>28,971</u>
<b>Net increase in cash and cash equivalents</b>	<u>805,841</u>
<b>Cash and cash equivalents:</b>	
<b>Beginning of year</b>	<u>2,394,655</u>
<b>End of year</b>	<u><u>\$ 3,200,496</u></u>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>	
Operating income	\$ 822,734
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts payable and accrued liabilities	<u>(45,864)</u>
<b>Total adjustments</b>	<u>(45,864)</u>
<b>Net cash from operating activities</b>	<u><u>\$ 776,870</u></u>



**Discretely Presented Component Unit**  
**Tourism Development Authority**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Year Ended June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	<u>2023</u>		Variance Positive (Negative)	<u>2022</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Charges for services	\$ 8,976,047	\$ 8,424,240	\$ (551,807)	\$ 8,230,736
<b>Total operating revenues</b>	<u>8,976,047</u>	<u>8,424,240</u>	<u>(551,807)</u>	<u>8,230,736</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	29,018	29,018	1,969
<b>Total nonoperating revenues</b>	<u>-</u>	<u>29,018</u>	<u>29,018</u>	<u>1,969</u>
<b>Total revenues</b>	<u>\$ 8,976,047</u>	<u>\$ 8,453,258</u>	<u>\$ (522,789)</u>	<u>\$ 8,232,705</u>
<b>Operating expenditures:</b>				
Cultural and recreational	\$ 8,976,047	\$ 7,601,506	\$ 1,374,541	\$ 8,043,026
<b>Total operating expenditures</b>	<u>\$ 8,976,047</u>	<u>\$ 7,601,506</u>	<u>\$ 1,374,541</u>	<u>\$ 8,043,026</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 8,453,258		
Total expenditures		<u>7,601,506</u>		
<b>Income (loss) before transfers and contributions per Statement of Revenues, Expenses, and Changes in Net Position</b>		<u>\$ 851,752</u>		

## SUPPLEMENTARY FINANCIAL DATA



**Schedule of Current Tax Levy  
Year Ended June 30, 2023**

	County-Wide			Total Levy		
	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
<b>Original levy:</b>						
County-wide	\$ 24,933,124,755	0.00799	\$ 199,215,667			
Late listing penalties		0.10000	<u>168,258</u>	\$ 199,383,925	\$ 174,168,177	\$ 25,215,748
<b>Discoveries:</b>						
County-wide	138,313,842	0.00799	1,105,128			
Late listing penalties		0.10000	<u>88,079</u>	1,193,207	1,193,207	-
<b>Abatements:</b>						
County-wide	(131,929,902)	0.00799	(1,054,120)			
Late listing penalties	<u>-</u>	0.10000	<u>(21,398)</u>	(1,075,518)	(1,075,518)	-
	<u>\$ 24,939,508,695</u>					
Adjusted tax levy				199,501,614	174,285,866	25,215,748
Uncollected taxes at June 30, 2023				<u>(1,116,308)</u>	<u>(1,116,308)</u>	-
Current year's taxes collected				<u>\$ 198,385,306</u>	<u>\$ 173,169,558</u>	<u>\$ 25,215,748</u>
Percent of current year's taxes collected				<u>99.44%</u>	<u>99.36%</u>	<u>100.00%</u>

**Schedule of Ad Valorem Taxes Receivable  
June 30, 2023**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 199,501,614	\$ 198,385,306	\$ 1,116,308
Prior years	4,784,128	17,470	1,369,197	3,432,401
	<u>\$ 4,784,128</u>	<u>\$ 199,519,084</u>	<u>\$ 199,754,503</u>	4,548,709
Less allowance for uncollectible ad valorem taxes receivable				<u>(3,454,392)</u>
				<u>\$ 1,094,317</u>
<b>RECONCILIATION OF COLLECTIONS AND CREDITS WITH REVENUES:</b>				
Collections and credits per above			\$ 199,754,503	
Interest			833,440	
Processing fees			74,105	
Rental Car/Equipment Taxes			1,041,405	
Other			(138,366)	
Releases from prior years			<u>(62,320)</u>	
Ad Valorem Taxes - General Fund (per report)			<u>\$ 201,502,767</u>	

**Emergency Telephone System Unspent Balance  
PSAP Reconciliation  
June 30, 2023**

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Amounts reported on the Emergency Telephone System Fund budget to actual (J-6) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ 265,628
Prior year revenue already on PSAP report	(1,080,421)
Ineligible 911 expenditures - prior years	<u>(29,903)</u>
Beginning Balance, PSAP Revenue-Expenditure Report***	<u>2,682,367</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 1,837,671</u></u>

## STATISTICAL SECTION



## STATISTICAL SECTION

(Unaudited)

The schedules in this section provide additional information concerning the County's financial performance and position over time. The information provided is limited to the primary government (the County and its blended component units) and, therefore, does not include information for discrete component units. The schedules are organized in the following categories:

- **Financial Trends (Schedules 1 through 5):** These schedules contain trend information to help the user understand changes in the County's financial position and performance over time.
- **Revenue Capacity (Schedules 6 through 9):** these schedules contain information to help the user assess the County's most significant local revenue source, the ad valorem property tax.
- **Debt Capacity (Schedules 10 through 12):** these schedules contain information to help the user assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- **Demographic and Economic Information (Schedules 13 through 14):** These schedules provide demographic and economic indicators to help the user understand the environment within which the County's financial activities occur.
- **Operating Information (Schedules 15 through 17):** These schedules contain service and infrastructure data to help the user understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 159,441,226	\$ 160,482,008	\$ 161,376,329	\$ 163,004,686	\$ 161,369,905	\$ 167,529,351	\$ 135,788,691	\$ 145,716,170	\$ 158,558,572	\$ 165,981,474
Restricted	55,508,183	51,285,265	54,946,069	66,301,394	75,001,538	74,320,510	79,080,417	93,130,470	99,565,582	113,147,346
Unrestricted	(120,546,496)	(119,598,444)	(112,796,933)	(119,952,268)	(282,762,923)	(249,889,610)	(178,635,656)	(134,277,987)	(67,035,224)	3,302,669
<b>Total governmental activities net position</b>	<b>\$ 94,402,913</b>	<b>\$ 92,168,829</b>	<b>\$ 103,525,465</b>	<b>\$ 109,353,812</b>	<b>\$ (46,391,480)</b>	<b>\$ (8,039,749)</b>	<b>\$ 36,233,452</b>	<b>\$ 104,568,653</b>	<b>\$ 191,088,930</b>	<b>\$ 282,431,489</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 31,819,848	\$ 31,557,533	\$ 33,490,377	\$ 37,152,240	\$ 46,331,906	\$ 50,999,184	\$ 58,831,891	\$ 61,883,882	\$ 66,942,102	\$ 72,734,567
Restricted	19,988,485	14,589,748	-	10,374,109	3,759,889	10,011,668	3,546,422	3,383,770	1,681,686	1,579,512
Unrestricted	18,426,927	24,812,220	39,387,855	30,809,678	27,028,957	22,360,900	27,477,141	28,256,453	33,215,551	36,864,478
<b>Total business-type activities net position</b>	<b>\$ 70,235,260</b>	<b>\$ 70,959,501</b>	<b>\$ 72,878,232</b>	<b>\$ 78,336,027</b>	<b>\$ 77,120,752</b>	<b>\$ 83,371,752</b>	<b>\$ 89,855,454</b>	<b>\$ 93,524,105</b>	<b>\$ 101,839,339</b>	<b>\$ 111,178,557</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 191,261,074	\$ 192,039,541	\$ 194,866,706	\$ 200,156,926	\$ 207,701,811	\$ 218,528,535	\$ 194,620,582	\$ 207,600,052	\$ 225,500,674	\$ 238,716,041
Restricted	75,496,668	65,875,013	54,946,069	76,675,503	78,761,427	84,332,178	82,626,839	96,514,240	101,247,268	114,726,858
Unrestricted	(102,119,569)	(94,786,224)	(73,409,078)	(89,142,590)	(255,733,966)	(227,528,710)	(151,158,515)	(106,021,534)	(33,819,673)	40,167,147
<b>Total primary government net position</b>	<b>\$ 164,638,173</b>	<b>\$ 163,128,330</b>	<b>\$ 176,403,697</b>	<b>\$ 187,689,839</b>	<b>\$ 30,729,272</b>	<b>\$ 75,332,003</b>	<b>\$ 126,088,906</b>	<b>\$ 198,092,758</b>	<b>\$ 292,928,269</b>	<b>\$ 393,610,046</b>



Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
General government	\$ 28,905,546	\$ 26,795,436	\$ 29,528,752	\$ 30,128,456	\$ 29,507,515	\$ 28,782,804	\$ 29,475,147	\$ 37,908,007	\$ 41,158,664	\$ 42,472,253
Public safety	66,897,589	65,033,036	68,675,832	70,034,152	68,374,946	63,788,508	65,079,734	66,856,365	61,892,566	70,538,679
Economic & physical development	12,557,762	11,911,261	13,667,168	13,008,901	13,777,811	13,495,875	17,062,941	17,019,061	10,427,433	10,988,757
Human services	105,177,910	101,196,588	107,291,125	110,361,150	95,495,386	87,063,672	89,720,840	96,908,446	88,142,692	91,582,707
Cultural & recreational	17,973,551	16,715,175	17,100,127	17,527,672	15,818,615	13,850,878	14,666,048	13,998,599	13,536,709	15,556,012
Education	94,841,212	99,040,656	97,089,412	97,230,388	104,859,935	108,512,631	107,300,602	102,234,784	114,500,841	119,881,078
Interest on long-term debt	6,049,811	5,259,142	4,684,877	4,010,962	2,380,138	2,872,177	1,485,783	3,417,789	2,380,021	2,319,001
<b>Total governmental activities expenses</b>	<b>\$ 332,403,381</b>	<b>\$ 325,951,294</b>	<b>\$ 338,037,293</b>	<b>\$ 342,301,681</b>	<b>\$ 330,214,346</b>	<b>\$ 318,366,545</b>	<b>\$ 324,791,095</b>	<b>\$ 338,343,051</b>	<b>\$ 332,038,926</b>	<b>\$ 353,338,487</b>
Business type activities										
Solid Waste	\$ 7,274,208	\$ 8,367,442	\$ 9,382,539	\$ 10,189,981	\$ 11,055,063	\$ 9,833,056	\$ 9,389,797	\$ 11,705,481	\$ 12,949,904	\$ 14,471,656
Crown Center	9,004,249	7,829,562	7,436,596	7,745,790	8,081,185	8,105,009	7,886,548	6,860,973	7,466,549	8,465,190
Kelly Hills Water and Sewer District	68,661	67,709	139,826	118,113	108,803	138,070	107,610	655,658	93,366	111,875
NORCRESS Water and Sewer District	576,691	572,121	872,557	803,787	601,087	657,832	719,659	21,713	628,641	900,444
Southpoint Water District	24,674	30,673	26,564	25,936	21,418	21,918	24,359	214,108	31,421	27,149
Overhills Park Water and Sewer District	-	-	-	29,118	7,490	34,127	123,767	162,073	197,043	198,163
<b>Total business-type activities</b>	<b>\$ 16,948,483</b>	<b>\$ 16,867,507</b>	<b>\$ 17,858,082</b>	<b>\$ 18,912,725</b>	<b>\$ 19,875,046</b>	<b>\$ 18,790,012</b>	<b>\$ 18,251,740</b>	<b>\$ 19,720,002</b>	<b>\$ 21,366,924</b>	<b>\$ 24,174,477</b>
<b>Total primary government expenses</b>	<b>\$ 349,351,864</b>	<b>\$ 342,818,801</b>	<b>\$ 355,895,375</b>	<b>\$ 361,214,406</b>	<b>\$ 350,089,392</b>	<b>\$ 337,156,557</b>	<b>\$ 343,042,835</b>	<b>\$ 358,063,053</b>	<b>\$ 353,405,850</b>	<b>\$ 377,512,964</b>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 2,302,492	\$ 2,264,053	\$ 2,277,018	\$ 2,410,131	\$ 2,333,837	\$ 2,314,448	\$ 3,707,411	\$ 6,876,279	\$ 6,951,361	\$ 5,609,944
Public safety	3,588,254	4,176,589	3,571,955	3,824,951	4,077,437	4,058,644	4,497,179	4,193,222	4,377,296	4,310,393
Economic & physical development	1,387,921	1,330,020	1,394,180	1,354,788	1,177,033	1,063,423	1,105,500	-	1,978,765	1,375,483
Human services	4,858,269	5,092,117	6,144,958	6,093,677	6,056,500	6,717,407	6,249,717	5,251,431	6,437,029	6,259,660
Cultural & recreational	227,669	196,460	206,028	181,280	152,129	150,207	102,259	14,674	16,370	8,705
Operating grants and contributions										
General government	1,210,508	1,210,223	1,290,179	2,207,743	1,407,281	563,329	1,346,132	63,914,742	10,774,847	21,446,430
Public safety	553,242	646,878	948,585	611,451	491,006	572,859	544,689	1,205,346	284,409	1,587,027
Economic & physical development	4,570,441	5,209,718	7,193,042	6,680,711	7,472,115	8,033,758	8,939,622	-	3,447,200	4,061,038
Human services	53,687,957	57,238,248	59,695,265	61,630,079	49,480,015	45,259,798	45,492,853	10,331,353	59,764,568	54,611,996
Cultural & recreational	940,764	629,495	644,904	690,437	747,975	1,060,053	509,598	25,638	583,170	660,176
Capital grants and contributions										
General government	3,863,323	3,802,117	3,724,973	3,674,258	3,592,098	3,485,206	3,416,888	-	3,281,839	3,256,990
Public safety	774,769	56,472	171,196	301,935	166,330	142,953	133,823	293,298	335,221	293,237
Economic & physical development	1,165,423	917,914	1,180,957	957,955	677,334	797,204	794,154	966,802	365,452	-
Human services	-	-	-	-	-	-	-	3,513,132	-	-
<b>Total governmental activities programs revenues</b>	<b>\$ 79,131,032</b>	<b>\$ 82,770,304</b>	<b>\$ 88,443,240</b>	<b>\$ 90,619,396</b>	<b>\$ 77,831,090</b>	<b>\$ 74,219,289</b>	<b>\$ 76,839,825</b>	<b>\$ 96,585,917</b>	<b>\$ 98,597,527</b>	<b>\$ 103,481,079</b>

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type activities:</b>										
Charges for services										
Solid Waste	\$ 2,884,517	\$ 3,407,640	\$ 3,948,096	\$ 4,626,879	\$ 4,232,104	\$ 4,773,520	\$ 4,310,031	\$ 3,979,863	\$ 4,749,838	\$ 5,497,163
Crown Center	2,035,391	1,785,734	1,834,124	1,853,954	1,892,840	1,960,708	1,505,646	592,981	1,797,233	2,631,881
Kelly Hills Water and Sewer District	5,641	2,856	93,318	77,952	79,303	76,126	76,409	94,603	99,592	102,639
NORCRESS Water and Sewer district	392,137	423,601	397,195	350,328	347,257	440,558	438,979	367,566	421,305	619,297
Southpoint Water District	32,009	31,371	41,013	35,754	36,491	33,395	38,343	44,528	70,672	61,137
Overhills Park Water and Sewer District	-	-	-	-	-	-	111,608	139,505	146,872	151,566
Operating grants and contributions										
Solid Waste	589,023	621,463	493,139	3,384,721	734,831	520,453	2,627,021	513,208	1,755,983	744,382
Crown Center	-	-	-	159,663	42,971	372,460	17,840	434,669	-	9,172
NORCRESS Water and Sewer District	-	-	-	-	-	29,613	-	-	-	-
Overhills Water and Sewer District	-	-	-	-	-	-	293,620	-	-	-
Capital grants and contributions										
Southpoint Water and Sewer District	40,053	-	-	-	-	-	-	-	-	-
Overhills Park Water and Sewer District	-	-	-	1,380,422	1,424,958	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>\$ 5,978,771</b>	<b>\$ 6,272,665</b>	<b>\$ 6,806,885</b>	<b>\$ 11,869,673</b>	<b>\$ 8,790,755</b>	<b>\$ 8,206,833</b>	<b>\$ 9,419,497</b>	<b>\$ 6,166,923</b>	<b>\$ 9,041,495</b>	<b>\$ 9,817,237</b>
<b>Total primary government program revenues</b>	<b>\$ 85,109,803</b>	<b>\$ 89,042,969</b>	<b>\$ 95,250,125</b>	<b>\$ 102,489,069</b>	<b>\$ 86,621,845</b>	<b>\$ 82,426,122</b>	<b>\$ 86,259,322</b>	<b>\$ 102,752,840</b>	<b>\$ 107,639,022</b>	<b>\$ 113,298,316</b>
Net (expense)/revenue										
Governmental activities	\$ (253,272,349)	\$ (243,180,990)	\$ (249,594,053)	\$ (251,682,285)	\$ (252,383,256)	\$ (244,147,256)	\$ (247,951,270)	\$ (241,757,134)	\$ (233,441,399)	\$ (249,857,408)
Business-type activities	(10,969,712)	(10,594,842)	(11,051,197)	(7,043,052)	(11,084,291)	(10,583,179)	(8,832,243)	(13,553,079)	(12,325,429)	(14,357,240)
<b>Total primary government net expense</b>	<b>\$ (264,242,061)</b>	<b>\$ (253,775,832)</b>	<b>\$ (260,645,250)</b>	<b>\$ (258,725,337)</b>	<b>\$ (263,467,547)</b>	<b>\$ (254,730,435)</b>	<b>\$ (256,783,513)</b>	<b>\$ (255,310,213)</b>	<b>\$ (245,766,828)</b>	<b>\$ (264,214,648)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Ad valorem taxes	\$ 184,443,830	\$ 182,564,817	\$ 185,971,389	\$ 189,961,506	\$ 197,423,713	\$ 200,555,934	\$ 204,041,081	\$ 211,660,075	\$ 214,751,718	\$ 217,430,360
Other taxes	54,497,219	57,502,019	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	90,235,515	93,898,363
Unrestricted grants and contributions	11,708,537	11,250,145	12,746,032	12,493,334	13,609,843	14,109,993	15,436,689	17,617,071	18,816,392	20,545,479
Investment earnings	187,033	188,401	350,879	499,798	1,283,268	4,076,490	3,096,412	1,040,674	1,412,761	13,433,515
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	73,663	55,605	1,246,414	347,624
Miscellaneous	6,141,380	5,606,531	6,033,427	7,109,669	6,533,566	5,662,980	6,107,602	5,954,718	6,236,307	9,121,742
Transfers	(5,141,299)	(5,441,959)	(5,680,022)	(5,552,333)	(5,784,863)	(8,196,498)	(7,362,068)	(8,770,824)	(12,529,982)	(13,577,116)
<b>Total governmental activities</b>	<b>\$ 251,836,700</b>	<b>\$ 251,669,954</b>	<b>\$ 258,854,825</b>	<b>\$ 265,330,520</b>	<b>\$ 274,756,097</b>	<b>\$ 282,498,987</b>	<b>\$ 289,971,479</b>	<b>\$ 309,529,074</b>	<b>\$ 320,169,125</b>	<b>\$ 341,199,967</b>
Business-type activities:										
Other taxes	\$ 6,189,859	\$ 6,349,741	\$ 6,328,374	\$ 6,505,637	\$ 7,338,720	\$ 7,629,789	\$ 7,349,240	\$ 7,513,714	\$ 7,938,853	\$ 8,038,447
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	1,201,818
Investment earnings	123,409	123,897	263,733	218,310	490,373	924,118	663,282	42,984	81,726	674,004
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	(218,453)	311,921	62,941	181,916
Miscellaneous	36,592	-	697,799	224,567	98,551	83,774	92,526	682,287	27,161	23,157
Transfers	5,141,299	5,441,959	5,680,022	5,552,333	5,784,863	8,196,498	7,362,068	8,670,824	12,529,982	13,577,116
<b>Total business-type activities</b>	<b>\$ 11,491,159</b>	<b>\$ 11,915,597</b>	<b>\$ 12,969,928</b>	<b>\$ 12,500,847</b>	<b>\$ 13,712,507</b>	<b>\$ 16,834,179</b>	<b>\$ 15,248,663</b>	<b>\$ 17,221,730</b>	<b>\$ 20,640,663</b>	<b>\$ 23,696,458</b>
<b>Total primary government</b>	<b>\$ 263,327,859</b>	<b>\$ 263,585,551</b>	<b>\$ 271,824,753</b>	<b>\$ 277,831,367</b>	<b>\$ 288,468,604</b>	<b>\$ 299,333,166</b>	<b>\$ 305,220,142</b>	<b>\$ 326,750,804</b>	<b>\$ 340,809,788</b>	<b>\$ 364,896,425</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (1,435,649)	\$ 8,488,964	\$ 9,260,772	\$ 13,648,235	\$ 22,372,841	\$ 38,351,731	\$ 42,020,209	\$ 67,771,940	\$ 86,727,726	\$ 91,342,559
Business-type activities	521,447	1,320,755	1,918,731	5,457,795	2,628,216	6,251,000	6,416,420	3,668,651	8,315,234	9,339,218
<b>Total primary government</b>	<b>\$ (914,202)</b>	<b>\$ 9,809,719</b>	<b>\$ 11,179,503</b>	<b>\$ 19,106,030</b>	<b>\$ 25,001,057</b>	<b>\$ 44,602,731</b>	<b>\$ 48,436,629</b>	<b>\$ 71,440,591</b>	<b>\$ 95,042,960</b>	<b>\$ 100,681,777</b>

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable:										
Inventories	\$ 161,583	\$ 172,503	\$ 191,535	\$ 174,458	\$ 155,968	\$ 174,407	\$ 151,916	\$ 200,505	\$ 220,740	\$ 211,532
Prepays	2,387,765	2,381,625	210	11,628	5,400	210	1,472	210	210	-
Leases	-	-	-	-	-	-	-	-	2,440	7,286
Restricted:										
Stabilization by state statute	34,692,443	30,590,474	27,929,111	29,406,164	32,308,498	33,205,082	33,873,984	36,417,479	44,546,143	42,111,209
Register of Deeds	714,243	754,325	867,507	901,098	1,022,258	1,059,148	925,163	987,528	1,018,697	988,560
Public health	-	-	-	-	3,952,885	3,766,799	4,728,362	6,052,823	7,451,692	8,438,671
County Schools	4,996,993	6,529,769	8,294,625	12,184,346	11,086,455	7,001,882	5,533,695	5,982,196	11,900,413	19,767,100
Committed:										
Tax revaluation	631,503	758,093	602,906	1,167,295	1,877,327	1,979,245	2,158,423	2,296,335	2,431,671	2,500,000
Capital investment fund	-	-	-	-	8,090,585	20,940,072	36,073,289	61,459,283	126,983,896	147,253,777
LEOSSA pension obligation	-	-	2,215,961	2,290,100	1,756,915	1,756,982	-	-	-	-
Assigned										
Subsequent year's expenditures	18,376,960	14,523,875	16,337,899	8,889,652	7,447,195	8,667,646	8,663,701	9,159,873	8,071,721	6,454,775
Finance & tax office software	4,000,000	4,500,000	4,500,000	4,406,300	4,406,300	1,700,000	-	-	-	-
Water and sewer industrial expansion	4,421,513	4,876,523	4,626,523	4,527,610	-	-	-	-	-	-
Economic development incentives	695,665	1,500,000	968,841	1,065,139	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Mental Health services	7,849,970	4,633,970	2,364,920	2,160,841	-	-	-	-	-	-
Public Health	-	-	2,510,625	3,200,854	-	-	-	-	-	-
Capital investment fund	-	-	-	1,324,938	10,583,825	-	-	-	-	-
Renovations and maintenance	-	5,131,898	3,621,105	1,250,000	-	-	-	-	-	-
Special purposes	-	2,500,000	4,500,000	2,247,143	809,045	-	-	-	-	-
Technology	-	2,500,000	2,000,000	1,500,000	-	-	-	-	-	-
Unassigned	32,584,014	31,823,417	32,603,540	47,016,763	53,191,505	68,448,606	78,044,280	110,366,459	75,747,920	100,863,651
<b>Total general fund</b>	<u>\$ 111,512,652</u>	<u>\$ 113,176,472</u>	<u>\$ 114,135,308</u>	<u>\$ 123,724,329</u>	<u>\$ 140,694,161</u>	<u>\$ 150,700,079</u>	<u>\$ 172,154,285</u>	<u>\$ 234,922,691</u>	<u>\$ 280,375,543</u>	<u>\$ 330,596,561</u>
<b>American Rescue Plan Act</b>										
Restricted:										
Stabilization by state statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309	\$ 1,119
Economic and physical development	-	-	-	-	-	-	-	-	47,574	715,318
Unassigned	-	-	-	-	-	-	-	-	(309)	(1,119)
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,574</u>	<u>\$ 715,318</u>

Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>All other governmental funds</b>										
Nonspendable:										
Prepays	\$ 37,334.00	\$ 35,715	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery	45,587	45,923	48,451	47,583	47,181	50,173	51,625	57,254	59,986	60,024
Restricted:										
Stabilization by state statute	1,356,802	995,242	1,120,972	1,688,092	1,551,077	2,787,310	2,048,561	4,187,471	2,003,636	998,076
Register of Deeds	-	-	-	-	-	-	-	-	129,531	180,813
Inmates	374,799	466,736	638,782	505,070	280,761	519,052	745,859	920,943	1,168,562	1,249,525
School capital	344,806	314,714	-	-	-	-	-	-	-	-
Fire protection	201,946	195,046	180,022	194,844	191,596	10,606	1,041,995	1,612,940	2,024,066	2,380,208
Public safety	1,968,231	2,253,584	2,722,758	3,029,407	2,705,302	2,704,997	3,123,625	11,216,006	4,822,445	4,337,011
Economic and physical development	468,277	682,412	796,225	674,215	465,406	1,053,132	708,547	79,084	2,800,168	3,582,351
Human services	81,672	94,776	1,398,421	168,535	164,891	165,715	294,231	180,335	653,497	1,585,387
Cultural and recreational	4,998,917	2,893,538	5,134,837	6,487,337	6,506,330	6,235,379	8,460,539	7,419,161	7,137,247	4,829,909
Committed:										
Public safety	196,435	122,390	-	-	-	-	-	-	-	-
Assigned reported in other major funds										
Subsequent year's expenditures	295,689	3,177,259	1,803,902	1,803,902	3,398,261	2,744,068	-	-	-	-
Unassigned reported in nonmajor funds										
Special revenue	(573,862)	(582,116)	(299,551)	(1,265,317)	(1,345,025)	(2,597,753)	(1,111,798)	(974,242)	(459,995)	(715,758)
<b>Total all other governmental funds</b>	<u>\$ 9,796,633</u>	<u>\$ 10,695,219</u>	<u>\$ 13,544,819</u>	<u>\$ 13,334,168</u>	<u>\$ 13,965,780</u>	<u>\$ 13,672,679</u>	<u>\$ 15,363,184</u>	<u>\$ 24,698,952</u>	<u>\$ 20,339,143</u>	<u>\$ 18,487,546</u>
Change in fund classification										
<b>Total all governmental funds</b>	<u>\$ 121,309,285</u>	<u>\$ 123,871,691</u>	<u>\$ 127,680,127</u>	<u>\$ 137,058,497</u>	<u>\$ 154,659,941</u>	<u>\$ 164,372,758</u>	<u>\$ 187,517,469</u>	<u>\$ 259,621,643</u>	<u>\$ 300,762,260</u>	<u>\$ 349,799,425</u>

**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad valorem taxes	\$ 186,599,051	\$ 184,434,796	\$ 186,035,597	\$ 188,871,898	\$ 197,023,861	\$ 201,114,697	\$ 204,757,860	\$ 211,701,498	\$ 213,137,111	\$ 218,207,490
Other taxes	54,497,219	57,502,019	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	93,535,248	96,518,480
Unrestricted Intergovernmental	11,708,537	11,255,038	12,746,032	12,493,334	13,609,843	14,109,993	15,436,689	17,617,071	18,821,216	18,447,421
Restricted Intergovernmental	66,766,427	69,639,674	74,823,227	76,705,822	64,130,538	60,256,296	61,177,759	80,511,794	73,720,399	87,541,889
Licenses and permits	2,291,257	2,263,956	2,248,884	2,533,749	2,481,724	2,436,497	2,629,213	3,386,903	3,545,368	13,542,269
Sales and services	10,073,348	10,793,783	11,325,255	11,276,669	11,306,162	11,867,947	12,086,931	12,687,220	13,695,627	2,824,703
Investment earnings	184,759	186,167	343,238	477,286	1,207,204	3,834,746	2,887,019	1,040,674	1,396,754	13,213,083
Other general revenues	6,085,295	5,408,695	5,813,705	7,376,388	5,338,704	5,538,792	6,026,730	5,954,718	10,737,224	6,593,317
<b>Total revenues</b>	<b>338,205,893</b>	<b>341,484,128</b>	<b>352,769,058</b>	<b>360,553,692</b>	<b>356,788,606</b>	<b>365,449,056</b>	<b>373,580,301</b>	<b>414,871,633</b>	<b>428,588,947</b>	<b>456,888,652</b>
<b>Expenditures</b>										
General government	24,675,393	25,668,164	26,250,791	27,720,014	25,902,953	27,864,499	29,751,226	38,812,619	47,849,494	47,691,053
Public safety	66,757,676	61,760,956	63,152,331	63,749,936	63,382,917	70,584,167	67,849,036	68,896,367	72,663,155	81,579,972
Economic and physical development	12,312,111	10,594,359	13,511,856	13,002,856	14,710,741	18,589,617	18,414,832	15,708,568	15,570,619	19,737,837
Human services	97,163,671	98,724,331	100,953,854	104,321,862	89,808,120	90,642,124	92,594,353	102,317,285	100,594,510	97,933,721
Cultural and recreational	15,864,055	15,233,536	15,519,128	15,780,744	15,000,134	15,321,739	14,788,540	14,357,566	14,945,432	16,519,904
Education	94,993,970	97,713,376	97,090,796	97,230,388	104,859,935	108,854,062	107,300,602	106,519,640	114,500,841	118,131,083
Debt service										
Principal	18,711,637	18,838,421	19,310,871	19,149,018	17,999,414	14,699,083	10,529,084	10,144,283	9,396,056	9,392,597
Interest and fees	6,647,785	5,848,011	5,349,679	4,785,439	3,967,289	3,513,691	3,029,269	2,556,856	3,117,836	2,742,525
Debt issuance costs	-	-	-	10,697	314,767	-	-	-	-	-
<b>Total expenditures</b>	<b>337,126,298</b>	<b>334,381,154</b>	<b>341,139,306</b>	<b>345,750,954</b>	<b>335,946,270</b>	<b>350,068,982</b>	<b>344,256,942</b>	<b>359,313,184</b>	<b>378,637,943</b>	<b>393,728,692</b>
Revenues over (under) expenditures	1,079,595	7,102,974	11,629,752	14,802,738	20,842,336	15,380,074	29,323,359	55,558,449	49,951,004	63,159,960
<b>Other financing sources (uses)</b>										
Sale of capital assets	215,878	348,691	273,441	230,165	1,230,515	151,905	73,663	572,585	3,891,073	347,624
Issuance of debt	15,070,000	3,000,000	1,100,000	-	24,119,148	2,477,336	14,079,416	24,507,300	-	-
Premium on debt issuance	-	-	-	-	4,285,557	-	-	(326,597)	-	-
Issuance of leases	-	-	-	-	-	-	-	-	135,971	98,837
Issuance of IT subscription agreements	-	-	-	-	-	-	-	-	-	1,204,733
Payment to escrow agent for refunding	(15,204,915)	-	-	-	(27,245,984)	-	(12,869,659)	-	-	-
County contribution	-	-	-	-	254,735	-	-	-	-	-
Debt issuance costs	(73,607)	(45,100)	(33,399)	-	-	-	-	-	-	-
Transfers in	1,016,060	1,076,789	3,481,990	987,026	779,712	6,081,026	1,556,613	7,533,950	92,897,202	62,541,874
Transfers out	(6,759,559)	(8,920,948)	(14,739,212)	(6,641,559)	(6,664,575)	(14,377,524)	(9,018,681)	(16,304,774)	(105,527,184)	(78,315,863)
<b>Total other financing sources (uses)</b>	<b>(5,736,143)</b>	<b>(4,540,568)</b>	<b>(9,917,180)</b>	<b>(5,424,368)</b>	<b>(3,240,892)</b>	<b>(5,667,257)</b>	<b>(6,178,648)</b>	<b>15,982,464</b>	<b>(8,602,938)</b>	<b>(14,122,795)</b>
Net change in fund balances	\$ (4,656,548)	\$ 2,562,406	\$ 1,712,572	\$ 9,378,370	\$ 17,601,444	\$ 9,712,817	\$ 23,144,711	\$ 71,540,913	\$ 41,348,066	\$ 49,037,165
Debt service as a percentage of noncapital expenditures	7.75%	7.45%	7.44%	6.98%	6.60%	5.28%	4.10%	3.63%	3.38%	3.21%

**Tax Revenues by Source - Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

**Sources of Governmental Funds Tax Revenues**

Fiscal Year	Ad Valorem Tax	Sales Tax	Video Sales Tax	Beer and Wine Tax	Real Estate Transfer Tax	Dog and Cat Registration Tax	Prepared Food and Beverage Tax	Total Tax
2014	\$ 186,599,051	\$ 46,568,851	\$ 557,477	\$ 388,608	\$ 795,980	\$ 289,249	\$ 5,897,054	\$ 241,096,270
2015	184,434,796	49,211,337	525,750	420,124	869,424	204,911	6,270,473	241,936,815
2016	186,035,597	50,951,553	509,025	381,333	879,459	213,492	6,498,258	245,468,717
2017	188,871,898	51,932,970	513,433	392,044	1,091,362	208,931	6,679,806	249,690,444
2018	197,023,861	52,705,079	498,872	376,218	1,096,191	165,152	6,849,058	258,714,431
2019	201,114,697	56,590,260	479,752	378,120	1,351,286	132,161	7,358,509	267,404,785
2020	204,757,860	59,138,058	451,664	380,596	1,689,875	77,299	6,840,608	273,335,960
2021	211,701,498	68,891,364	438,477	370,305	4,430,156	39,052	7,802,401	293,673,253
2022	213,137,111	77,154,879	440,385	359,625	6,599,466	14	8,980,879	306,672,359
2023	218,207,490	80,377,046	426,815	416,100	5,240,234	-	10,058,285	314,725,970

**Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(Dollars in Thousands)  
Unaudited**

Fiscal Year Ended June 30	<u>Personal Property</u>					Less: Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>2</sup>	Assessed Value as a Percentage of Actual Value <sup>3</sup>
	Real Property	Public Service <sup>1</sup>	Motor Vehicle	Other						
2014	\$ 21,692,891	\$ 367,912	\$ 2,813,072	\$ 1,430,381	\$ 3,157,526	\$ 23,146,730	0.9025	\$ 22,368,904	103.48%	
2015	22,096,679	365,032	2,203,857	1,504,336	3,225,523	22,944,381	0.9025	22,064,505	103.99%	
2016	22,340,806	429,285	2,296,048	1,461,372	3,272,888	23,254,623	0.9025	22,241,399	104.56%	
2017	22,590,259	429,243	2,374,525	1,712,686	3,356,676	23,750,037	0.9025	22,601,863	105.08%	
2018	22,057,995	439,286	2,395,619	1,847,541	3,747,353	22,993,088	0.9615	23,099,345	99.54%	
<sup>4</sup> 2019	22,237,380	456,289	2,550,041	2,015,067	3,842,536	23,416,241	0.9615	23,683,869	98.87%	
2020	22,548,622	461,428	2,547,297	2,034,824	3,925,554	23,666,617	0.9990	24,655,293	95.99%	
2021	23,098,956	457,112	2,888,786	1,749,757	3,938,460	24,256,151	0.9990	25,738,700	94.24%	
2022	23,413,985	444,294	2,960,786	1,636,560	4,063,157	24,392,468	0.9990	27,515,474	88.65%	
2023	23,146,862	460,294	3,149,328	1,794,507	3,611,482	24,939,509	0.9990	26,341,133	94.68%	

<sup>1</sup> Public service companies' property includes real and personal property of utilities, railroad and buslines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

<sup>2</sup> Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assessment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

<sup>3</sup> Estimated actual values and the ratio of total assessed value to total estimated actual value has been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

<sup>4</sup> Denotes the year in which a revaluation was effective on the January 1st preceding the beginning of the fiscal year.

Source: Cumberland County Tax Department

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2017 and is reflected beginning in Fiscal Year 2018.

**Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30	County of Cumberland Direct Rates					Overlapping Rates Levied by Municipalities									
	County Basic Rate	County Recreation Rate	Fire Protection Districts (1)	Special Fire District (2)	Total Direct Rate	City of Fayetteville (3)	Fayetteville Revitalization District	Town of Hope Mills	Town of Spring Lake (3)	Town of Eastover	Town of Falcon	Town of Godwin	Town of Linden (3)	Town of Stedman	Town of Wade
2014	0.740	0.050	0.100	0.0125	0.9025	0.4560	0.1000	0.4200	0.6600	0.2050	0.1500	0.1950	0.2000	0.3200	0.2400
2015	0.740	0.050	0.100	0.0125	0.9025	0.4860	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2000	0.3200	0.2500
2016	0.740	0.050	0.100	0.0125	0.9025	0.4860	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2500	0.3200	0.2500
2017	0.740	0.050	0.100	0.0125	0.9025	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2500	0.3200	0.2500
2018	0.799	0.050	0.100	0.0125	0.9615	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2500
2019	0.799	0.050	0.100	0.0125	0.9615	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2500
2020	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2600
2021	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.2200	0.2400	0.3000	0.3200	0.3200
2022	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.2200	0.2400	0.3000	0.3200	0.3200
2023	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.6500	0.2050	0.2200	0.2400	0.3000	0.3200	0.3200

(1) Cumberland County has eighteen fire protection districts. In FY2020 , the fire tax was set at 15 cents, with 10 cents allocated to all fire districts, 1.25 cents allocated to low wealth fire districts, and the remaining 3.75 cents distributed through supplements, incentives and grants.

(2) Eliminated in FY2020

(3) Municipalities that are excluded from paying the County Recreation Tax

Source: Cumberland County Tax Department



**Principal Property Taxpayers  
Ten Year Comparison  
(Dollars in Thousands)  
Unaudited**

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	2022 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Goodyear Tire & Rubber Co.	\$ 346,591	1	1.39%	\$ 328,160	1	1.42%
Cross Creek Mall, LLC	170,610	2	0.68%	130,249	2	0.56%
Wal-Mart Stores, Inc.	160,987	3	0.65%	126,810	3	0.55%
Duke Energy Progress, Inc.	113,222	4	0.45%			
Fayetteville, VA Co., LLC	91,132	5	0.37%			
Cargill, Inc.	83,282	6	0.33%	38,991	10	0.17%
Mann+Hummel Purolator Filters	76,306	7	0.31%	59,731	6	0.26%
Piedmont Natural Gas	69,938	8	0.28%	52,790	7	0.23%
DAK Americas, LLC	64,363	9	0.26%	50,971	9	0.22%
South River EMC	58,446	10	0.23%	46,147	8	0.20%
Carolina Telephone				71,197	4	0.31%
Progress Energy				86,171	5	0.37%
	<u>\$ 1,234,877</u>		<u>4.95%</u>	<u>\$ 991,217</u>		<u>4.29%</u>

Source: Cumberland County Tax Department

**Property Tax Levies and Collections - General Fund  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Tax Levy	Current Tax Collections	Percent of Net Levy Collected	<sup>2</sup> Collections in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections To Net Levy
2014	\$ 171,641,426	\$ 169,217,802	98.59%	\$ 1,886,384	\$ 171,104,186	99.69%
2015	170,223,065	168,914,935	99.23%	1,120,842	170,035,777	99.89%
2016	172,307,349	170,999,219	99.24%	1,019,652	172,018,871	99.83%
2017	175,933,805	173,906,079	98.85%	1,137,644	175,043,723	99.49%
2018 <sup>1</sup>	183,621,079	182,126,897	99.19%	1,214,998	183,341,895	99.85%
2019	187,163,252	185,734,181	99.24%	882,738	186,616,919	99.71%
2020	189,321,973	187,188,405	98.87%	1,569,261	188,757,666	99.70%
2021	193,917,047	192,228,162	99.13%	1,086,850	193,315,012	99.69%
2022	195,116,064	194,315,234	99.59%	610,464	194,925,698	99.90%
2023	199,501,614	198,385,306	99.44%	-	198,385,306	99.44%

Source: Cumberland County Tax Department

<sup>1</sup> Denotes the year in which a revaluation was effective on the January 1st preceding the beginning of the fiscal year.

<sup>2</sup> Collections for FY2014 include all collections through 9th prior year.  
Collections for FY2015 include all collections through 8th prior year.  
Collections for FY2016 include all collections through 7th prior year.  
Collections for FY2017 include all collections through 6th prior year.  
Collections for FY2018 include all collections through 5th prior year.  
Collections for FY2019 include all collections through 4th prior year.  
Collections for FY2020 include all collections through 3rd prior year.  
Collections for FY2021 include all collections through 2nd prior year.  
Collections for FY2022 include all collections through 1st prior year.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	General Obligation Bonds	COPS and Limited Obligation Bonds	Leases	SBITA	Installment Purchase	General Obligation Bonds	Revenue Bonds	COPS and Limited Obligation Bonds	Installment Purchase			
2014	\$ 41,575,000	\$ 102,839,000	\$ 1,611,032	\$ -	\$ 2,238,691	\$ 1,136,000	\$ -	\$ 28,495,000	\$ 1,870,800	\$ 179,765,523	1.53%	541
2015	33,740,000	92,913,250	1,172,987	-	4,599,065	1,117,000	-	26,420,000	1,648,919	161,611,221	1.33%	491
2016	26,110,000	82,927,500	717,492	-	4,459,439	1,097,000	-	24,255,000	1,332,124	140,898,555	1.14%	428
2017	18,695,000	72,906,750	243,850	-	3,219,813	1,076,000	-	22,005,000	2,394,328	120,540,741	0.97%	372
2018	11,930,000	61,691,000	-	-	3,414,148	1,054,000	1,379,000	19,665,000	1,985,289	101,118,437	0.78%	307
2019	5,355,000	54,350,250	-	-	5,108,151	1,032,000	1,379,000	17,225,000	4,766,695	89,216,096	0.66%	271
2020	2,950,000	51,962,300	-	-	733,333	1,009,000	1,379,000	21,072,200	64,942	79,170,775	0.55%	238
2021	665,000	65,381,350	-	-	550,000	985,000	1,354,000	16,929,400	59,946	85,924,696	NA	258
2022	165,000	56,668,627	90,898	-	366,667	960,000	1,329,000	12,811,373	54,951	72,446,516	NA	216
2023	-	47,960,177	125,610	559,863	183,334	934,000	1,304,000	8,720,073	49,955	59,837,012	NA	175

Debt balances are shown at principal before adjustments to carrying value.

(1) Percentage of Personal Income: Total debt of the primary government divided by personal income (See Schedule 13 for personal income).

(2) Per Capita: Total debt of the primary government divided by the population for that fiscal year (See Schedule 13 for population information).

NA: Information not available

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited**

<u>Fiscal Year</u>	<u>Total General Obligation Bonds</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>G.O. Debt Per Capita (1)</u>
2014	\$ 42,711,000	0.36%	0.193%	128
2015	34,857,000	0.30%	0.158%	106
2016	27,207,000	0.22%	0.122%	83
2017	19,771,000	0.16%	0.086%	61
2018	12,984,000	0.10%	0.059%	39
2019	6,387,000	0.05%	0.029%	19
2020	3,959,000	0.03%	0.017%	12
2021	1,650,000	0.01%	0.007%	5
2022	1,125,000	NA	0.005%	3
2023	934,000	NA	0.004%	3

Debt balances are shown at principal before adjustment to carrying value.

Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

**(1)** See Schedule 13 for personal income and population data. (Page S-15)

**(2)** See Schedule 6 for property value data. (Page S-8)

NA: Information not available

**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 2,104,340	\$ 2,093,592	\$ 2,122,201	\$ 2,168,537	\$ 2,139,235	\$ 2,180,702	\$ 2,207,374	\$ 2,255,569	\$ 2,276,450	\$ 2,284,079
Total net debt applicable to limit	42,711	34,857	27,207	19,771	12,984	6,387	3,959	1,650	1,125	934
Legal debt margin	<u>\$ 2,061,629</u>	<u>\$ 2,058,735</u>	<u>\$ 2,094,994</u>	<u>\$ 2,148,766</u>	<u>\$ 2,126,251</u>	<u>\$ 2,174,315</u>	<u>\$ 2,203,415</u>	<u>\$ 2,253,919</u>	<u>\$ 2,275,325</u>	<u>\$ 2,283,145</u>
Total net debt applicable to the limit as a percentage of debt limit	2.03%	1.66%	1.28%	0.91%	0.61%	0.29%	0.18%	0.07%	0.05%	0.04%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed Property Value	\$ 24,939,509
Plus : Exempt Property	<u>3,611,482</u>
Total Assessed Value	<u>\$ 28,550,991</u>
Debt Limit (8% of total assessed value)	\$ 2,284,079
Debt applicable to limit:	
Total Bonded debt	934
Revenue bonds	<u>1,304</u>
	2,238
Less: Statutory deductions	
Revenue bonds	<u>1,304</u>
	1,304
Total amount of debt applicable to debt limit	<u>934</u>
Legal debt margin	<u>\$ 2,283,145</u>

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>1</sup>	Unemployment Rate <sup>4</sup>
2014	332,553	\$ 11,780,298,000	\$ 36,157	NA	51,845	6.4%
2015	329,411	12,179,768,000	37,611	NA	50,258	6.7%
2016	328,860	12,376,828,000	37,835	31.5	49,918	6.1%
2017	323,838	12,439,189,000	37,406	31.0	49,928	5.3%
2018	329,824	12,887,624,000	38,780	31.5	49,641	5.4%
2019	329,017	13,498,407,000	40,233	31.5	49,503	5.8%
2020	333,209	14,460,971,000	42,992	31.4	49,579	9.9%
2021	333,531	15,766,028,000	46,992	31.6	47,234	6.9%
2022	334,776	*	*	*	47,313	5.9%
2023	342,082	*	*	*	48,300	5.0%

## Sources:

1. North Carolina Office of State Budget and Management
2. U.S. Bureau of Economic Analysis, Per Capita Personal Income in Cumberland County, NC ( 2021 data is now available, 2022 and 2023 data is not available)
3. NC Commerce, Labor and Economic Analysis Division for NC
4. U.S. Bureau of Labor Statistics, Unemployment Rate in Cumberland County, NC

\* data not available

**Principal Employers  
Current Year and Nine Years Ago  
Unaudited**

Employer	Fiscal Year 2023			Fiscal Year 2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Defense-Military	52,300 +	1	46.82%	51,000	1	36.39%
U.S. Department of Defense-Civilians	14,100 +	2	12.62%	23,000	2	16.41%
Cape Fear Valley Health System	7,100 +	3	6.36%	5,400	4	3.85%
Cumberland County Schools	6,800 +	4	6.09%	6,530	3	4.66%
Wal-Mart Associates Inc.	3,400 +	5	3.04%	2,860	5	2.04%
Goodyear Tire & Rubber Co.	2,500 +	6	2.24%	2,330	7	1.66%
Cumberland County Government	2,400 +	7	2.15%	2,350	6	1.68%
City of Fayetteville	1,700 +	8	1.52%	2,055	8	1.47%
Veterans Administration	1,500 +	9	1.34%			
Fayetteville Technical Community College	1,300 +	10	1.16%	1,390	9	0.99%
Mann + Hummel Purolator						
U.S. Postal Services				1,225	10	0.87%
<b>Total Employment (Ten Largest Employers)</b>	<b>93,100</b>		<b>83.34%</b>	<b>47,140</b>		<b>70.02%</b>
<b>Total Employment</b>	<b>111,705</b>			<b>140,134</b>		

Sources:

Fayetteville Cumberland County Economic Development

**Full-Time County Government Employees by Function  
Last Ten Fiscal Years  
Unaudited**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	248	247	245	234	242	243	242	241	240	274
Public Safety										
Sheriff	395	395	398	322	348	432	425	372	317	402
Detention Facility	266	266	251	255	228	220	190	172	154	144
Other	97	101	55	54	93	99	103	99	94	101
Human Services										
Public Health	276	274	242	245	196	207	211	208	211	224
Mental Health	4	4	-	-	-	-	-	-	-	-
Social Services	636	655	608	602	605	570	581	510	500	583
Other	77	80	75	161	75	78	85	81	78	72
Cultural & Recreation										
Library	188	186	153	178	137	140	138	148	144	138
Economic and Physical Development	80	86	79	78	63	70	67	66	76	71
Crown Center	-	-	-	-	-	-	-	-	-	-
Solid Waste	68	68	59	55	57	57	60	57	57	57
<b>Total</b>	<b>2,335</b>	<b>2,362</b>	<b>2,165</b>	<b>2,184</b>	<b>2,044</b>	<b>2,116</b>	<b>2,102</b>	<b>1,954</b>	<b>1,871</b>	<b>2,066</b>

Source: Munis



**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government</b>										
Number of persons voting in elections	63,062	76,615	90,038	198,833	61,497	117,383	81,683	147,263	131,529	149,917
Number of registered voters	202,486	204,462	202,770	211,971	212,599	220,237	211,932	223,160	210,817	209,319
Number of birth certificates processed	8,973	8,206	8,035	7,844	7,845	7,918	7,971	7,023	7,209	6,758
Number of death certificates processed	3,015	3,101	2,976	3,098	3,109	3,130	3,265	3,891	4,216	3,587
Number of land record instruments	41,770	39,515	39,206	41,309	39,466	37,469	45,520	57,772	56,520	43,642
Number of marriage licenses issued	3,751	3,772	3,591	3,676	3,573	3,558	2,719	2,669	3,123	3,048
Number of pieces of mail handled	502,486	626,820	613,235	671,513	669,366	571,508	693,858	749,352	565,430	391,914
<b>Public Safety</b>										
Number of fire calls answered	14,080	15,327	15,753	16,653	18,704	21,085	18,454	17,972	16,872	17,860
Number fire permits issued	243	193	220	211	138	220	266	179	481	367
Number of emergency calls dispatched	303,011	322,475	341,488	323,491	320,806	322,164	303,101	300,729	278,839	283,669
Number of sheriff calls answered	172,367	189,184	213,486	212,864	195,227	190,661	170,935	96,212	144,458	104,098
Number of civil court papers handled	47,893	45,368	44,119	43,220	44,130	41,864	40,258	30,446	31,405	38,760
Average daily inmate population	721	740	714	766	760	715	649 *	477 *	473 *	551
Number of inmates admitted	11,253	11,643	12,065	11,565	14,748	14,304	6,842	5,367	5,580	7,298
Number of animals impounded (dogs and cats)	12,987	12,208	11,085	11,072	10,629	10,440	7,090	5,163	6,338	7,715
Number of animal investigations	43,075	41,518	35,085	31,118	30,868	30,777	20,785	19,914	19,831	19,777
*Due to COVID-19, inmates actually being admitted began to decrease drastically in mid March. They still came in the door, but a lot were immediately released on little to no bond.										
<b>Human Services</b>										
Number of health dept. clinical services	40,739	44,039	45,275	35,643	32,287	33,375	29,350	24,055	26,913	27,673
Number of health dept. lab tests processed	39,506	49,047	47,433	42,513	39,807	37,603	40,322	44,053	39,311	35,679
Number of health dept. prescriptions filled	42,799	40,521	40,689	38,321	29,452	31,316	16,368	26,674	26,375	19,915
Amount of health care provided with no compensation	\$2,938,037	\$2,831,271	\$3,354,545	\$3,439,278	\$3,503,641	\$3,344,297	\$3,432,148	\$3,548,854	\$3,701,923	\$3,746,475
Number of WIC Clients	167,541	159,461	156,032	144,476	141,287	136,305	119,682	148,762	139,542	142,098
Avg monthly households receiving Food & Nutrition svcs	32,731	34,201	33,302	34,625	32,462	32,843	30,878	36,943	41,018	40,849
Average monthly active Medicaid cases*	34,115	60,048	67,199	68,235	71,149	72,122	73,752	81,151	89,167	94,786
Average monthly households receiving TANF benefits***	1,025	965	436	317	292	1,459	1,563	1,425	1,427	1,603
Average monthly Child Protective services referrals	5,427	5,242	5,984	5,623	448	418	395	389	433	448
Average monthly Adult Protective services referrals						932	85	86	97	106

\*effective FY15, total includes all categories of Medicaid, while previous years only included certain categories

\*\*\*TANF cases are no longer reported separately: includes benefit diversion, child only & TANF cases

**Operating Indicators by Function  
Last Ten Fiscal Years  
Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Human Services (continued)</b>										
Number of veterans claims processed *	2,405	5,028	2,309	NA	NA	NA	NA	NA	NA	NA
Number of veterans served in office**	10,803	10,821	9,061	6,787	4,923	6,391	4,306	1,015	4,917	7,713
Number of veterans served by telephone**	27,696	29,962	24,656	12,918	12,825	12,335	15,097	25,000	27,000	29,400
Number of mental health days of service (24 hrs)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of mental health outpatients served	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of workforce development applicants***	NA	NA	5,278	NA	NA	NA	NA	NA	NA	NA
Number of workforce initiative opportunity applicants****			16,789	18,910	18,837	15,360	14,682	6,878	NA	NA
*no longer available										
**Mar 2020 all offices closed to public until May 2021; therefore in office numbers dropped while phone services increased										
***Workforce Development not part of County FY12-15										
****residents entered Career Center for basic services; new reporting standards - NCWorks Online System										
<b>Economic and Physical Development</b>										
Number of inspections performed	16,291	16,146	14,688	14,704	14,266	14,521	16,697	15,894	17,864	18,267
Number of building permits issued	1,038	955	786	915	795	888	861	982	1,437	1,058
<b>Culture and Recreation</b>										
Number of library books	549,798	478,071	472,567	474,701	464,460	450,323	426,284	448,973	415,699	407,622
Number of books & audio visual materials circulated	2,220,865	2,078,733	1,689,681	1,538,035	1,423,364	1,382,660	1,150,628	525,206	1,102,661	1,239,676
Number of public visits	1,346,026	1,345,163	1,262,216	1,214,921	1,208,774	1,210,767	681,568	110,195	407,408	272,650
Number of E-audio, E-video & E-periodical collections			23,243	26,961	35,591	41,159	48,586	59,012	71,092	102,233
<b>Business Activities</b>										
Number of civic center event days	190	227	166	155	143	154	92	32	155	203
Number in attendance	485,290	486,951	479,606	416,962	440,413	438,239	295,956	38,158	319,499	413,027
Number of solid waste tonnages processed	270,571	260,194	291,643	310,852	250,962	329,251	221,243	224,257	229,130	250,688

Source: Information provided by various County departments.

NA: Information not available

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Fire</b>										
Number of volunteer stations	20	21	21	21	21	21	21	21	21	21
<b>Sheriff</b>										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of patrol vehicles	355	375	382	361	371	378	374	377	377	377
Detention facility beds	884	884	884	884	884	884	884	884	884	884
<b>Culture and Recreation</b>										
Number of libraries	9	9	9	9	8	8	8	8	8	8
Library collections	611,496	536,145	537,235	540,686	525,333	514,822	498,756	520,319	484,579	466,207
E-book collections**	53,045	218,420	61,095	90,362	106,844	96,654	150,255	206,483	254,969	602,677
Number of parks	3	3	4	4	4	5	5	5	5	11
Park acreage	170	170	177	177	177	192	192	192	192	246
Number of ball fields	65	65	65	65	65	65	65	65	65	68
Number of tennis courts	32	32	32	32	32	32	32	32	32	34
*Discarded outdated materials and foreign language collection										
**Includes local ebooks, NC Digital Library ebooks and NC Live ebooks										
<b>Facilities and services not included in primary government</b>										
<b>Education:</b>										
Number of schools	87	87	87	87	87	87	87	89	86	86
Number of students	51,845	51,855	50,939	50,655	49,641	50,937	50,880	50,870	48,796	50,246
Colleges & universities	2	2	2	2	2	2	2	2	2	2
Community colleges	1	1	1	1	1	1	1	1	1	1
<b>Hospitals:</b>										
Number of county hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	606	606	606	606	606	606	606	606	606	606

Source: Information provided by various county departments and local hospital administration department.

## COMPLIANCE SECTION



## Report of Independent Auditor 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

To the Board of Commissioners  
County of Cumberland, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Cumberland, North Carolina (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the County's basic financial statements, and have issued our report thereon dated December 1, 2023. Our report includes a reference to other auditors who audited the financial statements of Cumberland County ABC Board (the "ABC Board") as described in our report on County's financial statements. The financial statements of the Fayetteville Area Convention and Visitors Bureau (the "Bureau") and the ABC Board, discretely presented component units, were not audited in accordance with the *Governmental Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Bureau and the ABC Board.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 the 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The County's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
December 1, 2023

**Report of Independent Auditor on Compliance for Each Major  
Federal Program and on Internal Control Over Compliance Required by  
OMB Uniform Guidance and the State Single Audit Implementation Act**

To the Board of Commissioners  
County of Cumberland, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Cumberland, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in *internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
December 1, 2023

**Report of Independent Auditor on Compliance for Each Major State Program  
and on Internal Control Over Compliance in Accordance with the OMB  
Uniform Guidance and the State Single Audit Implementation Act**

To the Board of Commissioner  
County of Cumberland, North Carolina

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

***Opinion on Each Major State Program***

We have audited the County of Cumberland, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's state programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the State Single Audit Implementation Act which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major state program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Purpose of this Report**

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
December 1, 2023



# Schedule of Findings and Questioned Costs

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## Section I. Summary of Auditor's Results (continued)

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Dollar threshold used to distinguish  
between Type A and Type B Programs

\$ 2,005,117

Auditee qualified as low-risk auditee?

yes  no

### State Awards

Internal control over Major State Programs:

• Material weakness(es) identified?

yes  no

• Significant deficiency(s) identified  
that are not considered to be  
material weaknesses?

yes  none

Noncompliance material to State awards?

yes  no

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 the State Single Audit Implementation Act?

yes  no

Identification of major state programs:

### Program Name

Public School Building Capital Fund- Lottery-Proceeds  
State Foster Care Benefits Program  
DSS Crosscutting

# Schedule of Findings and Questioned Costs

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## Section II – Financial Statement Findings

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### Finding: 2023-001

#### Significant Deficiency over Schedule of Expenditure of Federal and State Awards

**Criteria:** A properly designed financial reporting process ensures transactions are recorded timely and all accounts have been properly reconciled with subsidiary ledgers; resulting in financial information and data that is timely, accurate and available to management to aid in decision-making processes.

**Condition:** Upon inquiry of a missing program and seeking clarification of other program amounts, management realized the preliminary SEFSA provided that there were instances of expenditures incurred and posted to the financial system, that were not included on the preliminary schedule of expenditures of federal and state awards (“SEFSA”). Additionally, some federal or state programs were incorrectly reported as expended.

**Context:** The SEFSA was updated to include missing program expenditures that were spent during the year but not properly included on the SEFSA.

**Effect:** The SEFSA could be misstated leading to inaccurate reporting and presentation of grant expenditures during the year. In accurate reporting of grant spending can cause major program determination for the single audit major programs to be determined incorrectly. This will result in the testing of incorrect programs or not testing a program that would otherwise be required to test.

**Cause:** A proper methodology for reviewing the general ledger and/or grant tracking did not exist for properly identifying all grants for consideration of their inclusion on the SEFSA.

**Recommendation:** We recommend reconciliations between the general ledger and subsidiary ledgers/accounting records and state and federal confirmations are performed and reviewed timely at year-end depending on the nature of the account/schedule. Evidence of performance and review of these monthly reconciliations should continue to be maintained.

**Management’s Response:** See corrective action plan.

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## Section III – Federal Award Findings and Questioned Costs

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None noted.

# Schedule of Findings and Questioned Costs

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## Section IV – State Award Findings and Questioned Costs

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**N.C. Department of Health and Human Services  
State Foster Care and Guardianship Assistance Benefits Program  
U.S. Department of Health and Human Services**

**Federal Program Name: Foster Care and Adoption Assistance  
Assistance Listing Number 93.658; 93.659**

**Non-Material Non-Compliance - Eligibility  
Finding 2023-002**

**Criteria:** An effective system of internal control over compliance contemplates that management properly review and assess eligibility determinations and that benefits are provided from the correct funding source for an approved applicant.

**Condition:** A child was initially determined as ineligible for IV-E based on an assessment of the child's situation and applicable eligibility requirements and therefore, was established to receive benefits from State Foster Care funds. The next day, the child was placed at a facility and eligibility for IV-E benefits was established but no update was made to change the funding source from State Foster Care to IV-E benefits and therefore the State Foster Care benefits continued as originally determined.

**Context:** A sample of 40 applications approved during the year were selected for sampling. The identified error applied to one of those samples.

**Effect:** Eligibility was determined to be correctly assessed. However, the County paid out benefits from the incorrect funding source.

**Questioned Costs:** Known questioned costs from the sample was \$343 and likely questioned costs were approximately \$79,000. The rate for the correct funding source of IV-E is actually higher than the State Foster Care rate. The County is requesting recoupment for the differential in the rates for the entire period the child was in the program, which was from June 2021 to April 2023. Known questions costs were approximately \$4,489 for the time the child was receiving benefits.

**Cause:** While support in the case file shows eligibility was established for IV-E benefits and that the funding source should be changed from the initial funding source established, the funding source was never appropriately changed to reflect the change in the child's status. Human error related to clerical and data entry activities resulted in this change not being made.

**Recommendation:** We recommend the County ensure changes made to funding sources are updated in a timely manner to ensure funds are received from the correct source.

**Views of responsible officials:** Management agrees with the finding and is implementing procedures to correct this instance which is further discussed in the corrective action plan.

**Corrective Action Plan:** See Corrective Action Plan prepared by the County.



Clarence G. Grier  
County Manager

Brian Haney  
Assistant County Manager



Sally S. Shutt  
Assistant County Manager

Heather Skeens  
Assistant County Manager

## Office of the County Manager

### CUMBERLAND COUNTY, NORTH CAROLINA CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2023

#### Section II – Financial Reporting

##### Finding 2023-001

**Name of Contact Person:** Vicki Evans – Financial Director & General Manager of Financial Services

**Corrective Action:** For future years' audits, the County will not provide a preliminary Schedule of Expenditures of State and Federal Awards until all transactions of the fiscal year being audited are posted. In addition, a secondary reviewer will confirm amounts and that a complete listing of programs is being reported. Handling the SEFSA in this manner will ensure amounts provided are complete and accurate at the time of submission to the auditors.

**Proposed Completion Date:** October 31, 2024

#### Section IV – State Award Findings and Questioned Costs

##### Finding 2023–002

**Name of contact person:** Natasha Tomlinson, DSS Division Chief for Permanency Services and DSS Director when appointed.

**Corrective Action:** All DSS 5120 and DSS 5120a will have a two-level review. All Child Welfare Social Work Supervisors and Program Administrators will attend IV-E training within 12 months. All Child Welfare Social Work Supervisors will conduct monthly daysheet coding reviews.

**Proposed Completion Date:** December 5, 2024

# Schedule of Prior Year Audit Findings

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**2022-001:** Corrected

**2022-002:** Corrected

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<b>Federal Awards:</b>					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Agriculture:					
Food Distribution	10.550		\$ 2,502	\$ -	\$ -
Passed-through the N.C. Department of Health and Human Services, Division of Social Services:					
Supplemental Nutrition Assistance Program (SNAP) Cluster					
Food Stamp Fraud Recovery Funds	10.561		15,610	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561		4,500,358	-	-
COVID-19 - Supplemental Nutrition Assistance Program ARPA	10.561		604,646	-	-
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, & Children (WIC)	10.557		2,108,106	-	-
Total N.C. Department of Health and Human Services			7,228,720	-	-
Passed-through the N.C. Department of Agriculture and Consumer Services, Division of Soil and Water:					
Emergency Watershed Protection Program Grant	10.923	19-091-4086	715,516	-	-
Total N.C. Department of Agriculture and Consumer Services			715,516	-	-
<b>Total U.S. Department of Agriculture</b>			<b>7,946,738</b>	-	-
<u>U.S. Department of Housing and Urban Development</u>					
Passed-through the N.C. Department of Health and Human Services, Department of Administration, Emergency Solutions Grants Program					
Community Development Block Grant	14.231		19,082	-	-
Grants/Entitlement Grants					
CDBG-CV Grant	14.218		637,704	-	-
Disaster Relief Act 2017	14.218		113,108	-	-
HOME Investment Partnerships Program	14.218		-	-	-
Continuum of Care Program	14.239		126,466	-	-
CDBG- Disaster Recovery	14.267		85,966	-	-
CDBG- Disaster Recovery	14.228		19,222	-	-
Total Community Development Block Grant			982,466	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,001,548</b>	-	-

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>U.S. Department of Justice</u>					
Passed-through the N.C. Department of Public Safety, Crime Victim Assistance	16.575	PROJ05193	100,574	-	-
Adult Drug Court Discretionary Grant Program (Sobriety Court)	16.585	2019MUBX0073	72,116	-	-
State Criminal Alien Assistance Program (SCAAP)	16.606	15PBJA20RR00220SCAA	121,832	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738	BJA21GG01643JAGX	167,545	-	139,735.00
Edward Byrne Memorial Justice Assistance Grant	16.738	2019DJBX0501	41,185	-	41,185.00
Body Worn Camera Policy and Implementation Program to Support Law Enforcement Agencies	16.835	15PBJA21GG0465BWCX	700,000	-	-
<b>Total U.S. Department. of Justice</b>			<b>1,203,252</b>	<b>-</b>	<b>180,920.00</b>
<u>U.S. Department of Transportation Federal Highway Administration</u>					
Passed-through the N.C. Department of Transportation, Highway Planning and Construction Grants	20.205		317,236	-	-
Federal Transit Administration					
Passed-through the N.C. Department of Transportation (5310)					
Passed-through City of Fayetteville, NC - Urban Transportation & Non-Medical Transportation	20.513		215,555	-	-
Federal Transit - Metropolitan Planning Grants	20.505		115,280	22,008	-
Formula Grants for Other Than Urbanized Areas	20.509		53,514	3,344	-
COVID-19 CARES Grant	20.509	2000045345	105,985	-	-
Total Federal Transit			807,570	25,352	-
Federal Transit Administration					
Passed-through the N.C. Department of Public Safety					
Hazardous Materials Emergency Preparedness	20.703		7,495	-	-
<b>Total U.S. Department of Transportation</b>			<b>815,065</b>	<b>25,352</b>	<b>-</b>

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>U.S. Department of the Treasury</u>					
Direct Program:					
Equitable Sharing	21.016		189,403	-	-
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), American Rescue Plan Act (ARPA)					
Public Health	21.027		1,681,610	-	-
Negative Economic Impacts - "Aid to Others"	21.027		538,056	-	-
Negative Economic Impacts - Public Sector Capacity "Gov Unit Payroll"	21.027		11,149,693	-	-
Revenue Replacement	21.027		4,960,966	-	-
Administration	21.027		212,292	-	-
Total CSLFRF-ARPA			<u>18,542,617</u>	-	-
Emergency Rental Assistance Program	21.023		5,044,157	-	-
<b>Total U.S. Department of the Treasury</b>			<b><u>23,776,177</u></b>	-	-
<u>Institute of Museum and Library Services</u>					
Passed-through the State Library of North Carolina Library Services and Technology Act Grant	45.310	NC-22-25	173,683	-	-
<b>Total Institute of Museum and Library Services</b>			<b><u>173,683</u></b>	-	-
<u>U.S. Department of Health and Human Services</u>					
Passed-through the N.C. Department of Health and Human Services, Temporary Assistance for Needy Families (TANF) Division of Social Services TANF - Work First	93.558		4,629,287	-	-
Passed-through Alliance Health TANF - Work First	93.959		76,160	-	-
Total TANF			<u>4,705,447</u>	-	-

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Special Children Adoption	93.558		314,338	-	-
N.C. Child Support Enforcement Section	93.563		5,139,540	-	-
Low-Income Home Energy Assistance Block Grant: Administration	93.568		652,259	-	-
Crisis Intervention Program	93.568		1,696,111	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Families for Kids	93.645		103,219	-	-
SSBG - Other Services and Training	93.667		2,031,181	-	-
LINKS (formerly Independent Living Grant)	93.674		126,182	31,545	-
Total other Administration for Children and Families			<u>10,062,830</u>	<u>31,545</u>	-
Foster Care and Adoption Cluster (Note 4):					
Title IV-E Foster Care Administration	93.658		1,804,599	801,298	-
Title IV-E Foster Care	93.658		1,983,051	609,906	-
Family Reunification	93.556		178,529	-	-
Total Foster Care and Adoption Cluster			<u>3,966,179</u>	<u>1,411,204</u>	-
Passed-through the N.C. Department of Health and Human Services, Division of Child Development and Early Education					
Child Care and Development Fund-Administration	93.596		<u>862,349</u>	-	-
Division of Aging:					
Division of Social Services:					
SSBG-Adult Day Care	93.667		67,704	15,347	-
Adult Protective Services - Essential Services	97.747		44,980	-	-
Total Division of Aging, Division of Social Services			<u>112,684</u>	<u>15,347</u>	-
Division of Aging and Adult Services, Home and Community Care Block Grant					
Passed-through Mid-Carolina Council of Governments - AAA Medical Transportation	93.044		<u>227,257</u>	-	-
Total Division of Aging and Adult Services, Home and Community Care Block Grant			<u>227,257</u>	-	-

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program	93.778		7,001,384	25,160	-
DMA Medicaid Reimburse Trans	93.778		1,865,164	-	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - NC Health Choice	93.767		169,738	11,831	-
Passed-through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		70,185	-	-
Project Grants & Cooperative Agreements for Tuberculosis Control Program	93.116		27,631	-	-
Family Planning Services	93.217		168,861	-	-
Immunization Cooperative Agreements	93.268		146,804	-	-
COVID-19 - Immunization Cooperative Agreements	93.268		112,321	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		722,957	-	-
COVID-19 Public Health Emergency Response:					
Cooperative Agreement, Public Health Crisis Response	93.354		787,233	-	-
National and State Tobacco Control Program	93.387		106,286	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)					
Response to Public Health or Healthcare Crises	93.391		40,968	-	-
Temporary Assistance for Needy Families	93.558		51,005	-	-
Refugee and Entrant Assistance/Replacement Designee Administers Program	93.566		2,460	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		31,050	-	-
Sexually Transmitted Diseases Prevention and Control Grants	93.977		60,337	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-
Maternal and Child Health Services Block Grant	93.994		392,241	50,889	-
<b>Total U.S. Department of Health and Human Services</b>			<b>31,723,979</b>	<b>1,545,977</b>	<b>-</b>

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Crime Control and Public Safety:					
Division of Emergency Management:					
Emergency Management Performance Grants	97.042		80,022	-	-
Homeland Security Grant Program	97.067		116,765	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>196,787</b>	<b>-</b>	<b>-</b>
<b>Total Federal awards</b>			<b>\$ 66,837,230</b>	<b>\$ 1,571,329</b>	<b>\$ 180,920</b>
<b>State Awards:</b>					
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services:					
State Foster Care Benefits Program			\$ -	\$ 2,316,506	\$ -
Energy Assistance - CP&L Energy Program			-	2,250	-
State CPS Caseload Reduction			-	330,144	-
CPS State			-	155,613	-
Child Welfare State In-Home Expansion			-	190,383	-
Special Links			-	65,185	-
AFDC Incentives			-	22	-
Adult Protective Services			-	35,501	-
Smart Start Administration			-	171,125	-
Family Violence Prevention Grant			-	17,218	-
<b>Total Division of Social Services</b>			<b>-</b>	<b>3,283,947</b>	<b>-</b>



## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Division of Public Health:					
School Nurse Funding Initiative			-	189,406	-
Public Health Capacity Building			-	233,260	-
General Communicable Disease Control			-	25,762	-
Food and Lodging Fees			-	34,518	-
Triple P			-	125,000	-
Breast & Cervical Cancer Program			-	14,850	-
Women's Health Service Fund			-	25,143	-
Child Health			-	56,051	-
Family Planning - State			-	93,722	-
Maternal Health			-	146,438	-
HIV/STD State			-	29,074	-
Healthy Communities			-	21,357	-
Tuberculosis Control			-	90,091	-
<b>Total Division of Public Health</b>			<b>-</b>	<b>1,084,673</b>	<b>-</b>
<b>Total N.C. Department of Health and Human Services</b>			<b>-</b>	<b>4,368,619</b>	<b>-</b>
<u>N.C. Department of Environment &amp; Natural Resources</u>					
Division of Soil and Water Conservation:					
Agriculture Cost Share Technical Assistance Program			-	24,646	-
Soil and Water District Projects Matching Funds			-	3,600	-
Streamflow Rehabilitation Assistance Program (StRAP)		22-080-4017	-	225,608	-
<b>Total N.C. Department of Environment &amp; Natural Resources</b>			<b>-</b>	<b>253,854</b>	<b>-</b>
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund- Lottery-Proceeds			-	3,256,990	-
<b>Total N.C. Department of Public Instruction</b>			<b>-</b>	<b>3,256,990</b>	<b>-</b>
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Programs			-	1,283,678	1,128,528
NC Tier II Grant - Local Emergency Planning Committees			-	10,995	-
<b>Total N.C. Department of Public Safety</b>			<b>-</b>	<b>1,294,673</b>	<b>1,128,528</b>

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Department of Cultural Resources</u>					
State Aid to Public Libraries			-	373,885	-
<b>Total N.C. Department of Cultural Resources</b>			<b>-</b>	<b>373,885</b>	<b>-</b>
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
Elderly and Disabled Transportation Assistance Program (EDTAP)			-	117,022	-
Rural General Public Program			-	80,284	-
Employment Transportation Assistance Program			-	79,090	-
<b>Total N.C. Department of Transportation</b>			<b>-</b>	<b>276,396</b>	<b>-</b>
<u>N.C. Administrative Office of the Courts</u>					
Innovative Court Pilot Program (Recovery Court)			-	144,342	-
Human Trafficking Court Pilot Program			-	175,672	-
<b>Total N.C. Administrative Office of the Courts</b>			<b>-</b>	<b>320,014</b>	<b>-</b>
<u>N.C. Department of Administration</u>					
Domestic Violence Program			-	93,629	-
<b>Total N.C. Department of Administration</b>			<b>-</b>	<b>93,629</b>	<b>-</b>
<u>N.C. Office of State Budget and Management</u>					
State Capital Infrastructure Fund (SCIF) for Homeless Shelter		20181	-	89,464	-
State Capital Infrastructure Fund (SCIF) for Linden Park Improvements		20182	-	91,649	-
<b>Total N.C. Office of State Budget and Management</b>			<b>-</b>	<b>181,113</b>	<b>-</b>
<u>N.C. Department of Military and Veteran Affairs</u>					
Division of Veterans Affairs					
Veterans Service Program			-	2,083	-
<b>Total N.C. Department of Military and Veteran Affairs</b>			<b>-</b>	<b>2,083</b>	<b>-</b>
<b>Total State awards</b>			<b>\$ -</b>	<b>\$ 10,421,256</b>	<b>\$ 1,128,528</b>

## Schedule of Expenditures of Federal and State Awards

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<b>Other Financial Assistance:</b>					
N.C. Department of Justice Opioid Settlement Funds (Note 5)			-	23,032	-
<b>Total Other Financial Assistance</b>			<u>-</u>	<u>23,032</u>	<u>-</u>
<b>Total Federal and State Awards</b>			<u>\$ 66,837,228</u>	<u>\$ 12,015,616</u>	<u>\$ 1,309,448</u>

# Notes to Schedule of Expenditures of Federal and State Awards

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## **Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal and State awards (“SEFSA”) includes the federal and state grant activity of the County of Cumberland, North Carolina (the “County”) under the programs of the federal government and the state of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the County.

## **Note 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.

## **Note 3—Indirect cost rate**

The County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

## **Note 4—Cluster of programs**

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption.

END OF REPORT

