



Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2025

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COUNTY OF CUMBERLAND, NORTH CAROLINA

TABLE OF CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

TRANSMITTAL LETTER.....	A-1
CERTIFICATE OF ACHIEVEMENT	A-25
BOARD OF COUNTY COMMISSIONERS	A-26
ORGANIZATIONAL CHART	A-27

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR	B-1
MANAGEMENT'S DISCUSSION AND ANALYSIS	C-1

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	D-1
STATEMENT OF ACTIVITIES	D-2

FUND FINANCIAL STATEMENTS

BALANCE SHEET – GOVERNMENTAL FUNDS	E-1
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	E-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS.....	E-3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	E-4
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	E-5
STATEMENT OF NET POSITION – PROPRIETARY FUNDS.....	E-6
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	E-7
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	E-8
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS.....	E-10
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS.....	E-11
STATEMENT OF NET POSITION – COMPONENT UNITS	E-12
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – COMPONENT UNITS.....	E-13
NOTES TO THE FINANCIAL STATEMENTS	F-1

COUNTY OF CUMBERLAND, NORTH CAROLINA

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY –LAW ENFORCEMENT OFFICERS’ SPECIAL SEPARATION ALLOWANCE – LAST NINE FISCAL YEARS.....	G-1
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL – LAW ENFORCEMENT OFFICERS’ SPECIAL SEPARATION ALLOWANCE – LAST NINE FISCAL YEARS.....	G-2
SCHEDULE OF THE COUNTY’S PROPORTIONATE SHARE OF THE NET POSITION – LIABILITY (ASSET) – LOCAL GOVERNMENT EMPLOYEES’ RETIREMENT FUND – LAST TEN FISCAL YEARS	G-3
SCHEDULE OF THE COUNTY CONTRIBUTIONS – LOCAL GOVERNMENT EMPLOYEES’ RETIREMENT FUND – LAST TEN FISCAL YEARS	G-4
SCHEDULE OF THE COUNTY’S PROPORTIONATE SHARE OF THE NET POSITION – LIABILITY (ASSET) –REGISTER OF DEEDS’ SUPPLEMENTAL PENSION FUND – LAST TEN FISCAL YEARS.....	G-5
SCHEDULE OF THE COUNTY CONTRIBUTIONS – REGISTER OF DEEDS’ SUPPLEMENTAL PENSION FUND – LAST TEN FISCAL YEARS	G-6
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – OTHER POST EMPLOYMENT BENEFIT RETIREE HEALTHCARE PLAN – LAST EIGHT FISCAL YEARS	G-7

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – OBJECT LEVEL – GENERAL FUND.....	H-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND.....	H-5
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL – COUNTY SCHOOL FUND	H-6
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL – CAPITAL INVESTMENT FUND	H-7
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – AMERICAN RESCUE PLAN ACT (ARPA) FUND.....	H-8

COUNTY OF CUMBERLAND, NORTH CAROLINA

TABLE OF CONTENTS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	I-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND	
BALANCES – NONMAJOR GOVERNMENTAL FUNDS	I-2

NONMAJOR SPECIAL REVENUES FUNDS

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	J-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND	
BALANCES – NONMAJOR SPECIAL REVENUE FUNDS.....	J-5
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	
PREPARED FOOD AND BEVERAGE FUND	J-9
EMERGENCY TELEPHONE FUND	J-10
RECREATION FUND	J-11
JUVENILE CRIME PREVENTION FUND	J-12
TRANSPORTATION FUND	J-13
COMMUNITY DEVELOPMENT FUND.....	J-14
FIRE PROTECTION FUND	J-15
FEDERAL DRUG JUSTICE FUND	J-16
FEDERAL DRUG FORFEITURE FUND	J-17
NORTH CAROLINA CONTROLLED SUBSTANCE FUND	J-18
ANIMAL MEDICAL FUND.....	J-19
INMATE WELFARE FUND	J-20
LINDEN LITTLE RIVER PARK FUND	J-21
FINES AND FORFEITURES FUND.....	J-22
DEEDS OF TRUST FUND.....	J-23
DSS REPRESENTATIVE PAYEE FUND	J-24
INNOVATIVE COURT PROGRAM FUND	J-25
HUMAN TRAFFICKING WORTH FUND	J-26
STREAM RESTORATION GRANT FUND	J-27
SCIF HOMELESS GRANT FUND	J-28
OPIOID SETTLEMENT FUND.....	J-29
CUMBERLAND INDUSTRIAL CENTER SEWER FUND.....	J-30

COUNTY OF CUMBERLAND, NORTH CAROLINA

TABLE OF CONTENTS

NONMAJOR CAPITAL PROJECT FUNDS

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS	K-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS.....	K-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL CULTURE AND RECREATION FUND.....	K-3
EMERGENCY OPERATIONS CENTER FUND	K-4
WATER FEASIBILITY FUND	K-5
MLK PARK FUND.....	K-6

NONMAJOR PERMANENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CEMETERY PERMANENT FUND	L-1
--	-----

ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS	M-1
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUNDS	M-2
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS.....	M-3
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) CUMBERLAND COUNTY SOLID WASTE FUND	M-5
CUMBERLAND COUNTY CROWN CENTER FUND	M-6
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – SOLID WASTE PROJECTS	M-7
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CROWN CAPITAL PROJECT FUND	M-8
SCHEDULE OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CROWN EVENT CENTER CAPITAL PROJECT FUND	M-9
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – (NON-GAAP) KELLY HILLS WATER AND SEWER DISTRICT FUND.....	M-10
NORCRESS WATER AND SEWER DISTRICT FUND	M-11
SOUTHPOINT WATER AND SEWER DISTRICT FUND	M-12
OVERHILLS PARK WATER AND SEWER DISTRICT FUND.....	M-13

COUNTY OF CUMBERLAND, NORTH CAROLINA

TABLE OF CONTENTS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS.....	N-1
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS	N-2
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS.....	N-3
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP) GROUP INSURANCE FUND.....	N-4
EMPLOYEE FLEXIBLE BENEFIT FUND	N-5
WORKERS' COMPENSATION FUND	N-6
GENERAL LITIGATION FUND	N-7
VEHICLE INSURANCE FUND	N-8

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – CUSTODIAL FUNDS	O-1
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	O-2

DISCRETELY PRESENTED COMPONENT UNIT – EASTOVER SANITARY DISTRICT

STATEMENT OF NET POSITION	P-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION.....	P-2
STATEMENT OF CASH FLOWS.....	P-3
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP).....	P-4
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – EASTOVER SANITARY DISTRICT CAPITAL PROJECT FUND.....	P-5

DISCRETELY PRESENTED COMPONENT UNIT – TOURISM DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION	Q-1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION.....	Q-2
STATEMENT OF CASH FLOWS.....	Q-3
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP).....	Q-4

COUNTY OF CUMBERLAND, NORTH CAROLINA
TABLE OF CONTENTS

SUPPLEMENTAL FINANCIAL DATA

SCHEDULE OF CURRENT TAX LEVY..... R-1

SCHEDULE OF AD VALOREM TAXES RECEIVABLE R-2

EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE – PUBLIC SAFETY ANSWERING
POINTS (PSAP) RECONCILIATION R-3

STATISTICAL SECTION (UNAUDITED)

NET POSITION BY COMPONENT – SCHEDULE 1..... S-1

CHANGES IN NET POSITION – SCHEDULE 2S-2

FUND BALANCES OF GOVERNMENTAL FUNDS – SCHEDULE 3S-5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS – SCHEDULE 4 S-7

TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS – SCHEDULE 5..... S-8

ASSESSED VALUE OF TAXABLE PROPERTY – SCHEDULE 6 S-9

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS – SCHEDULE 7 S-10

PRINCIPAL PROPERTY TAXPAYERS – SCHEDULE 8 S-11

PROPERTY TAX LEVIES AND COLLECTIONS – GENERAL FUND – SCHEDULE 9 S-12

RATIOS OF OUTSTANDING DEBT BY TYPE – SCHEDULE 10..... S-13

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING – SCHEDULE 11..... S-14

COMPUTATION OF LEGAL DEBT MARGIN – SCHEDULE 12 S-15

DEMOGRAPHIC AND ECONOMIC STATISTICS – SCHEDULE 13 S-16

PRINCIPAL EMPLOYERS – SCHEDULE 14 S-17

FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION – SCHEDULE 15.....S-18

OPERATING INDICATORS BY FUNCTION – SCHEDULE 16 S-19

CAPITAL ASSET STATISTICS BY FUNCTION – SCHEDULE 17..... S-21

COUNTY OF CUMBERLAND, NORTH CAROLINA
TABLE OF CONTENTS

COMPLIANCE SECTION

REPORT ON 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.....T-1

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.....T-3

REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB UNIFORM GUIDANCE AND THE STATE
SINGLE AUDIT IMPLEMENTATION ACT.....T-6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....T-9

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS.....T-12

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS.....T-13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS.....T-20

INTRODUCTORY SECTION



February 20, 2026

**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, 2025. 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 four sections: Introductory, Financial, Statistical, and Compliance sections. The Introductory Section, which is unaudited, contains this letter of transmittal, which provides a brief overview of the operations of the

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. Finally, the Compliance Section presents reports and schedules required by the federal and state Single Audit Acts.

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. Discretely presented component units include 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.

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.

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 337,970. The City of Fayetteville (the "City" or "Fayetteville") is the sixth largest municipality in the State with a population estimate of 209,975.

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 Chairperson and Vice Chairperson 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 BRAGG

The County is home to Fort Bragg, 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 Bragg encompasses more than 162,000 acres, including training lands. Fort Bragg 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. In February 2025, Fort Liberty was changed back to Fort Bragg again, honoring the legacy of World War II hero, Pvt. First Class Roland L. Bragg and all soldiers and families who have called Fort Bragg home.

ECONOMIC CONDITIONS AND OUTLOOK

MILITARY ECONOMIC IMPACT

Fort Bragg is home to roughly 50,000 troops. More than 9,000 Department of Defense civilians work on the installation, along with more than 4,900 contract

employees. In all, Fort Bragg supports a population of roughly 265,000, including military families, retirees and others. The total direct and indirect military impact provides approximately \$10.7 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 have a direct effect on the economy.

**MILITARY PERSONNEL AND PAYROLL
AT FORT BRAGG**
Table 1

Year	Military Personnel	Payroll
2024	48,775	\$3,236,483,725
2023	48,707	\$3,230,767,348
2022	47,342	\$3,152,493,087
2021	48,963	\$3,146,559,598
2020	50,351	\$3,012,987,095

Source: XVIII Airborne Corps and Garrison Public Affairs Office

**CIVILIAN EMPLOYMENT AND PAYROLL
AT FORT BRAGG**
Table 2

Year	Number of Employees	Payroll
2024	12,534	\$1,469,345,931
2023	11,258	\$950,274,882
2022	11,847	\$985,128,354
2021	11,973	\$905,724,930
2020	12,080	\$887,149,378

Source: XVIII Airborne Corps and Garrison Public Affairs Office

In terms of building space and population, Fort Bragg is the largest military installation in the world. Since

1985, Fort Bragg's buildings have grown from 20.3 million square feet to 48.3 million square feet.

A Child Development Center was approved for Fort Bragg in the fiscal year 2025 United States Department of Defense budget. \$39 million was requested for a 37,460-square-foot facility with cyber security and an outdoor play area. The facility would serve up to 338 children aged six weeks to five years old. Fort Bragg currently has nine Child Development Center facilities, and all are utilized to capacity. The existing Child Development Center facilities are on waitlists that can exceed several months before vacancies become available for families. This forces families to use off post or unauthorized childcare facilities and results in a negative impact on mission execution, readiness, and soldier morale. The groundbreaking for this facility was in September 2025 with an expected opening date by early 2027.

\$43 million was requested for Fort Bragg construction projects in the fiscal year 2026 United States Department of Defense budget. This includes \$19M for the first Automated Infantry Platoon Battle Course on Fort Bragg and \$24M to complete the construction of a four-bay aircraft maintenance hangar.

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 31, 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 Bragg, and low cost of living are huge factors in our successful business climate.

128 economic development projects were reported to have generated \$1.38 billion in investment along with 5,122 jobs in 2024. An additional 89 projects have already been reported in the first 8 months of 2025.

In July 2024, an announcement was made that Cumberland County was the chosen site for Project Aero, a major aerospace-grade titanium manufacturing plant being built by American Titanium Metal LLC. In August 2025, Robert Van Geons, the president and CEO of FCEDC, updated that the project is steadily moving forward and the company is preparing the property for development. The company has plans to build a 500,000-square-foot facility and campus on a 200-acre site located near Goodyear Tire & Rubber Plant off Ramsey Street, an investment of more than \$867 million in buildings and equipment. The company will create over 300 jobs with an average salary of \$123,476, an annual payroll impact of more than \$37 million. The facility will melt, roll, and finish titanium which is addressing a substantial manufacturing supply chain need of the U.S. aerospace industry. Robert Van Geons described the jobs being created by Project Aero as, "...jobs where the vast majority would be achievable through training, obviously through the community college or one of our state universities...with additional training and certification coursework, you can move up into that." In May, the County and City approved offering a combined incentive package to include twenty years of tiered cash incentives based on the company meeting performance benchmarks, up to \$535,000 from both the County and City to support construction of water and sewer infrastructure required for the project, and the County and City acquiring and transferring ownership of approximately 120 acres of the land required for the project. North Carolina was competing against other sites for this project, including Harrison County, West Virginia, which reportedly provided similar

incentives, but the company was uncertain if there would be enough support. In a North Carolina Department of Commerce article about the announcement, Governor Roy Cooper remarked, “North Carolina offers aerospace manufacturers like this one in Cumberland County a talented workforce, worker training systems, and world-class transportation networks that will help them grow and succeed in our state.”

In March 2025, an announcement was made that Yeadon Fabric Domes chose Cumberland County to relocate their headquarters and manufacturing facility. The company specializes in designing, manufacturing, and installing air domes to be used for sports facilities, warehouses, and industrial applications. Yeadon plans to construct a 72-foot-tall domed structure within a 50,000-square-foot production site at the Fayetteville Regional Airport. The company is expected to invest more than \$4.5 million and will create 72 jobs with an average salary above the county average at \$47,734 by 2029. The project was supported by a combined incentive package of \$152,118 from Cumberland County and the City of Fayetteville and a \$225,000 grant from the state. Cumberland County Board of Commissioners Chairman Kirk deViere remarked, “This project will not only create high-quality jobs for our residents but also strengthen our position as a hub for innovative manufacturing.”

In August 2025, an announcement was made that FCEDC is converting a 35,800 square foot former furniture store on Russell Street into a center for innovation. The center’s purpose is to support early-stage companies, nonprofits and defense technology partners, considering Cumberland County as a location for their business. The center will include training areas, secure technology labs, advanced computing infrastructure, a large lecture hall and special event space, and private offices. The renovations on the property will begin by December with an estimated completion date by the second quarter of 2026. The hope is to keep more transitioning soldiers and their families in Cumberland County.

In October 2025, the County approved a \$363,550 grant to persuade SteelFab Inc., a steel fabrication company, to expand in Cumberland County. The City of Fayetteville approved a \$327,487 grant in September. The expansion would be a \$22 million investment to a 75-acre tract on Shaw Mill Road and bring 42 full-time jobs with an average salary of \$66,700. Cumberland County is competing against locations in Virginia and South Carolina. According to the October 13, 2025, Fayetteville City Council meeting minutes, a request was approved to rezone 79.39 acres at 4407 Distribution Drive, which intersects Shaw Mill Road, to Heavy Industrial (HI) to allow SteelFab to develop a fabrication plant with associated yard operations.



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 was completed in 2024, with the last 10-mile stretch having a planned completion date of Fall 2027.

After being under construction since May 2000, I-295 is finally complete. 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 were completed. The loop is improving regional traffic flow and safety and enhancing freight access, in addition to opening more areas of the County to commercial and residential development, like the new Amazon distribution facility. As of July 2024, Camden Road to I-95 in Robeson County was completed. The final segment, which connects U.S. 401 (Raeford Road) to Camden Road, was officially completed in November 2025, almost a year earlier than originally expected. The new bridge on Strickland Bridge Road opened in May, which is a part of the future interchange with I-295. 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.

Many widening and improvement projects are also underway as a result of the Fayetteville Outer Loop, including Gillis Hill Road, Raeford Road, and Camden Road. The Gillis Hill Road project began in 2022 and has recently been expanded to include an additional stretch. The road is being widened from two to four lanes with the addition of a raised median, 5-foot sidewalks, 4-foot bike lanes, and a curb and gutter on both sides. The developments are expected to improve safety and traffic flow. The construction between Raeford and Stoney Point roads is scheduled to be completed by Spring 2026, while construction on the stretch that goes into Rockfish will begin Fall 2025 with an estimated completion date of Summer 2028. The North Carolina Department of Transportation (NCDOT) stated that 7,700 to 17,000 vehicles drove this area per day in 2017 but estimate by 2040 those numbers will reach 9,700 to 20,500. The Raeford Road project also

began in 2022, receiving the same improvements as Gillis Hill Road, with the addition of installing pedestrian signals at traffic lights, redesigning the intersection, and replacing water and sewer lines. The first segment of the Raeford Road project is expected to be completed in Fall 2025 with the additional segments beginning construction after completion. The overall completion date of the project is unknown. Camden Road, from the Fayetteville Outer Loop interchange to Beswick Court, is also being widened from two to four lanes with a raised median, reduced conflict intersections, and curb, gutter, and drainage structures. The construction for the Camden Road project began in April 2025 with an estimated completion date of Fall 2028.

Conveniently, two new large developments have been confirmed in these areas as well. A nearly 35-acre site at the corner of Raeford Road and Gillis Hill Road, which will be known as Sandhills Gateway, is currently being cleared and sitework is underway. Plans have been submitted for review for a Sheetz, Whataburger, Panda Express, Chipotle, Jim N' Nick's, Dutch Bros Coffee, and a 491,000-square-foot residential building. There has also been speculation that a Texas Roadhouse will be housed in the shopping center, as seen advertised on a commercial property listing, but has not been confirmed as of yet. Probably the most anticipated announcement is an 80-acre at the intersection of Camden Road and Waldos Beach Road, Camden Commons, that will be anchored by a 128,000-square-foot Super Target. A 16-acre shopping center, known as the Shops at Rockfish Village, was previously confirmed in April 2024. The Shops at Rockfish Village, located on Rockfish Road, will be anchored by a Publix with three smaller buildings and 21 other storefronts. The Publix is slated to open Fall 2026.

Planning for future improvements to Ramsey Street are underway. The improvements include widening nearly nine miles of Ramsey Street to six lanes between Rowan and Grove streets to north of Slocomb Road and providing accommodation for pedestrians and bicyclists. Construction is slated to begin in 2033 for the first segment, Country Club

Road to Slocomb Road. Martin Luther King Jr. Freeway to Country Club Road is only partially funded and Rowan and Grove Street to Martin Luther King Jr. Freeway is currently not funded. The widening is expected to relieve current and future traffic congestion and improve safety on this heavily traveled corridor.

In January 2025, it was reported that NCDOT hired an engineering consulting firm to conduct a feasibility study to recommend a route for the future I-685, a future, yet-to-be funded project. One of the potential routes being studied would connect I-685 to I-95 and I-295 in Cumberland County via the N.C. 87 bypass near Sanford. NCDOT expects the feasibility study to be completed by next year. This could be a great economic opportunity for Cumberland County.



Photo: The Fayetteville Observer

With the extension of I-295 coming closer to completion, Hope Mills is preparing for the growth that will follow. Between 2010 and 2020, Hope Mills had a population increase of 17.3%, which was the largest population gain in the County. Hope Mills Mayor Jesse Bellflowers said, "Several residential, commercial and industrial development projects underway in Hope Mills will create more jobs and housing for the community." He believes the town's outdoor recreational amenities; small-town charm and the addition of approximately 2,900 new homes are some of the reasons for this boom in growth. With the high rate of annexations, the population is

expected to climb even more in the next several years. As of September 2024, Hope Mills had 12 housing developments ongoing, 6 of which would be single-family developments ranging from 75 to 643 single-family home and/or townhomes and 6 of which would be multi-family developments ranging from 72 to 377 apartments and/or multi-family units. Hope Mills also has multiple recreational projects in the works. Phase I of Heritage Park, a project that was put on hold in 2010 after failure of the Hope Mills Lake dam, opened to the public in November 2024. Heritage Park is an over 7-acre site that was recently updated with a restored flume, a comfort/restroom station, nature trails, interpretive signs, an open lawn space to allow for events, and ample parking for Phase I of the project. Phase II of the project includes a natural playground area with shelter, restroom, and playground, floating boat launch, outdoor classroom, natural trail paving area, shelter at the event lawn, wayfinding signage, park signage and site furnishings, and utilities. In August, the town announced they were awarded a \$500k Parks and Recreation Trust Fund (PARTF) grant for Phase II. Hope Mills plans to issue an RFQ for design-build once the official grant letter and contract have been received. The construction phase is an estimated 6-8 months. A Hope Mills Senior Center and Hope Mills Community Center are two priorities for the town. The proposed plans for the Hope Mills Senior Center have an estimated cost of \$3.4 million and include retrofitting the existing Parks and Recreation building. The senior center would include a large exercise room, fitness room, gymnasium conversion to half-court with marked pickleball courts, a multi-purpose classroom, meetup café and game room, serving commercial kitchen, locker rooms and restrooms, low impact flooring, HVAC upgrades, spa with sauna, new roof, and fitness equipment for disabled veterans and special needs population. The proposed plans for the Hope Mills Community Center would be a new facility at Golfview Greenway with an estimated cost of \$13.1 million. The community center would include eight outdoor pickleball courts, full gymnasium with two full-size courts, three multipurpose rooms, administrative offices, serving commercial kitchen, locker rooms and restrooms, and a computer lab.

There are many commercial developments recently completed or underway in Hope Mills, in addition to the Super Target and Publix. The Wawa Travel Center, which was expected to invest more than \$7.5 million, opened in August. The first ever travel center for the company includes expanded restrooms, RV parking, in-store seating, high-speed diesel, CAT weigh stations, free tractor-trailer parking, and professional driver merchandise. Dirtbag Ales, a popular brewery and taproom also located directly off I-95 in Hope Mills, had their first tenants open in the Dirtbag Plaza. Jersey Mike's Subs opened in September, Tropical Smoothie opened in November, and The BBQ Lab is currently under construction. The restaurants located in the new plaza will work hand-in-hand with the brewery, including a kiosk inside Dirtbag Ales to order food and during prime hours it will be delivered to the brewery. The plaza currently shows 4 vacant spaces for lease. The owners hope to find a New York-style pizza-by-the-slice vendor, hair and nail salon, or workout facility to add to their list of tenants. A Caribou Coffee, Habit Burger and Grill, and Planet Fitness have recently opened in Hope Mills. In June 2025, the Town of Hope Mills approved an economic incentive grant not to exceed \$33,750 (\$750 per job created) to bring Rollease Acmeda, a window covering manufacturer, to Hope Mills. The project is expected to bring a \$10 million investment and create at least 45 full-time jobs with an average salary exceeding \$38,000. The company hosted a ribbon-cutting ceremony in August.



Photo: Fayetteville State University

Changes are coming for the Murchison Road Corridor. In 2020, the city received a \$450,000 Choice Neighborhoods Planning Grant from the U.S. Department of Housing and Urban Development (HUD) to develop a transformation plan for the Murchison corridor to become a “choice neighborhood”. The plan was completed in 2023, but so far, the city’s implementation grants have not been selected. Nearly twice as many planning grants have been awarded as implementation grants, so the city plans to apply annually. In November 2021, the state budget allocated \$172 million for Murchison Road. This funding would 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 was 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 was earmarked \$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. A new Chick-fil-A opened at the university in September 2024, and a Starbucks opened in January 2025. Bronco Pride Hall, an 87,930-square-foot residence hall with 336 double-occupancy rooms was completed in August 2025. Fayetteville State University received a \$900,000 grant from Cape Fear Valley Health to support the new Student Health and Wellness Center. Construction is underway for the \$13.9 million 24,631-square-foot center with an estimated completion date of March 2026. According to FSU’s 10-Year Campus Master Plan, the university is also slated to construct a new College of Education, hybrid function building, apartment-style housing complex, parking deck, and renovation and expansion of Bronco Midtown. The College of Education is expected to be completed by August 2026 followed by the parking deck by Fall 2026, and a \$11 million military academic center has an estimated completion date of Fall 2028. In addition

to this, the NCDOT has future plans to start widening Murchison Road, 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 Bragg.

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. The inaugural season brought nearly 250,000 fans to the stadium but was followed by a season halted by COVID-19. Baseball was back in full swing at Segra Stadium for the 2022-2025 seasons. The 2024 season brought a major milestone for the stadium, welcoming its 1,000,000th fan for a Fayetteville Woodpeckers game since its opening in 2019. A total of 1,195,566 fans has attended Fayetteville Woodpeckers’ games after six seasons. In December 2025, the City of Fayetteville announced that Diamond Baseball Holdings, which currently owns multiple minor league teams across the U.S., acquired the Fayetteville Woodpeckers from the Houston Astros. This transaction brings the potential for opening the stadium to additional use, such as concerts and other sporting events, as Segra Stadium was built with the capability to be converted into a soccer or football field. The original 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 ended with a lawsuit for breach of contract in 2024 that was later dismissed. After COVID-19 devastated the office and hospitality market, plans changed, and Prince Charles Holdings submitted a new plan for a multi-family apartment complex with 212 units. The complex was slated to offer studio, one-bedroom, and two-bedroom apartments with a pool, and rent prices to likely

mirror that of the Residences at the Prince Charles on Hay Street. There was a previous estimated completion date of 2024, but the project was paused due to record-high interest rates and the collapse of two large banks. An amendment to the contract in 2022 required the project to be substantially completed by October 31, 2024, but as of July 12th, construction of the building above the parking deck had not begun and the installation of the elevator and roof of the parking deck were not complete. A Fayetteville Observer news article stated that Hay Street Development Pad and PCH Development Co. informed the City that they were “unwilling or unable to construct the hotel, office and apartments mixed-use building, and will not be building them by October 31st, or at all”. There is still hope yet. A new development entity, Fay Hay Master Venture LLC, an affiliate of Lansing Melbourne Group (LMG), was engaged by the City of Fayetteville in 2025 and an amended and restated Stadium View Downtown Development Agreement (DDA) was approved by the Fayetteville City Council in November. The amended and restated DDA includes a seven-story apartment building with 124 residential units, a five-story hotel with 119 rooms, ground-floor retail space, and elevators. Construction is slated to begin June 2026 with a substantial completion date of May 2028. The benefits the City listed are expected from this project include the addition of new housing, hotel, and retail opportunities downtown, the activation of underused areas and supports local businesses, expansion of the tax base and creation of local jobs, and the enhancement of Fayetteville’s regional appeal and economic vitality. Completed, the 12-story building will be the city’s tallest building. With or without the completion of the parking deck, this series of developments still represents the single largest investment in the history of downtown Fayetteville.

The success of Segra Stadium in downtown Fayetteville has sparked a lot of interest in bringing other entertainment venues downtown. In September 2023, Railyard FVL was announced, a proposed open-air, two-story food hall with an array of alcoholic libations and live entertainment, was

inspired by the Gather GVL food hall in Greenville, South Carolina. 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. Sol's Arcade + Taproom, located in 6,500 square feet of the former AIT Building with a 1,700-square-foot outdoor area, opened in July 2025. The taproom includes games like shuffleboard, pool, darts, cornhole, state-fair type arcade games, and shooting simulators. There is a wall of beer, cider, wine, and seltzer taps with indoor and outdoor seating and rotating food trucks. North South Brewing, Dad Bod Dive Bar, and Dad Bod District are just a few other businesses that have recently opened downtown.

Though plans for the Crown Event Center have shifted from the downtown location, a Black Voices Museum is planned for 122 Person Street that could have an estimated completion date of 2031, dependent upon community support and private donations. The project is still in the early stages of planning, but renderings of an 83,000 square-foot museum featuring two exhibition halls, a theater, an economic development hub, and a center dedicated to advancing equity were shared at a public information session in September 2025. The design was funded by both the County and the City. The Board of Commissioners and City Council will receive a presentation later in the year and will decide on whether the project is ready to move to the next phase.



Photo: The Fayetteville Observer



Photo: Vines Architecture/The Fayetteville Observer

Just over a mile away, located at the end of Arsenal Avenue and along the Martin Luther King Jr. Freeway, the North Carolina History Center on the Civil War, Emancipation & Reconstruction is on its final phase of construction. Phase 1 of the center was completed in September 2020 and included renovations on three Civil War-era buildings on the site of the Arsenal grounds to create VanStory History Village. Phase 2 was completed in 2025 and includes an outdoor education and entertainment pavilion, a boardwalk that runs parallel to the remains of Arsenal, and parking to accommodate school buses. Phase 3 is the 60,000-square-foot museum that will include 16,000-square-feet of exhibition space, classrooms, a library, a 2,000-square-foot community meeting room, a lobby with space to hold events, a café, gift shop, and rotating exhibit gallery. The \$85 million project is being funded by \$71 million from the state, \$7.5 million each from the county and city, \$18-19 million in donations, and \$3 million from foundations. The NC History Center is expected to create more than 200 new permanent jobs, welcome an estimated 200,000 visitors annually, and bring more than \$18 million annually in new economic activity. The center is expected to open in Spring 2028.

As shown in Taxable Sales, Table 3, fiscal year 2025 sales experienced growth, showing an increase of 1.17% over the previous fiscal year taxable sales amount.

As shown in Table 4, Cumberland County’s population shows no projected growth through the projection but stays stable. Overall County growth rates are below the state’s estimated and projected growth rates.

As shown in Table 5, between 2021 and 2023, the County’s average unemployment rate decreased by 1.9% with the State’s average unemployment rate decreasing by 1.3%. In 2024, both the County and State’s average unemployment rates increased by 0.5%. In 2025, the County’s average unemployment rate

decreased by 0.4% with the State’s rate decreasing by only 0.1%. The trend of falling unemployment rates for the County mirrors that of the State for comparable periods.

TAXABLE SALES
Table 3

Year	Cumberland County	% Change
2025	\$6,239,800,448	1.17%
2024	\$6,167,392,256	0.80%
2023	\$6,118,176,647	6.52%
2022	\$5,743,623,702	9.65%
2021	\$5,238,219,221	20.96%

Source: North Carolina Department of Revenue

POPULATION
Table 4

	2020	2023 Certified		2025 Projected		2030 Projected	
	Population	Population	% Change from 2020	Population	% Change from 2023	Population	% Change from 2025
Cumberland County	336,494	337,970	0.44%	337,972	0.00%	337,971	0.00%
North Carolina	10,472,553	10,846,274	3.57%	11,107,246	2.41%	11,743,841	5.73%

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
2025 (6 mo.)	131,974	125,289	6,685	5.1%	4.0%
2024	130,740	123,608	7,132	5.5%	4.1%
2023	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%

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 2024 to June 2025, closed sales on all properties decreased by 13.4%. This decrease in home sales can likely be attributed to rising sales prices and the continued high borrowing costs. Though the inventory seems to be increasing, 40.3% compared to June 2024 for Single Family Existing homes, the median sales price has increased 2.2%. Even with an increased supply of homes available, the demand is still high though homes are spending more days on the market than they were in June 2024. 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 holding on to their homes because they are unable to find new ones.

Table 6 focuses on permits obtained for *new* construction, which serves as a strong indicator of the economy. There was an increase in the number of new residential and new non-residential building permits from 2023 to 2024. New residential values increased by 3.79% and new non-residential values decreased by 39.64%.

The first six months of 2025 show that new residential building permits have doubled though new non-residential building permits are in line with the first six months of 2024. Values have increased as well, with a 35.47% increase in new residential values and a whopping 326.32% increase in new non-residential values in comparison to 2024.

BUILDING PERMITS

Table 6

Calendar Year	New Residential		New Non-Residential	
	Number	Value	Number	Value
2025 (6 mo.)	1,081	\$148,490,700	34	\$79,681,722
2024	1,254	\$283,166,309	70	\$68,068,463
2023	1,001	\$272,829,979	64	\$112,775,062
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

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 paid for the fiscal year ended June 30, 2025, was \$89,648,337 from General Fund

revenues for school operations. For the fiscal year ending June 30, 2026, the County’s original budgeted current expense appropriation is \$103,734,839 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, 2025, those actual sales taxes totaled \$18,021,174. The County received \$3,912,894 in proceeds from the North Carolina Education Lottery for the fiscal year ended June 30, 2025. As of June 30, 2025, the County has received \$79,065,202 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 Bragg adds a total of nine more elementary and middle schools.

COUNTY SCHOOLS AVERAGE DAILY MEMBERSHIP
Table 7

School Year	Grades K-5 # Schools	Grades 6-8 # Schools	Grades 9-12 # Schools	Grades 6-12 # Schools	Total Final ADM
2024-2025	51	17	17	1	47,840
2023-2024	51	17	17	1	47,871
2022-2023	51	17	17	1	48,300
2021-2022	53	18	17	1	47,313
2020-2021	53	18	17	1	47,234

Number of schools excludes special schools and academies.
Source: North Carolina Department of Public Instruction, Information Analysis and Reporting

NON-PUBLIC SCHOOLS

There are 35 independent private and religious schools in the County. The enrollment for the 2024-2025 school year was 6,274. *Source: North Carolina Statistical Summary for Private Schools 2024-2025*

COLLEGES AND UNIVERSITIES

There are three institutions of higher learning, as well as a Fort Bragg 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 fourth 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 29,000 students annually (according to NC Community Colleges Data Dashboard), with more than 300 academic awards 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. In 2024, FTCC celebrated a record-setting 3,045 graduates, a 47% increase over 2022-2023.

FTCC’s commitment to the community is 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 has an All-American Veterans Center on campus to help veterans, a Transition Tech program to provide industry-focused training for transitioning military members, and full-time staff located at Fort Bragg to serve active-duty military. 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.

The college continues to expand in 2025. The American Trucking Association predicts a shortage of 115,000 truck drivers this year. According to the American Journal of Transportation, “It is believed by the year 2030, there will be a shortage of 160,000 truck drivers.” FTCC is currently facing a six-month waiting list for the program. In September 2025, FTCC broke ground on its \$21.2 million Supply Chain Management & Logistics Center to meet this vital need. FTCC was allocated \$20.7 million from the state, \$400,000 to purchase trucks and equipment and \$500,000 for the truck driving pad. This 5,000 square feet complex located on 58 acres will include a classroom building and two-bay garage along with a 13-acre CDL training pad that will allow for training with 8 trucks at one time. The complex will be located on the college’s western campus with easy access to I-295 and I-95. FTCC is planning to collaborate with Bladen and Robeson Community Colleges to double the capacity of enrollment for CDL programs. The new facility will house the Fleet Maintenance Technician and Commercial Truck Driver’s License (CDL) programs. FTCC is helping

address the truck driver and diesel mechanic shortages in the U.S. with this development. The project will be completed in two phases with phase one expecting to open in December 2025 and phase two expecting to go out for bid in early 2026.



Photo: C Design Inc

FTCC is renovating a former car dealership on Bragg Boulevard into the new FTCC Building Trades Center. The 22,264 square foot facility will be an instructional facility with classrooms, lab spaces, faculty offices, and new restrooms allowing FTCC to double the enrollment of the Plumbing and Carpentry programs. In April 2025, the college received a \$200,000 grant to purchase equipment, furnishings, and supplies for the new facility. The project was expected to be completed in the summer of 2025.

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, 2025, totaled \$15,468,600. For the fiscal year ending June 30, 2026, the appropriations from the County to FTCC are \$16,250,000, an increase of \$781,400 or 5.05%.

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 33 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 Bragg and Seymour Johnson Air Force Base. Total undergraduate enrollment exceeded 6,000 in Fall 2024 with 1,032 enrolled in graduate programs.

Fayetteville State University was recognized as the #1 best HBCU (Historically Black College or University) nursing program in the state for 2025 by U.S. News & World Report. FSU was also recognized again as the #1 best HBCU (Historically Black College or University) nursing program in the nation for 2024 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. The 23 nurses graduating at FSU’s 2024 commencement had a pass rate of 95.24% on the NCLEX-RN examination. FSU’s 100% job placement rate after graduation and types of nursing programs available were just a couple factors that ranked them at the top. In 2024, FSU was awarded a \$2.07 million grant to expand its nursing program. The university plans to use the resources to enhance student success initiatives, expand clinical education opportunities and support faculty development. An analysis by The University of North Carolina at Chapel Hill’s Sheps Center for Health Services Research projects a shortage of up to 18,600 registered nurses over the next decade.

Fayetteville State University’s online MBA program received multiple recognitions. FSU’s online MBA program was ranked #3 for Veterans in North Carolina and in the top 5 overall by U.S. News & World Report for 2025. The same report ranked the program #72 for veterans and #88 overall nationally. FSU was also ranked #3 in the state for Fortune

Education's 2024 Best Online MBA Programs with a #55 national ranking. Additionally, FSU's online MBA program was listed in The Princeton Review's Top 50 Online MBA Programs for 2025, ranking #47 nationally. The Princeton Review recognized the program's affordability, faculty, and specialized curriculum.

Fayetteville State University was among 218 institutions to be recognized as a Research College/University by Carnegie Classifications 2025. The recognition is based on total research and development expenditures and number of Research doctorate awards for the last 3 years. FSU spent over \$32 million on research and development during the last fiscal year, far exceeding the requirement of \$2.5 million for recognition. In 2025, FSU received a \$393k grant to advance student research in biology and a \$2M grant to promote student success and retention in science, technology, engineering, and mathematics disciplines from the National Science Foundation.

Fayetteville State University set records for enrollment rates for the fourth year in a row, surpassing 7,600 students enrolled for Fall 2025, with nearly 800 first-time freshmen, over 2,500 military-affiliated students and more than 1,100 transfer students. This was a 9.3% increase in military-affiliated students and a 9.9% increase in transfer students from 2024. It also set a record high retention rate of 78%. 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. FSU also launched an initiative in 2021 that covers the cost of up to 7 credit hours each summer for up to 4 years for students. In 2024, FSU was ranked the #1 most affordable for out-of-state tuition in the nation by The College Investor.

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 helps 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. According to the Fayetteville-Cumberland Entrepreneur & Business HUB website, its economic impact since opening includes \$144 million in contracts, 200 businesses started, 743 jobs created/retained, 7,050 clients served, 18,560 participants, 898 events, and \$29 million capital formation. The HUB is expected to 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 1,668 in 2024-2025 with 370 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, 16 residence halls, a new dining hall, an 18-hole golf course, various athletic facilities, and an amphitheater.

Methodist University was recognized as a Military Friendly university with a silver-level ranking and a Military Friendly Spouse School for 2025-2026. Methodist University has an on-campus Student Veteran Center and a Fort Bragg office to help both veterans and active-duty military.



Photo: Methodist University

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 that would create more than 250 new jobs and graduate more than 100 doctors each year. September 2024 was the official groundbreaking of the \$60-plus-million five-story facility that will be located on the western edge of Cape Fear Valley Medical Center along Village Drive. The facility will be 127,500 square-foot with 200 rooms and will add nearly 300 parking spaces. It will feature learning centers, state-of-the-art classrooms, virtual anatomy laboratory, and fully equipped standardized patient lab with an entrance plaza, learning garden, and courtyard outside of the building. The school of medicine will provide students with 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. In October 2025, the university announced that it has received the accreditation designation from the Liaison Committee on Medical Education (LCME) and will soon begin recruitment of its inaugural class for the summer of 2026. The incoming class size is expected to be 80 students and will increase to 120 students per year by 2032. The partnership is expected to contribute to the economic development of the region, creating jobs, attracting businesses, and increasing regional spending and tax revenues. According to a study by the Association of American Medical Colleges, 67% of physicians who complete both medical school and residency in an area stay in that area for practice. 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

PROVIDING CULTURE & RECREATION OPPORTUNITIES, FOSTERING ECONOMIC PROSPERITY, AND CHAMPIONING RESPONSIVE, TRANSPARENT GOVERNMENT CROWN THEATRE AND ARENA MODERNIZATION

In early 2020, the Board of Commissioners announced that the Crown Theatre will close by November 2025. This decision was made based on 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 could 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, at the intersection of Gillespie Street and Otis F. Jones Parkway. 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, an 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. In January 2024, an updated design was approved of 134,000 square feet with a project cost of \$144,455,422. The approved updated design included a capacity of almost 3,000 seats in the main event hall, luxury box suites, a VIP lounge area, and a large multi-purpose room with two additional meeting rooms. The larger performance space could accommodate more people, the VIP spaces would enhance the patron experience and generate additional revenue, and the meeting and event space could be rented out and would allow multiple events to take place simultaneously, providing more opportunities to generate revenue. The Crown Event Center Committee authorized moving forward but asked that the rooftop terrace be added back into the program while maintaining the project budget of \$144.5 million. In May 2024, the Project Design Team approved the updated renderings and moved the project forward to the construction phase. In November 2023, an RFQ for a Design-Build of a \$33 million, six-floor and 1,100-stall parking deck that would address concerns related to the new Crown

Event Center was advertised. The RFQ was awarded to Samet Corporation and Creech & Associates in March 2024. The groundbreaking for the Crown Event Center was in October 2024 with an estimated opening date of Spring 2027, and the parking deck had an expected completion date of 2026, prior to the Crown Event Center's opening. In March 2025, the Crown Event Center project was paused to allow for a comprehensive project review to ensure the project's long-term success and maintain transparency, accountability, and public trust. The suspension was lifted in April, and the Board requested an updated timeline and costs, and instructed staff to engage Davis Kane Architects to develop cost estimates for renovating and modernizing the existing Crown Theatre and Arena. In June 2025, an updated timeline and cost of the new Crown Event Center and cost estimates for renovations only and modernization and renovation of the Crown Theatre and Arena were presented to the Board of Commissioners. The revised Guaranteed Maximum Price (GMP) provided by MBP Carolinas increased by \$7.7 million from January 2025 to May 2025, a 6.571% increase. The cost estimates for renovation only or modernization and renovation of 2,400 or 3,000 seats of the Crown Theatre in comparison to building a new facility showed cost savings of \$28.5 to \$95.7 million or 23.69-79.52%. The cost estimates for renovation only of 2,400 seats of the Crown Theatre and Arena were cost savings of \$23.9 million or 19.84%, though the modernization and renovation of 2,400 seats or 3,000 seats of the Crown Theatre and Arena exceeded the cost of solely building a new facility. The cost of building the new facility did not take into account the cost of demolition the County would incur if the Crown Theatre and Arena were abandoned. The Board of Commissioners voted to discontinue the construction of the new Crown Event Center and instead pursue full renovation and modernization of the existing Crown Theatre and Arena. After asking for residents' input on potential uses for the former Crown Event Center site in September, the decision was made to turn the site into a temporary green space until a permanent decision is made. In October 2025, a Request for Qualifications (RFQ) for professional design and

construction administration services for the Crown Theatre and Arena and a Request for Proposals (RFP) for Project Management and Owner's Representative for modernization and renovation of the Crown Theatre and Arena were advertised and are currently pending award.

ENHANCING HEALTH & WELLNESS AND ENSURING A SAFE COMMUNITY FOR ALL RESIDENTS

UNHOUSED SUPPORT CENTER

The N.C. General Assembly allocated \$1M to the County for construction of a homeless shelter in 2022. The County identified the location of the shelter as 344 Hawley Lane, which includes two parcels of land donated by Cumberland County Board of Education and located next door to Fayetteville Technical Community College's Education Center. The plans for the estimated \$17.4 million Unhoused Support Center include a 2-story, 45,000-square-foot facility with around 157 beds, with separate shared spaces and semi-private spaces. The center will be used to provide temporary shelter and supportive services to homeless individuals to include single adults and families with children. The County's intent is for the facility to operate 24 hours a day, seven days a week. The project will be a collaborative effort between Cumberland County and other organizations, such as Fayetteville Technical Community College and Cape Fear Valley Hospital. Plans are that the facility will be more than just a shelter and will provide comprehensive programs and resources to help individuals transition from homelessness. In September 2023, the Board approved the recommendation to award a Request for Qualifications for professional services for programming, design services, and construction administration for the Unhoused Support Center to LS3P. The County held a groundbreaking ceremony at the site of the new Unhoused Support Center in February 2024. The Board approved the recommendation to award a Request for Qualifications for a Construction Manager at Risk (CmaR) for the Unhoused Support Center to Barr & Barr and McFarland Construction in August 2024. In 2025 the project was paused for the new Board of

Commissioners and staff to reassess key components. The Board approved Phase II of the Unhoused Support Center project in October for schematic design only, directed staff to identify alternative sites for the center that can accommodate the square footage approved in Phase I, and directed staff to recommend a center provider and estimated operational budget. In September 2025, the County issued a Request for Proposals for an Unhoused Support Center Operator with hopes of on-boarding the provider to assist in the planning, design and construction of the Unhoused Support Center and to operate once complete. The recommendation to award the Manna Dream Center as the future Unhoused Support Center Operator was approved by the Board in December 2025. In the meantime, the County approved funding in the amount of \$250,000 for a new pilot program, the Homeless Prevention and Stabilization Voucher Program, to provide short-term support to residents who are at risk of or are currently experiencing homelessness.



Photo: Cumberland County

ENHANCING HEALTH & WELLNESS AND ENCOURAGING QUALITY DEVELOPMENT & SMART GROWTH

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. The projected cost to build a water system in the Gray's Creek area was

estimated at \$130 million. In the fiscal year 2023 budget, \$258,600 was approved to move forward with Phase 1 of the Gray's Creek Water Project. North Carolina's State Water Infrastructure Authority (SWIA) approved funding in the amount of \$15 million in February 2023 for Gray's Creek Water Extension, \$7.6 million in February 2024 for Gray's Creek Phase 1, \$19.6 million in February 2025 for Gray's Creek Phase 2, and an additional \$5 million in July 2025 for Gray's Creek Phase 2. 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. In November 2023, a Request for Qualifications was advertised and in December the Board approved a recommendation to award HDR Engineering, Inc. of the Carolinas to provide professional design services for the development of a water system to address groundwater contamination in Gray's Creek. In February 2024, an Invitation for Bid was advertised and in April the Board approved a recommendation to award Bill's Well Drilling Co. for Phase 1 of the Test Well Program. The Board approved a change order for this contract in May 2025 in the amount of \$456,366 to add two additional test well sites at Alderman Road Elementary School and Gray's Creek Elementary School. In October 2024, an Invitation for Bid was advertised and in November the Board approved a recommendation to award East Point Contracting LLC for another Phase 1 of the Test Well Program. The hydrogeological services, water resources study, professional design of a water system, and test well programs are currently underway. In August 2025, water fountains were reconstructed to allow for the addition of filtration systems in the Alderman Road and Gray's Creek Elementary schools. In April 2024, a partnership between Cumberland County and Fayetteville Public Works Commission (PWC) was announced to address the GenX contamination in the County by extending PWC's current water system to the Gray's Creek Water and Sewer District. The North Carolina General Assembly appropriated \$12 million to PWC to design and build water to Gray's Creek and Alderman Road Elementary

Schools. Construction on the project began in November 2025 and is expected to be completed in May 2026.

**CHAMPIONING RESPONSIVE, TRANSPARENT
GOVERNMENT, ENSURING A SAFE COMMUNITY FOR ALL
RESIDENTS, AND SUPPORTING A HIGH-PERFORMING
EDUCATION SYSTEM
RETENTION AND RECRUITMENT**

In fiscal year 2023, an organization-wide classification and compensation study was completed, and the Board of Commissioners approved the recommendations from the study in October with the changes being effective in November 2023. The fiscal year 2026 budget included a 4% cost-of-living increase and a 2% increase to the County's 401k contribution for general employees. These changes are intended to strengthen recruitment and retention efforts, keeping the County competitive with other entities. Also included was a \$3,000 increase in starting pay for Sheriff's Office positions from Detention Officers and entry-level Sheriff Deputies to Lieutenants. This increase to Sheriff's Office salaries is intended to address ongoing concerns with vacancy rates within the Detention Center. In addition, the County approved the Cumberland County Schools' budget request in full, which included increases in certified and classified staff supplements. This funding will help the school system retain and recruit leading professionals in their competitive job market.

A survey of County staff determined that childcare was a key factor in employee recruitment and retention. The County renovated the Dorothy Spainhour Facility located at 223 Hull Road and the operator was responsible for funding operations. The childcare facility opened for business in August 2024. The facility can accommodate 150 children and will only serve children of Cumberland County government employees to ensure employees have access to high-quality childcare.

The fiscal year 2026 budget also supports County employees by increasing the reimbursement cap for the Tuition Assistance Program. The reimbursement

cap was raised from \$500 to \$2,500 annually for undergraduate degrees and \$1,500 annually for graduate degrees, to encourage participation and professional development.

These investments demonstrate the County's commitment to recruiting, retaining, and developing a skilled and competitive public service workforce.

PROVIDING CULTURE & RECREATION OPPORTUNITIES **CAFÉ WEST**

The Cumberland County Public Library's West Regional Library, located off Stoney Point Road, opened in 2010. The library's original floor plan included a café that was not being utilized. In fiscal year 2024, the Board of Commissioners approved funding an initiative that would promote diversity, equity and inclusion while also providing educational and job development opportunities for members of the community. In August 2024, Miller's Crew Inc., a local North Carolina non-profit that provides employment, training and connections for youth and adults with special needs, signed an agreement to operate the café at the West Regional Library. In March 2025, Miller's Brew at Café West celebrated their grand opening. The coffee shop offers the same menu, including coffee and pastries, and service as their Morganton Road location. The West Regional Library also had a ribbon cutting ceremony in October for a new sensory play space, a continuation of the County's commitment to creating inclusive environments for all.

ENHANCING HEALTH & WELLNESS AND FOSTERING ECONOMIC PROSPERITY **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 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 were required to be obligated by December 31, 2024, and must be spent by December 31, 2026.

ENHANCING HEALTH & WELLNESS AND ENSURING A SAFE COMMUNITY FOR ALL RESIDENTS **OPIOID SETTLEMENT FUNDS**

Since 2021, Attorney General Josh Stein announced a historic \$56 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. Cumberland County Government is estimated to receive \$31,843,355 over a 16-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 Proposals 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. In January 2024, the Board of Commissioners approved the utilization of \$500,000 to fund two-year pilot projects that align with Option A Early Intervention Strategy (Strategy 6). In February 2024, another Request for Proposals was issued with proposals being received in March. In August 2024, the Board of Commissioners approved awarding two organizations – Mid-Carolina Regional Council and Camp Rockfish Camp & Retreat Center. The contracts were executed and awarded organizations began

implementing their proposed strategies effective October 2024. In November 2024, the Board of Commissioners approved 2025-2029 Opioid Settlement Funds recommendations. The new funding recommendations total \$8,054,000 and include Option A and B Strategies. The strategies include: supporting collaborative strategic planning, prevention education, supporting community-based projects that align with Option A strategies, recovery housing support, naloxone distribution, ongoing support for the Recovery Resource Center, ongoing support for Family Drug Treatment Court, ongoing support for the medication for Opioid Use Disorder program at the Cumberland County Detention Center, and transportation to treatment facilities. In April 2025, a third Request for Proposals was issued with proposals being received in May. In August 2025, the Board of Commissioners approved awarding five organizations – North Carolina Harm Reduction Coalition, ATS of North Carolina, LLC, SouthLight Healthcare, Community Health Interventions Specialty Clinic, and Mid-Carolina Council of Governments. The contracts are currently pending processing and awarded organizations will begin implementing their proposed strategies effective January 2026. Cumberland County's FY2026 budget also included a new full-time Human Services Clinical Counselor II position entirely funded by Opioid Settlement Funds. The position will coordinate and facilitate Crisis Intervention Training (CIT) for local partners to ensure effective crisis response strategies and lead community outreach, recruitment, education, and promotional activities to enhance awareness and participation in CIT initiatives.

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 sources 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 April 2024, Standards and Poor's Rating Group affirmed the County's General Obligation Bond rating of AA+ and Limited Obligation Bond rating of AA on debt outstanding. The affirmations are a result of the County's very strong budgetary flexibility with available reserves, strong budgetary performance 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 April 2024, Moody's Investor Service affirmed the County's General Obligation Bond rating of Aa1 and Limited Obligation Bond rating of Aa2 on outstanding debt. 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.

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 ensure 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, 2024. This was the thirty-fourth consecutive year that the government has achieved this prestigious award. 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 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



Robin M. Koonce
Finance Director & Chief Financial Officer



Government Finance Officers Association

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Presented to

**County of Cumberland
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

COUNTY OF CUMBERLAND, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS



Kirk deViere
District 2
Chairman



Veronica B. Jones
At-Large
Vice Chairwoman



Dr. Jeanette M. Council
District 1
Commissioner



Glenn Adams
District 1
Commissioner



Henry Tyson
District 2
Commissioner



Pavan Patel
District 2
Commissioner



W. Marshall Faircloth
At-Large
Commissioner

County Officials

Clarence Grier, CPA
County Manager

Rick L. Moorefield
County Attorney

Heather Skeens
Assistant County Manager

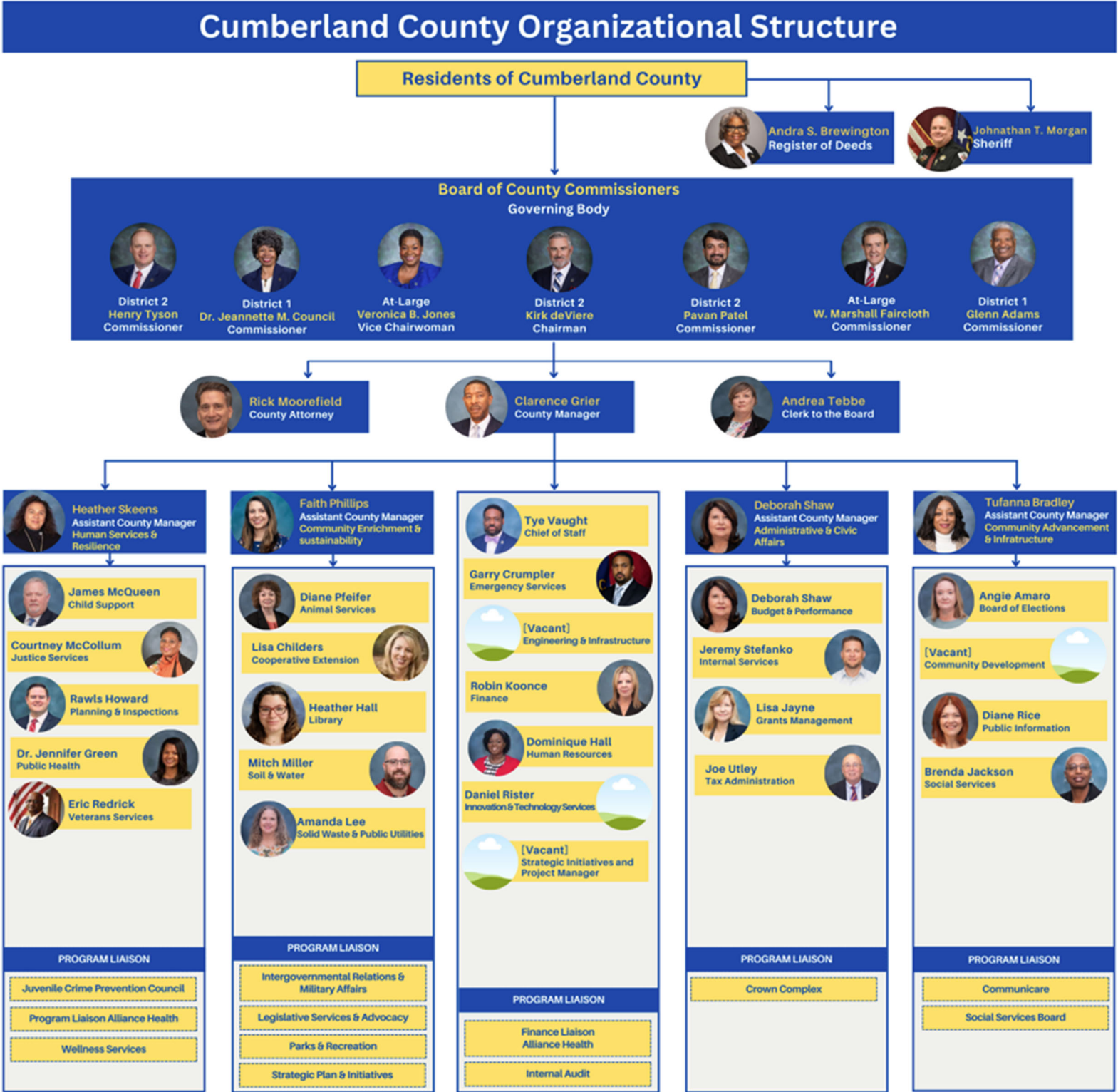
Faith Phillips
Assistant County Manager

Tye Vaught
Chief of Staff

Deborah Shaw
Assistant County Manager

Tufanna Bradley
Assistant County Manager

COUNTY OF CUMBERLAND, NORTH CAROLINA
ORGANIZATIONAL CHART



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, 2025, 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, 2025, 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 40.89%, 43.02%, and 73.21%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025, 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 they relate to the amounts included for ABC Board, are 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Fayetteville Area Convention and Visitors Bureau, Inc. and the ABC Board were not audited in accordance with the *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the County adopted Governmental Accounting Standards Board Statement 101, *Compensated Absences*, which resulted in a restatement of beginning net position. Our opinion is not modified with respect to this matter.

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, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2024 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying combining and individual fund statements and schedules are presented for purposes of additional analysis and is not a required part of the 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 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements and schedules are fairly stated in all material respects in relation to the financial statements from which they have been 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 February 20, 2026, 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.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Raleigh, North Carolina
February 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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, 2025. 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

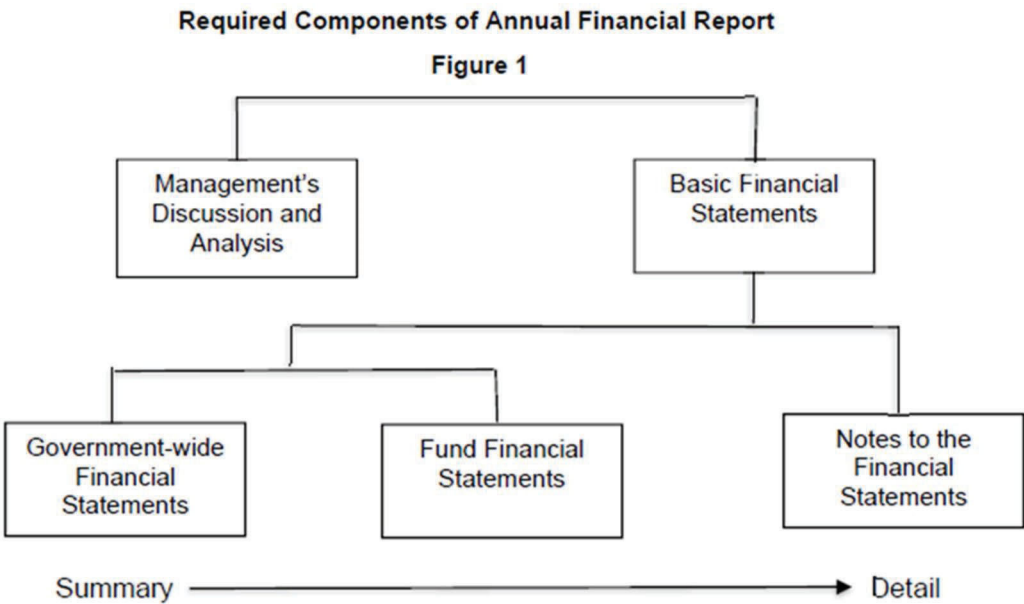
- ❖ Assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$559,095,887 (net position). The County's total net position increased by \$79,724,869 from the prior year. Net position increased \$44,081,871 for governmental activities and increased \$35,642,998 for business-type activities.
- ❖ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$437,167,307, an increase of \$32,188,279 or 8% from the prior year.
- ❖ In April 2024, 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 \$88,588,495 or 23% of total General Fund expenditures.

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.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025



Basic Financial Statements

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

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.

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 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, Grays Creek Water & 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 (FACVB) is a non-profit organization that provides services to promote the development and expansion of travel and tourism. Historically, a voting majority of the bureau's 11-member board of directors was appointed by the County. Effective July 1, 2025, the FACVB board was dissolved and replaced by the Cumberland County Tourism Development Authority (TDA) board. The Cumberland County TDA 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 provide 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.

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 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.

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 33 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 31 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.

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, 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.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Government-Wide Financial Analysis

**Net Position
Table 1**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 500,683,534	\$ 501,329,036	\$ 89,925,308	\$ 66,429,428	\$ 590,608,842	\$ 567,758,464
Capital assets	199,501,804	201,807,941	103,092,336	92,042,914	302,594,140	293,850,855
Total Assets	700,185,338	703,136,977	193,017,644	158,472,342	893,202,982	861,609,319
Deferred outflows of resources	46,602,737	57,095,779	1,745,006	2,052,466	48,347,743	59,148,245
Total Assets and Deferred Outflows of Resources	746,788,075	760,232,756	194,762,650	160,524,808	941,550,725	920,757,564
Non-current liabilities	250,910,349	303,899,610	26,517,408	30,058,595	277,427,757	333,958,205
Other liabilities	64,440,918	71,697,767	9,215,600	7,161,476	73,656,518	78,859,243
Total Liabilities	315,351,267	375,597,377	35,733,008	37,220,071	351,084,275	412,817,448
Deferred inflows of resources	29,819,378	27,099,820	1,551,185	1,469,278	31,370,563	28,569,098
Total Liabilities and Deferred Inflows of Resources	345,170,645	402,697,197	37,284,193	38,689,349	382,454,838	441,386,546
Net Position:						
Net investment in capital assets	174,070,599	172,400,968	99,112,806	85,202,472	273,183,405	257,603,440
Restricted	145,964,384	143,092,306	1,349,877	1,424,550	147,314,261	144,516,856
Unrestricted	81,582,447	42,042,285	57,015,774	35,208,437	138,598,221	77,250,722
Total Net Position	\$ 401,617,430	\$ 357,535,559	\$ 157,478,457	\$ 121,835,459	\$ 559,095,887	\$ 479,371,018

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 \$559,095,887 as of June 30, 2025. The County's net position increased by \$79,724,869 for the year ending June 30, 2025, compared with the prior year.

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, 2025, 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 \$55,846,037 have been expended through fiscal year 2025. The unspent amount was recorded as a liability – due to the federal government.

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 \$1.4 billion in funding distributions scheduled to occur between 2022-2038. Cumberland County is expected to receive almost \$32 million of that amount. Through fiscal year 2025, the County received over \$9.6 million as part of that settlement. Just over \$4 million was budgeted toward authorized activities during fiscal year 2025 and \$761,714 was expended.

Total assets increased by \$31,593,663 while deferred outflows of resources decreased \$10,800,502. The increase in total assets is the result of an increase of \$21.3 million in cash held as of June 30, 2025, as a result of operations. In addition, there was an increase in construction in progress projects and land purchases of over \$13 million. Deferred outflows of resources vary annually because they are based on actuarial assumptions, and those assumptions change. There are always differences in the expected and actual experience. Plan investments outcomes also impact the calculations.

Total noncurrent liabilities decreased by \$56,530,448 while other liabilities decreased \$5,202,725. Deferred inflows of resources increased by \$2,801,465.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

The decrease in noncurrent liabilities is the result of a decrease in noncurrent liabilities due within one year of \$20.5 million and a decrease in pension and OPEB liabilities of \$23.3 million. The only reason there is a decrease in noncurrent liabilities due within one year is because in previous years this amount was categorized as noncurrent liabilities. Management learned in fiscal year 2025 that this amount should be categorized with current liabilities. There will be an offsetting increase of a similar amount in other liabilities in fiscal year 2025. Pension and OPEB, and related deferrals vary annually because they are based on actuarial assumptions, and those assumptions change. There are always differences in the expected and actual experience. Plan investment outcomes also impact calculations.

The decrease in other liabilities of \$5.2 million is mainly the result of a decrease in due to other governments of \$26.1 million, netted against an increase in current portion of long-term debt of \$6.5 million and a decrease in accounts payable of \$8.0 million. The decrease in due from other governments aligns with American Rescue Plan Act expenditures in fiscal year 2025. The increase in the current portion of long-term debt is the result of correcting the presentation of these funds in fiscal year 2025, as explained in the previous paragraph. The decrease in accounts payable is the result of timing of payments at year-end.

Of total net position, one of the largest portions, \$273,183,405, 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, \$147,314,261. 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 \$8,291,406 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.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Changes in Net Position
Table 2

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 18,802,030	\$ 19,023,960	\$ 10,273,675	\$ 8,957,850	\$ 29,075,705	\$ 27,981,810
Operating grants and contributions	91,840,504	66,586,778	2,265,211	818,323	94,105,715	67,405,101
Capital grants and contributions	6,645,750	4,291,218	-	-	6,645,750	4,291,218
General revenues:						
Property taxes	228,055,142	224,637,157	-	-	229,225,164	224,637,157
Other taxes	101,180,267	95,896,689	16,159,629	12,038,454	116,169,874	107,935,143
Grants and contributions not restricted to specific programs	18,409,211	32,229,285	-	-	18,409,211	32,229,285
Investment earnings	17,366,978	20,895,214	995,673	890,182	18,362,651	21,785,396
Gain on sale of assets	489,001	-	-	-	489,001	-
Miscellaneous	6,850,776	9,718,810	102,394	10,324	6,953,170	9,729,134
Total Revenues	489,639,659	473,279,111	29,796,582	22,715,133	519,436,241	495,994,244
Expenses:						
General government	56,030,104	53,466,927	-	-	56,030,104	53,466,927
Public safety	84,940,483	79,802,529	-	-	84,940,483	79,802,529
Economic and physical development	12,396,212	17,176,713	-	-	12,396,212	17,176,713
Human services	111,173,048	102,090,297	-	-	111,173,048	102,090,297
Culture and recreation	17,688,472	15,822,478	-	-	17,688,472	15,822,478
Education	124,072,249	115,751,877	-	-	124,072,249	115,751,877
Interest on long-term debt	1,955,476	2,622,589	-	-	1,955,476	2,622,589
Solid Waste	-	-	17,958,942	14,195,514	17,958,942	14,195,514
Crown Center	-	-	8,327,650	8,058,194	8,327,650	8,058,194
Kelly Hills W&S District	-	-	86,889	109,020	86,889	109,020
Norcross W&S District	-	-	1,001,837	929,694	1,001,837	929,694
Southpoint W&S District	-	-	33,531	31,202	33,531	31,202
Overhills Park W&S District	-	-	190,408	176,238	190,408	176,238
Grays Creek W&S District	-	-	1,664	-	1,664	-
Total Expenses	408,256,044	386,733,410	27,600,921	23,499,862	435,856,965	410,233,272
Increase in net position before transfers	81,383,615	86,545,701	2,195,661	(784,729)	83,579,276	85,760,972
Transfers	(33,526,782)	(11,441,631)	33,526,782	11,441,631	-	-
Increase in net position	47,856,833	75,104,070	35,722,443	10,656,902	83,579,276	85,760,972
Net position, beginning of year	353,760,597	282,431,489	121,756,014	111,178,557	475,516,611	393,610,046
Net position, end of year	\$ 401,617,430	\$ 357,535,559	\$ 157,478,457	\$ 121,835,459	\$ 559,095,887	\$ 479,371,018

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 99.5% for real and personal property.
- ❖ The growth in revenues is mainly attributable to the increase in operating grants and contributions and taxes.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Governmental Activities: Governmental activities increased the County's net position by \$47,856,833 (See Figures 2 and 3). Key elements of this increase are as follows:

- ❖ Program revenues totaled \$117,288,284, an increase of \$27,386,328 over the previous year.
 - Charges for services decreased by an immaterial amount of \$221,930.
 - Operating Grants and Contributions increased by \$25,253,726. The increase in revenues includes an increase in expenditures claimed through the American Rescue Plan Act totaling approximately \$19.5 million.
 - Capital Grants and Contributions increased by \$2,354,532, due to an increase in economic and physical development revenues.
- ❖ General revenues decreased by \$11,025,780 to \$372,351,375.
 - Property tax revenue totaled \$228,055,142, an increase of \$3,417,985 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 \$5,283,578 or 5.5%. This increase is spread between sales tax, real estate transfer, and food and beverage tax collections.
 - Grants and contributions not restricted to specific programs decreased \$13,820,074. The decrease is due to a decrease in sales tax equalization from Fayetteville and other municipalities. When the distribution of sales tax changed in fiscal year 2025, which caused an increase in the County's portion, sales tax equalization was reduced for Fayetteville and other municipalities to soften the burden. In addition, there were decreases in restricted and unrestricted grants.
 - Interest earnings on investments decreased in the amount of \$3,528,236 or 16.9% from last year. This change is based on market conditions, changes in the interest rates, and the maturity of investments made in prior years.
 - Miscellaneous revenues decreased in the amount of \$2,868,034 or 29.5% from last year. The majority of this decrease occurred within the internal services group insurance fund because of a decrease in the non-participating employee insurance match, offset by increases in drug rebates and employee/employer contributions.
- ❖ Governmental activities expenses increased by \$21,522,634.
 - General Government expenses were above prior year levels by \$2,563,177.
 - Public Safety expenses were above the prior year levels by \$5,137,954.
 - Economic and Physical Development expenses were below prior year levels by \$4,780,501.
 - Human Services expenses were above prior year levels by \$9,082,751.
 - Culture and Recreation expenses were above prior year levels by \$1,865,994.
 - Education expenses were above the prior year levels by \$8,320,372. This is due to increased operating expenses for both Cumberland County Schools and Fayetteville Technical Community College.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

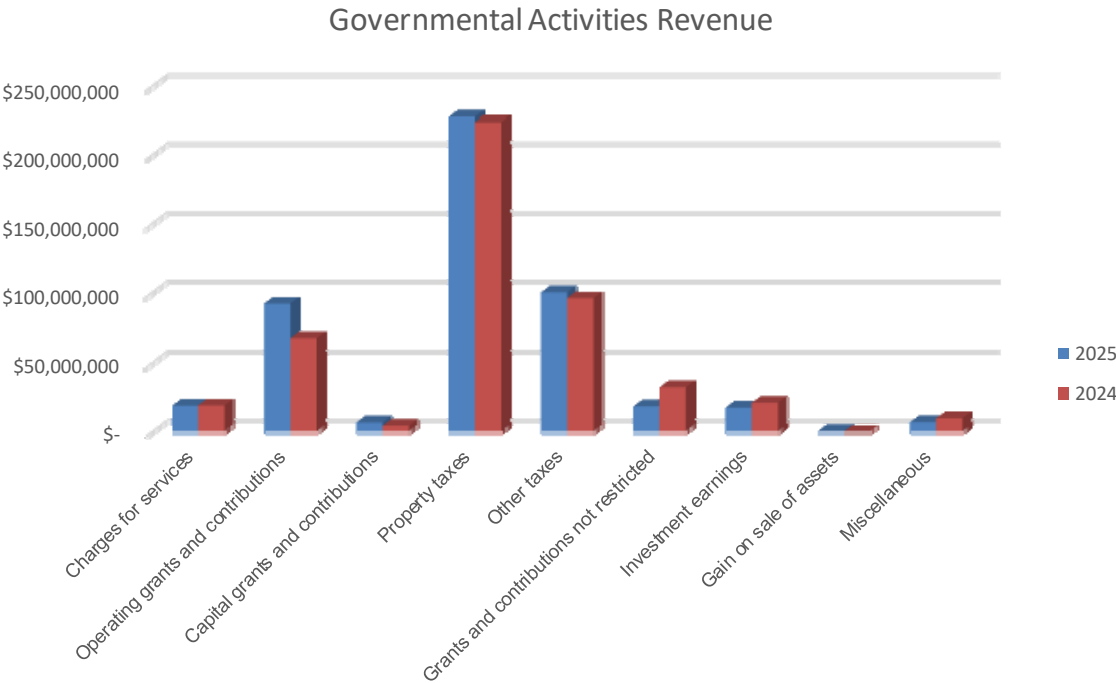
JUNE 30, 2025

With the exception of Economic and Physical Development expenses, all other categories of governmental activities expenses increased. The increase in these categories of governmental activities is driven by pay enhancements, employee stipends, associated benefits, shelter operations, contracted services, software, capital outlay, and grant expenditures. The decrease in Economic and Physical Development is from decreased grant expenditures, completion of projects, and a decrease in capital outlay. In addition, the government-wide financial statements are impacted year- over-year by changes related to pension, OPEB, and capital asset activities. The difference in expenses on government-wide financial statements and fund financial statements can be attributed to these changes.

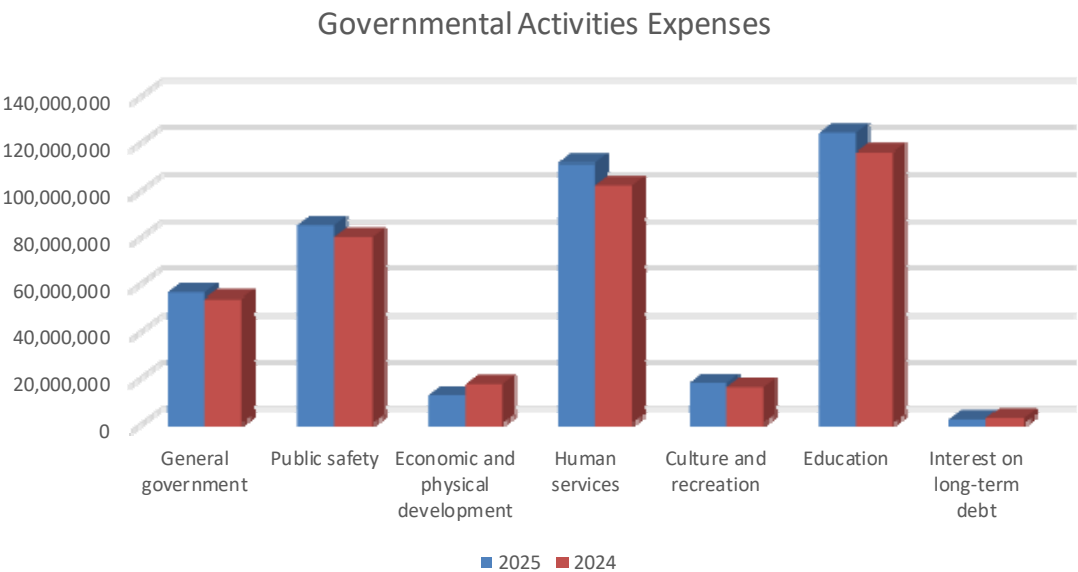
CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Governmental Activities Revenue
Figure 2



Governmental Activities Expenses Figure 3



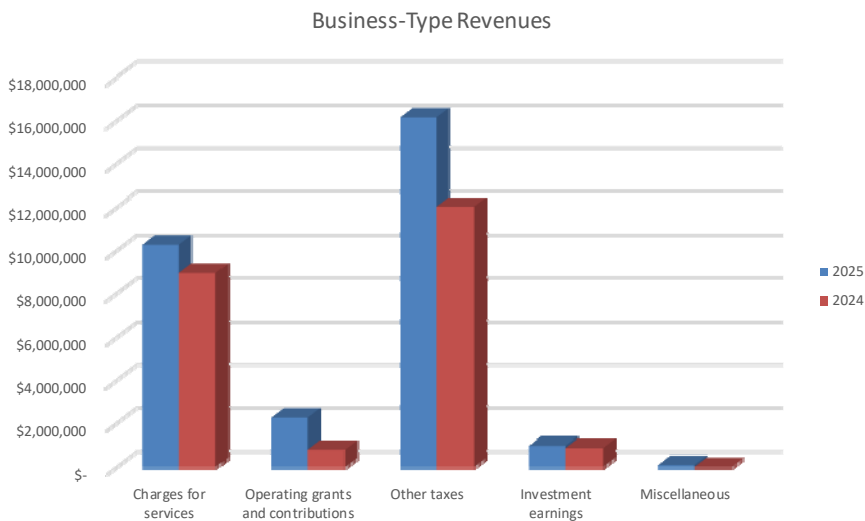
CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

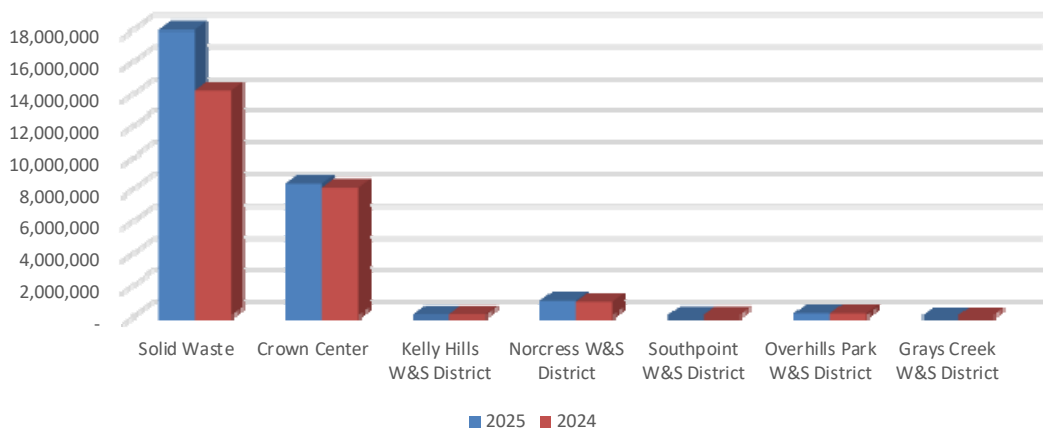
Business-Type Activities: Business-type activities increased the County’s net position by \$35,722,443 (See figures 4 and 5). Key elements of this increase are as follows:

- ❖ The Solid Waste net position increased by \$5,219,047 to \$54,569,602. This is primarily due to increased operating revenues for sewer charges and solid waste fees.
- ❖ The Crown Complex’s net position increased by \$21,473,406 to \$82,980,138. This is mainly attributable to an increase in construction in progress related to the Crown Event Center capital project.

**Business-Type Revenue
Figure 4**



Business-Type Expenses Figure 5
Business-Type Expenses



CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 \$437,167,307, an increase of \$32,188,279 from the previous year. The unassigned fund balance is \$88,258,683 or 20.2%, which is not restricted, committed, or assigned for specific purposes. Another \$21,039,443 is assigned for specific purposes: \$12,126,471 for subsequent years' expenditures; \$1,750,000 for economic development incentives; \$250,000 for economic development site acquisition, and \$6,912,972 for ARP freed up capacity. Committed fund balance totals \$207,223,592 and includes: \$2,500,000 for tax revaluation; \$181,988,468 for the capital investment fund; and \$22,735,124 for ARP freed up capacity. Non-spendable fund balance accounts for another \$358,750 for inventories, leases and cemetery funds. The remainder of fund balance, \$120,286,839 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, 2025, the major special revenue fund, ARPA, reported a fund balance of \$1,855,939. All funds are restricted.

As of June 30, 2025, the non-major governmental funds of the County reported a fund balance of \$30,964,268, an increase of \$6,067,204 from previous year.

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 \$404,347,100; unassigned fund balance of the General Fund is \$88,588,495; nonspendable fund balance is \$294,954; assigned and committed fund balance is \$228,263,035 while restricted fund balance is \$87,200,616.

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 the County maintain 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 2025, unassigned fund balance represents 22.6% of total General Fund expenditures adjusted for transfers. Available fund balance, which includes unassigned, assigned, and committed fund balance is 80.9%, while total fund balance represents 103.2% of that same amount.

CUMBERLAND COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 \$418,508,318, an decrease of \$558,466 or 0.1% from previous year. The decrease in revenues is primarily due to decreased intergovernmental revenues and interest. Highlights of significant areas of change include:

- ❖ Ad valorem property tax revenues have increased by \$4,198,906 or 2.0% to \$210,811,061.
- ❖ Other taxes increased by \$4,010,541 or 4.8% to \$87,709,587. Sales tax revenue is the primary contributor. These upward trends in sales tax revenues are indicative of a continued economic rebound.
- ❖ Intergovernmental revenues decreased by \$7,468,805 or 8.6% to \$79,428,964. Restricted intergovernmental receivables represent 77% of this total and the use of these funds is restricted by state statute or as established by the grantor. The decrease is driven by a COPS technology grant of \$2.5 million that was revenue in fiscal year 2024 and a \$6 million decrease in Fayetteville's sales tax equalization payment in fiscal year 2025. Due to the change in sales tax distribution in fiscal year 2025, the municipalities were billed less for equalization.
- ❖ Licenses and permit revenue increased by \$54,025 or 2.0% to \$2,822,395. Single family dwelling fees, Register of Deeds fees, and zoning fees account for the change.
- ❖ Sales and services increased by \$1,776,453 or 13.3% to \$15,167,107. The increase was generated through maternal health, case management, express care, STD, child support, and pharmacy services.
- ❖ Interest earned on investments for the General Fund decreased by \$3,036,049 or 15.5% to \$16,498,420. This change is based on market conditions, changes in the interest rates, and the maturity of investments made in prior years.

General Fund actual expenditures including a legally budgeted County School Fund and Capital Investment Fund, but excluding other financing uses and transfers were \$391,750,912, an increase of \$15,955,730 or 4.2% from the previous year. Highlights of significant areas of change include:

- ❖ General Government expenditures increased by \$2,407,374 or 5.1%, mostly due to an increase in expenditures directly related to pay enhancements, employee stipends, associated benefit increases, white flag shelters, contracted services, and software.
- ❖ Public Safety had an increase of \$1,249,234, or 1.9%, mostly due to an increase in expenditures directly related to pay enhancements, employee stipends, associated benefit increases, and utilities.
- ❖ Economic and Physical Development decreased by \$3,739,593 or 33.6%, attributable to decreases in various grant expenditures compared to fiscal year 2024, various projects that were completed in fiscal year 2024, and a decrease in capital outlay.
- ❖ Human services expenditures increased by \$7,668,826 or 7.4%, mostly due to an increase in expenditures directly related to pay enhancements, employee stipends, associated benefit increases, foster care board expenditures, capital outlay, and medical supplies.
- ❖ Culture and recreation expenditures increased by \$1,285,011 or 11.1%, mostly due to an increase in expenditures directly related to pay enhancements, employee stipends, associated benefit increases, Orange Street School expenditures, utilities, capital outlay, contracted services, maintenance and repairs, and grant related expenditures.
- ❖ Education expenditures increased by \$6,953,038 or 5.6%, attributable to increases in operating expenses paid to Cumberland County Schools of \$5,730,784 and Fayetteville Technical Community College of \$2,121,805.

CUMBERLAND COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 \$181,988,468. 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.

General Fund Budgetary Highlights: The General Fund, for budgetary comparisons, excludes the legally budgeted County School Special Revenue Fund and Capital Investment Fund (page H-1). 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. After all amendments to General Fund revenues excluding transfers, sale of capital assets, and fund balance appropriated, the adopted budget was \$389,675,069. Actual General Fund revenues excluding transfers were more than final amended budget by \$98,463.

- ❖ Budgeting of Fund Balance - A total of \$42,839,069 of fund balance was originally budgeted in fiscal year 2025. During the fiscal year, fund balance reappropriations were requested for contracts and purchase orders in which projects were not completed in fiscal year 2024 and were on-going in fiscal year 2025.

Total actual revenues for the General Fund, excluding the County School Capital Fund, Capital Investment Fund, and other financing sources, were \$389,773,532. This amount exceeded the final budgeted amount by \$98,463. (page H-5).

- ❖ Ad Valorem taxes collected exceeded the budget by \$2,011,703. This was due to conservative budget estimates and higher than expected tax collections for both real property and motor vehicles.
- ❖ Other taxes include receipt of funds such as sales tax, pet registration, beer and wine taxes and real estate transfer taxes. These funds are budgeted based on historical distributions with consideration of current and future projected economic conditions. The revenues received in the General Fund were greater than the amended budget by \$2,557,047. A conservative budgeting approach was used for the fiscal year 2025 budget. Overall actual tax collections were strong again this year. Sales tax collections for fiscal year 2025 were strong and showed growth.
- ❖ Intergovernmental revenue - This category funding fell short of revised budget by \$14,080,389. Most of the shortfall correlated with expenditures below budget in the Human Services functional areas as revenues in those areas are dependent upon expenditures incurred. Unexpended grant funds at year-end were re-appropriated to fiscal year 2026 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.
- ❖ Licenses and permit fees exceeded the revised budget by \$428,901 from the final revised budget due to over realization of Register of Deeds, single family dwelling, and planning fees.
- ❖ Interest earned on investments exceeded the revised budget by \$5,534,255.
- ❖ Sales and services fees exceeded the revised budget by \$3,163,896. This overall increase was spread over several different revenue sources from multiple County departments.
- ❖ Miscellaneous revenue exceeded the revised budget by \$483,050.

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Total actual expenditures (page H-5), excluding the County School Fund, Capital Investment Fund and other financing uses, were less than the final budgeted amount by \$61,564,085 resulting in an expenditure rate of 85.2% 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, resulting in personnel costs being lower than budget. Staffing shortfalls continue to be an issue within the functional areas, which led to delays in projects.

- ❖ Personnel expenditures including fringe benefits, were \$10.2 million less than budget. While this is an improvement over prior year, the County continues to struggle with recruitment, turnover, and a high overall position vacancy rate.
- ❖ Other operating expenses across the various functional classifications that were less than budget include: \$10.6 million capital outlay expenditures for land, improvements, vehicles and equipment; \$7.3 million, ARP construction; \$6.9 million, unallocated; \$4.8 million, Alliance mental health services, \$2.1 million, contracted services; \$1.5 million, transfers; \$1.8 million, miscellaneous; \$1.1 million, foster care board; and various grant expenditures.

Proprietary Funds. The County's Proprietary Funds (pages E-6 thru E-9) provide the same type of information found in the government-wide statements but in more detail. They include eight enterprise funds and five internal service funds. The Solid Waste Fund had a net position of \$54,569,602. The Crown Complex Fund had a net position of \$82,980,138. The other six enterprise funds, (water and sewer funds), had a combined net position of \$19,928,717. The Solid Waste operating revenues increased by \$5,234,507 primarily because of an increase in charges for services revenue. The Solid Waste operating expenses increased by \$3,763,428. The Crown Complex's operating revenues increased \$129,020 while the operating expenses increased by \$182,796. The internal service funds had a combined net position of \$20,393,698.

Fiduciary Funds. The County's fiduciary funds (pages E10 and E11) 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 \$1,255,604 to \$6,562,939. This primarily because a \$1,000,000 contribution was made to the trust. The custodial funds had a net position of \$9,607.

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, 2025, totals \$302,594,140 (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.

As of June 30, 2025, the County has construction contracts in progress for various capital projects and improvements. The remaining commitment on these contracts is \$28,334,509.

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Capital Assets
Table 3
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 19,403,290	\$ 17,560,314	\$ 8,216,618	\$ 8,145,036	\$ 27,619,908	\$ 25,705,350
Construction in Progress	17,545,475	16,621,932	20,807,294	10,298,307	38,352,769	26,920,239
Landfill	-	-	10,643,706	10,922,028	10,643,706	10,922,028
Buildings and Improvements	142,827,519	147,751,736	37,921,895	37,256,689	180,749,414	185,008,425
Equipment, furniture and fixtures	14,534,220	15,154,531	13,452,883	13,674,180	27,987,103	28,828,711
Vehicles and motorized equipment	4,571,756	3,840,687	1,708,516	1,020,285	6,280,272	4,860,972
Leased asset-buildings	50,644	92,632	-	-	50,644	92,632
Leased asset-equipment	11,184	28,319	-	-	11,184	28,319
IT Subscriptions	557,716	757,790	-	-	557,716	757,790
Plant and distribution system	-	-	10,341,424	10,726,389	10,341,424	10,726,389
Net Capital Assets	<u>\$ 199,501,804</u>	<u>\$ 201,807,941</u>	<u>\$ 103,092,336</u>	<u>\$ 92,042,914</u>	<u>\$ 302,594,140</u>	<u>\$ 293,850,855</u>

CUMBERLAND COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Long-Term Obligations. As of June 30, 2025, Cumberland County had a total of \$878,000 outstanding USDA GO Bonds. At the end of the fiscal year the lease liability and SBITAs liability were \$62,907, and \$432,101 respectively. The County's total debt, Table 4, decreased by \$56,530,448 – primarily attributable to regularly scheduled debt payments of over \$11.5 million and a decrease in the OPEB liability of over \$24 million. The OPEB liability can vary annually because the calculation is based on actuarial assumptions. Those assumptions can change. There are always differences in expected and actual expenses. Plan investment outcomes also impact calculations. Additional information regarding the County's long-term debt can be found in Note #8 in the Notes to the Financial Statements.

Outstanding Debt
Table 4

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds (net)	\$ -	\$ -	\$ 878,000	\$ 907,000	\$ 878,000	\$ 907,000
USDA Revenue Bonds (direct)	-	-	1,252,000	1,278,000	1,252,000	1,278,000
Certificates of participation/LOBS (net)	32,780,551	38,611,879	-	-	32,780,551	38,611,879
Certificates of participation (direct)	2,400,279	5,126,998	1,818,472	4,655,502	4,218,751	9,782,500
Notes Payable (Direct)	-	-	39,963	44,959	39,963	44,959
Lease Liabilities	62,907	122,054	-	-	62,907	122,054
IT Subscription Liabilities	432,101	587,937	-	-	432,101	587,937
Compensated absences	12,075,970	11,657,442	281,690	280,684	12,357,660	11,938,126
OPEB liability	138,951,549	162,314,305	4,230,339	4,902,262	143,181,888	167,216,567
Net Pension liability (LGRS)	77,026,403	76,753,509	1,775,326	1,768,420	78,801,729	78,521,929
Net Pension liability (LEO)	12,905,799	12,500,448	-	-	12,905,799	12,500,448
Accrued landfill closure and post closure costs	-	-	17,453,662	16,301,213	17,453,662	16,301,213
Total Bonds	\$ 276,635,559	\$ 307,674,572	\$ 27,729,452	\$ 30,138,040	\$ 304,365,011	\$ 337,812,612

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

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 2025 collection percentage was 99.5%.
- ❖ The County's average unemployment rate is 5.1%. This rate is near pre-pandemic levels.
- ❖ Percentage increases in sales tax revenue for the County by fiscal year, over the past six years: 5.1% 2025; 1%, 2024; 2023, 2.9%; 2022, 11.1%; 2021, 16.5%; and 2020, 4.8%.
- ❖ The County-wide Ad Valorem tax rate and levy will decrease to 49.9 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 2026.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities

The County approved a \$406,207,579 General Fund budget, including an appropriation of \$12,126,471 of fund balance. This amount excludes the legally adopted County School Fund and the Capital Investment Fund. As compared to the fiscal year 2025 adopted budget, this is an increase of \$13,379,615 or 3.4%.

- ❖ Ad Valorem Taxes for fiscal year 2026 were budgeted at \$173,699,000, a decrease of \$4,786,379 or 2.7% over the fiscal year 2025 amount. The County maintained continuous growth in the tax base through economic development, however the decrease is the result of adopting a tax rate below the revenue neutral rate.
- ❖ Motor vehicle tax collections are budgeted at \$17,606,000, a decrease of 36.5% over the fiscal year 2025 budgeted amount. The motor vehicle tax decrease is a result of adopting a tax rate below the revenue neutral rate.
- ❖ Sales Taxes are budgeted at \$81,173,461, an increase of \$16,927,095 or 26.3% above the fiscal year 2025 budgeted amount. The increase is due to the change in distribution method from per capita to ad valorem.
- ❖ Federal and State Intergovernmental revenue has been budgeted at \$72,859,363 or 10.4% below the adopted fiscal year 2025 budget. The decrease is due to the elimination of equalization resulting from a change in the sales tax distribution method from per capital to ad valorem.
- ❖ Charges and Services are budgeted at \$15,042,516 and are projected to experience an increase of 12.7% as compared to the fiscal year 2025 adopted budget amount. The increase is primarily due to Public Health pharmacy services, building inspections, indirect cost services, Medicare case management fees, Medicaid settlement payments and earnings, and assignment of deputies for the Department of Social Services and Child Support.
- ❖ Miscellaneous Revenue has been budgeted at \$25,352,050 which is an increase of 101.1% over the fiscal year 2025 budgeted amount. The increase is primarily due to interest income and reimbursement from Cumberland County School fund balance.

CUMBERLAND COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

JUNE 30, 2025

Budgeted expenditures in the General Fund, excluding the legally adopted County School Fund and Capital Investment Fund are \$406,207,579 which represents a 3.4% increase over the past fiscal year adopted budget

- ❖ The budget for fiscal year 2026 included a 4% cost-of-living adjustment for all permanent full-time and part-time employees.
- ❖ General Government expenditures are budgeted to decrease by \$9,002,755 or 14.7%. The decrease is attributable to a reduction in vacant positions to fund the cost-of-living adjustment and 401K increase, reallocation of two positions, and the decrease in property revaluation expenses related to the completion of revaluation.
- ❖ Public Safety expenditures are budgeted to increase by \$7,317,106 or 9.7%. This increase is mainly attributable to an increase in salaries for recruitment and retention, ammunition costs, and computer software contracts. In addition, there are increases in budgeted expenditures related to Bryne grant funds and Justice Services grant funds.
- ❖ Economic & Physical Development expenditures are projected to increase by \$219,740 or 3.0%. The main driver for the increase is attributable to funding for updates to development ordinances and increases in salaries and benefits due to the cost-of-living adjustment.
- ❖ Education expenditures have a budgeted increase of 12.0% and were adopted at \$119,984,839. The increase is due to a rise in current expense funding for Cumberland County Schools.
- ❖ Human Services expenditures were budgeted at \$130,381,285, an increase of .9% above the fiscal year 2025 adopted budget. This increase is mainly attributable to an increase in inmate health care services and staffing enhancements, increase in salaries and benefits due to the cost-of-living adjustment, and an escalation of expenditures related to Community Transformation Grant incentives and contracted services.

Business – Type Activities

The County approved a \$22,247,154 Solid Waste Fund budget, which included an appropriation of fund balance of \$2,306,997. The solid waste user fee remained unchanged at \$130 per year for residential taxpayers.

The Crown Complex Fund adopted budget totals \$7,224,832, \$2,411,029 less than the fiscal year 2025 budget. This is due to completed projects in prior years including parking lot improvements and elevator modernization.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Current assets:				
Cash and investments	\$ 373,412,631	\$ 83,750,280	\$ 457,162,911	\$ 19,001,189
Receivables (net of allowance for uncollectibles):				
Property taxes	1,672,803	-	1,672,803	-
Due from other governments	17,823,947	231,792	18,055,739	-
Accounts receivable	532,148	-	532,148	282,239
Sales tax	25,388,396	-	25,388,396	-
Taxes receivable	-	290,582	290,582	-
Other receivables	4,771,542	4,161,478	8,933,020	65,389
Inventories	800,857	-	800,857	6,873,930
Prepays	863,266	146,799	1,010,065	193,920
Lease receivables	253,336	-	253,336	-
Due from component units	1,055,768	-	1,055,768	-
Internal balances	5,500	(5,500)	-	-
Total current assets	426,580,194	88,575,431	515,155,625	26,416,667
Noncurrent assets:				
Cash and investments – restricted	72,889,347	1,349,877	74,239,224	335,076
Lease receivable, non-current	828,801	-	828,801	-
Net pension asset	385,192	-	385,192	-
Capital assets:				
Assets not being depreciated	36,948,765	29,023,912	65,972,677	2,090,893
Assets being depreciated, net	162,553,039	74,068,424	236,621,463	22,528,730
Total capital assets, net	199,501,804	103,092,336	302,594,140	24,619,623
Total noncurrent assets	273,605,144	104,442,213	378,047,357	24,954,699
Total assets	700,185,338	193,017,644	893,202,982	51,371,366
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	42,873,228	1,638,886	44,512,114	1,044,922
OPEB related	3,029,473	97,214	3,126,687	35,766
Deferred charge on refunding	700,036	8,906	708,942	-
Total deferred outflows of resources	46,602,737	1,745,006	48,347,743	1,080,688
LIABILITIES				
Current liabilities:				
Accounts payable	14,355,708	4,454,318	18,810,026	1,702,265
Accrued payroll	6,687,750	152,860	6,840,610	-
Due to Primary Government	-	-	-	1,055,768
Due to other governments	9,767,456	-	9,767,456	-
Current portion of long-term debt	25,725,210	1,212,044	26,937,254	942,181
Claims payable	5,935,800	-	5,935,800	-
Other accrued liabilities	264,094	2,940,486	3,204,580	1,519,344
Accrued interest payable	347,315	7,803	355,118	31,627
Unearned revenue	1,357,585	448,089	1,805,674	-
Total current liabilities	64,440,918	9,215,600	73,656,518	5,251,185
Noncurrent liabilities:				
Long-term liabilities, less current portion	250,910,349	26,517,408	277,427,757	14,112,577
Total noncurrent liabilities	250,910,349	26,517,408	277,427,757	14,112,577
Total liabilities	315,351,267	35,733,008	351,084,275	19,363,762
DEFERRED INFLOWS OF RESOURCES				
Leases	1,046,420	-	1,046,420	-
Pension related	1,715,739	711,708	2,427,447	73,372
OPEB related	27,057,219	839,477	27,896,696	67,682
Total deferred inflows of resources	29,819,378	1,551,185	31,370,563	141,054
NET POSITION				
Net investment in capital assets	174,070,599	99,112,806	273,183,405	12,378,832
Restricted for:				
Stabilization by state statute	49,567,314	-	49,567,314	-
Public health	11,244,068	-	11,244,068	-
Debt service	-	1,235,424	1,235,424	335,076
Project	-	114,453	114,453	-
Inmates	1,228,365	-	1,228,365	-
County school	26,877,597	-	26,877,597	-
Fire protection	2,476,389	-	2,476,389	-
Register of Deeds	1,473,410	-	1,473,410	-
Public safety	4,611,061	-	4,611,061	1,737,494
Economic and physical development	3,921,704	-	3,921,704	-
Human services	10,664,036	-	10,664,036	-
Culture and recreational	6,969,704	-	6,969,704	-
Capital	-	-	-	802,000
Facility Investment Fee	-	-	-	117,774
Pensions and benefits	385,192	-	385,192	-
Claims	26,545,544	-	26,545,544	-
Unrestricted (deficit)	81,582,447	57,015,774	138,598,221	17,576,062
Total net position	\$ 401,617,430	\$ 157,478,457	\$ 559,095,887	\$ 32,947,238

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary government:								
Governmental activities:								
General government	\$ 55,989,204	\$ 3,070,050	\$ 26,584,261	\$ 3,912,894	\$ (22,421,999)	\$ -	\$ (22,421,999)	\$ -
Public safety	84,877,561	3,595,845	3,424,772	238,266	(77,618,678)	-	(77,618,678)	-
Economic and physical development	12,698,240	1,656,292	4,491,977	2,494,590	(4,055,381)	-	(4,055,381)	-
Culture and recreation	17,675,888	6,341	581,009	-	(17,088,538)	-	(17,088,538)	-
Human services	111,084,957	10,473,502	55,595,065	-	(45,016,390)	-	(45,016,390)	-
Education	123,974,719	-	-	-	(123,974,719)	-	(123,974,719)	-
Interest and other charges	1,955,476	-	1,163,420	-	(792,056)	-	(792,056)	-
Total governmental activities	408,256,044	18,802,030	91,840,504	6,645,750	(290,967,760)	-	(290,967,760)	-
Business-type activities:								
Solid Waste	17,958,942	6,719,417	1,554,255	-	-	(9,685,270)	(9,685,270)	-
Crown Center	8,327,650	2,586,619	275,000	-	-	(5,466,031)	(5,466,031)	-
Kelly Hills Water and Sewer District	86,889	116,118	-	-	-	29,229	29,229	-
NORCRESS Water and Sewer District	1,001,837	618,026	435,956	-	-	52,145	52,145	-
Southpoint Water and Sewer District	33,531	67,479	-	-	-	33,948	33,948	-
Overhills Park Water and Sewer District	190,408	166,016	-	-	-	(24,392)	(24,392)	-
Grays Creek Park Water and Sewer District	1,664	-	-	-	-	(1,664)	(1,664)	-
Total business-type activities	27,600,921	10,273,675	2,265,211	-	-	(15,062,035)	(15,062,035)	-
Total primary government	\$ 435,856,965	\$ 29,075,705	\$ 94,105,715	\$ 6,645,750	\$ (290,967,760)	\$ (15,062,035)	\$ (306,029,795)	\$ -
Component Units:								
Total component units	\$ 60,262,766	\$ 58,373,976	\$ -	\$ 1,304,929	\$ -	\$ -	\$ -	\$ (583,861)
General revenues and transfers								
General revenues:								
Property taxes					228,055,142	-	228,055,142	-
Other taxes								
Sales taxes					86,609,804	-	86,609,804	-
Real estate transfer					3,805,596	-	3,805,596	-
Beer and wine					367,007	-	367,007	-
Solid waste					-	14,049,976	14,049,976	-
Food and beverage					10,397,860	-	10,397,860	-
Room and occupancy					-	2,109,653	2,109,653	-
Grants and contributions not restricted to specific programs					18,409,211	-	18,409,211	-
Investment earnings					17,366,978	995,673	18,362,651	193,687
Miscellaneous					6,850,776	102,394	6,953,170	1,877,613
Gain on sale of assets					489,001	-	489,001	-
Transfers					(33,526,782)	33,526,782	-	-
Total general revenues and transfers					338,824,593	50,784,478	389,609,071	2,071,300
Change in net position					47,856,833	35,722,443	83,579,276	1,487,439
Net position – beginning					357,535,559	121,835,459	479,371,018	31,462,926
Change in accounting principles					(3,774,962)	(79,445)	(3,854,407)	(3,127)
Net position – beginning, as adjusted					353,760,597	121,756,014	475,516,611	31,459,799
Net position – ending					\$ 401,617,430	\$ 157,478,457	\$ 559,095,887	\$ 32,947,238

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

FUND FINANCIAL STATEMENTS

COUNTY OF CUMBERLAND, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	Major Funds		Total	Total
	General Fund	American Rescue Plan Act Fund	Nonmajor Funds	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 355,580,249	\$ -	\$ 17,832,382	\$ 373,412,631
Cash and investments – restricted	20,884,606	11,386,858	14,072,339	46,343,803
Receivables (net of allowance for uncollectibles):				
Property taxes	364,961	-	1,307,842	1,672,803
Due from other governments	17,355,461	-	468,478	17,823,939
Sales tax receivables	25,388,396	-	-	25,388,396
Other receivables	3,561,439	2,612	1,207,491	4,771,542
Lease receivable	1,082,137	-	-	1,082,137
Inventories	259,237	-	-	259,237
Due from other funds	1,053,731	-	-	1,053,731
Due from component units	1,055,768	-	-	1,055,768
Total assets	<u>\$ 426,585,985</u>	<u>\$ 11,389,470</u>	<u>\$ 34,888,532</u>	<u>\$ 472,863,987</u>
LIABILITIES				
Accounts and vouchers payable	\$ 11,162,560	\$ 199,790	\$ 2,206,075	\$ 13,568,425
Accrued payroll	6,548,261	11,088	83,906	6,643,255
Other accrued liabilities	263,894	-	200	264,094
Due to other governments	361,045	9,322,653	83,758	9,767,456
Due to other funds	-	-	1,048,231	1,048,231
Unearned revenue	750,724	-	53,173	803,897
Total liabilities	<u>19,086,484</u>	<u>9,533,531</u>	<u>3,475,343</u>	<u>32,095,358</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable tax revenue	2,105,981	-	448,921	2,554,902
Leases related	1,046,420	-	-	1,046,420
Total deferred inflows of resources	<u>3,152,401</u>	<u>-</u>	<u>448,921</u>	<u>3,601,322</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventories	259,237	-	-	259,237
Leases	35,717	-	-	35,717
Cemetery	-	-	63,796	63,796
Restricted:				
Stabilization by state statute	47,888,733	2,612	1,675,969	49,567,314
Public health	11,244,068	-	-	11,244,068
Inmates	-	-	1,228,365	1,228,365
County school	26,877,597	-	-	26,877,597
Fire protection	-	-	2,476,389	2,476,389
Register of Deeds	1,190,218	-	283,192	1,473,410
Public safety	-	-	4,611,061	4,611,061
Economic and physical development	-	1,853,327	2,068,377	3,921,704
Human services	-	-	10,664,036	10,664,036
Culture and recreational	-	-	8,222,895	8,222,895
Committed:				
Tax revaluation	2,500,000	-	-	2,500,000
Capital investment fund	181,988,468	-	-	181,988,468
ARP freed up capacity	22,735,124	-	-	22,735,124
Assigned:				
Subsequent year's expenditures	12,126,471	-	-	12,126,471
Economic development incentives	1,750,000	-	-	1,750,000
Economic development - site acquisition	250,000	-	-	250,000
ARP freed up capacity	6,912,972	-	-	6,912,972
Unassigned (deficit)	<u>88,588,495</u>	<u>-</u>	<u>(329,812)</u>	<u>88,258,683</u>
Total fund balances	<u>404,347,100</u>	<u>1,855,939</u>	<u>30,964,268</u>	<u>437,167,307</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 426,585,985</u>	<u>\$ 11,389,470</u>	<u>\$ 34,888,532</u>	<u>\$ 472,863,987</u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

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

Total fund balance – governmental funds		\$ 437,167,307
Capital assets of \$401,799,511, net of accumulated depreciation of \$202,790,987, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		199,501,804
Differences between expected and actual experiences, assumptions changes and net differences between project and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	42,516,030	
Deferred outflows - OPEB related	3,016,212	
Deferred inflows - pension related	(1,515,142)	
Deferred inflows - OPEB related	(27,047,095)	
Total deferred outflows and inflows related to postemployment benefits		16,970,005
Certain long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		
Net pension asset	385,192	
Unavailable resources	2,554,902	2,940,094
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.		20,393,698
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the fund statements:		
Accrued interest interest payable	(347,315)	
Total pension liability - LEOSSA	(12,905,799)	
Net pension liability - LGERS	(76,669,878)	
Net OPEB liability	(138,440,621)	
Other long-term indebtedness	(47,691,901)	
Total long-term liabilities		(276,055,514)
Deferred charges on refunding are not current outflows of resources and not reported in the governmental funds		
Deferred outflows - charges on refunding		700,036
Net position of governmental activities		<u>\$ 401,617,430</u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Major Funds			
	General Fund	American Rescue Plan Act Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem taxes	\$ 210,811,061	\$ -	\$ 17,975,939	\$ 228,787,000
Other taxes	87,709,587	-	13,470,680	101,180,267
Intergovernmental	79,428,964	25,821,763	10,968,149	116,218,876
Licenses and permits	2,822,395	-	83,580	2,905,975
Investment earnings	16,498,420	391,382	477,176	17,366,978
Sales and services	15,167,107	-	1,405,538	16,572,645
Miscellaneous	6,070,784	-	779,991	6,850,775
Total revenues	<u>418,508,318</u>	<u>26,213,145</u>	<u>45,161,053</u>	<u>489,882,516</u>
EXPENDITURES				
Current:				
General government	49,542,833	1,720,878	2,275,043	53,538,754
Public safety	68,724,748	-	16,503,703	85,228,451
Economic and physical development	7,390,508	-	4,699,061	12,089,569
Human services	111,256,436	-	4,098,264	115,354,700
Culture and recreation	12,817,057	-	4,837,526	17,654,583
Education	130,132,986	-	-	130,132,986
Debt service:				
Principal	9,544,199	-	-	9,544,199
Interest and other charges	2,342,145	-	-	2,342,145
Total expenditures	<u>391,750,912</u>	<u>1,720,878</u>	<u>32,413,597</u>	<u>425,885,387</u>
Excess of revenues over expenditures	<u>26,757,406</u>	<u>24,492,267</u>	<u>12,747,456</u>	<u>63,997,129</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	21,517,942	-	4,204,788	25,722,730
Transfers to other funds	(24,317,075)	(24,100,886)	(10,885,040)	(59,303,001)
Proceeds from sale of capital assets	445,917	-	-	445,917
Lease and subscription assets issued	1,325,504	-	-	1,325,504
Total other financing sources (uses)	<u>(1,027,712)</u>	<u>(24,100,886)</u>	<u>(6,680,252)</u>	<u>(31,808,850)</u>
Net change in fund balances	25,729,694	391,381	6,067,204	32,188,279
Fund balances - beginning	<u>378,617,406</u>	<u>1,464,558</u>	<u>24,897,064</u>	<u>404,979,028</u>
Fund balances - ending	<u>\$ 404,347,100</u>	<u>\$ 1,855,939</u>	<u>\$ 30,964,268</u>	<u>\$ 437,167,307</u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES***YEAR ENDED JUNE 30, 2025*

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

Net change in fund balances--total governmental funds		\$ 32,188,279
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount in which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	9,886,182	
Depreciation expense	(12,235,403)	
Total capital outlay net of depreciation expense		(2,349,221)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		(731,858)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.		
Gain/(Loss) on sale of assets	43,084	
Total miscellaneous transactions involving capital assets		43,084
Change in deferred outflows of resources for deferred charge on refunding		(186,105)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Repayment of long-term debt	9,544,199	
Amortization of premiums	554,335	
Debt for leases/SBITAs	(1,325,504)	
Total bond and other debt proceeds		8,773,030
The internal service funds are used by management to charge the costs of benefit management and risk management to the individual funds. The net expenses of certain activities of the internal service funds are reported with governmental activities.		
		874,481
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt		18,439
Compensated absences		(423,489)
Changes in pension liabilities and related deferred outflows and inflows of resources		(6,554,229)
Changes in OPEB liabilities and related deferred outflows and inflows of resources		16,204,422
Change in net position of governmental activities		\$ 47,856,833

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Taxes:				
Ad valorem taxes	\$ 208,799,358	\$ 208,799,358	\$ 210,811,061	\$ 2,011,703
Other taxes	67,209,822	67,209,822	87,709,587	20,499,765
Intergovernmental	100,548,666	127,484,620	79,428,964	(48,055,656)
Licenses and permits	2,113,150	2,113,150	2,822,395	709,245
Investment earnings	7,689,960	7,689,960	16,498,420	8,808,460
Sales and services	11,279,632	11,937,617	15,167,107	3,229,490
Miscellaneous	5,298,876	5,497,470	6,070,784	573,314
Total revenues	<u>402,939,464</u>	<u>430,731,997</u>	<u>418,508,318</u>	<u>(12,223,679)</u>
EXPENDITURES				
Current:				
General government	44,357,467	93,137,617	49,542,833	43,594,784
Public safety	108,412,684	112,900,859	68,724,748	44,176,111
Economic and physical development	26,657,613	36,825,839	7,390,508	29,435,331
Human services	126,465,038	129,985,648	111,256,436	18,729,212
Culture and recreation	12,506,988	13,537,943	12,817,057	720,886
Education	122,893,669	145,568,127	130,132,986	15,435,141
Debt service:				
Principal	8,003,721	8,003,721	9,544,199	(1,540,478)
Interest and other charges	2,302,303	2,302,303	2,342,145	(39,842)
Total expenditures	<u>451,599,483</u>	<u>542,262,057</u>	<u>391,750,912</u>	<u>150,511,145</u>
Excess (deficiency) of revenues over expenditures	<u>(48,660,019)</u>	<u>(111,530,060)</u>	<u>26,757,406</u>	<u>138,287,466</u>
OTHER FINANCING SOURCES (USES)				
Installment proceeds	33,000,000	33,000,000	-	(33,000,000)
Transfers from other funds	1,054,134	26,263,811	21,517,942	(4,745,869)
Transfers to other funds	(2,454,685)	(53,319,158)	(24,317,075)	29,002,083
Proceeds from sale of capital assets	-	-	445,917	445,917
Lease and subscription assets issued	-	-	1,325,504	1,325,504
Fund balance appropriated	17,060,570	105,585,407	-	(105,585,407)
Total other financing sources (uses)	<u>48,660,019</u>	<u>111,530,060</u>	<u>(1,027,712)</u>	<u>(112,557,772)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,729,694</u>	<u>\$ 25,729,694</u>
Fund Balances:				
Fund balances - beginning			<u>378,617,406</u>	
Fund balances - ending			<u>\$ 404,347,100</u>	

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

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS

JUNE 30, 2025

	Major Funds			Totals	
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Non-major Enterprise Funds	Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 43,693,538	\$ 30,755,117	\$ 9,301,625	\$ 83,750,280	\$ -
Taxes receivable, net	290,582	-	-	290,582	-
Due from other governments	231,792	-	-	231,792	8
Other receivables	609,287	3,166,830	385,361	4,161,478	532,148
Inventories	-	-	-	-	541,620
Prepays	-	146,799	-	146,799	863,266
Total current assets	44,825,199	34,068,746	9,686,986	88,580,931	1,937,042
Noncurrent assets:					
Cash and investments - restricted	-	1,208,424	141,453	1,349,877	26,545,544
Capital assets:					
Assets not being depreciated	6,949,342	19,040,427	3,034,143	29,023,912	-
Assets being depreciated, net	27,999,598	35,583,218	10,485,608	74,068,424	-
Total noncurrent assets	34,948,940	55,832,069	13,661,204	104,442,213	26,545,544
Total assets	79,774,139	89,900,815	23,348,190	193,023,144	28,482,586
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,638,886	-	-	1,638,886	357,198
OPEB related	97,214	-	-	97,214	13,261
Deferred charge on refunding	-	8,906	-	8,906	-
Total deferred outflows of resources	1,736,100	8,906	-	1,745,006	370,459
LIABILITIES					
Current liabilities:					
Accounts payable	1,491,020	1,739,805	1,223,493	4,454,318	787,283
Accrued payroll	152,860	-	-	152,860	44,495
Claims payable	-	-	-	-	5,935,800
Interest payable	-	2,623	5,180	7,803	-
Other accrued liabilities	4,556	2,915,094	20,836	2,940,486	-
Unearned revenue	-	448,089	-	448,089	553,688
Due to other funds	-	5,500	-	5,500	-
Current portion of long-term debt	239,402	910,646	61,996	1,212,044	52,198
Total current liabilities	1,887,838	6,021,757	1,311,505	9,221,100	7,373,464
Noncurrent liabilities:					
Landfill closure and postclosure costs	17,453,662	-	-	17,453,662	-
Net pension liability - LGERS	1,775,326	-	-	1,775,326	356,525
Other postemployment benefits liability	4,230,339	-	-	4,230,339	510,928
Long-term liabilities, less current portion	42,287	907,826	2,107,968	3,058,081	7,709
Total noncurrent liabilities	23,501,614	907,826	2,107,968	26,517,408	875,162
Total liabilities	25,389,452	6,929,583	3,419,473	35,738,508	8,248,626
DEFERRED INFLOWS OF RESOURCES					
Pension related	711,708	-	-	711,708	200,597
OPEB related	839,477	-	-	839,477	10,124
Total deferred inflows of resources	1,551,185	-	-	1,551,185	210,721
NET POSITION					
Net investment in capital assets	34,948,940	52,814,079	11,349,787	99,112,806	-
Restricted					
Debt service	-	1,208,424	27,000	1,235,424	-
Project	-	-	114,453	114,453	-
Claims	-	-	-	-	26,545,544
Unrestricted (deficit)	19,620,662	28,957,635	8,437,477	57,015,774	(6,151,846)
Total net position	\$ 54,569,602	\$ 82,980,138	\$ 19,928,717	\$ 157,478,457	\$ 20,393,698

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	Major Funds			Totals	
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Non-major Enterprise Funds	Enterprise Funds	Internal Service Funds
OPERATING REVENUES:					
Charges for services	\$ 6,719,417	\$ 2,586,619	\$ 967,639	\$ 10,273,675	\$ -
Solid waste fees	14,049,976	-	-	14,049,976	-
Contributions	-	-	-	-	4,611,816
Other operating revenue	86,378	-	-	86,378	-
Contributions - Group health insurance	-	-	-	-	27,730,542
Pharmacy services	-	-	-	-	6,219,578
Total operating revenues	20,855,771	2,586,619	967,639	24,410,029	38,561,936
OPERATING EXPENSES:					
Salaries and employee benefits	4,367,033	-	-	4,367,033	1,465,613
Utilities	275,303	-	588,803	864,106	-
Repairs and maintenance	1,622,382	293,670	178,851	2,094,903	-
Workers' compensation claims	-	-	-	-	1,174,551
Group health insurance	-	-	-	-	27,832,628
Global Spectrum, LP	-	5,528,729	-	5,528,729	-
Administrative costs	8,203,595	249,055	92,695	8,545,345	1,278,408
Employee pharmacy	-	-	-	-	6,256,459
Employee clinic	-	-	-	-	101,373
Contracted services	-	-	-	-	20,057
Depreciation	2,338,181	2,169,536	390,228	4,897,945	-
Landfill closure and postclosure care costs	1,152,448	-	-	1,152,448	-
Total operating expenses	17,958,942	8,240,990	1,250,577	27,450,509	38,129,089
Operating income (loss)	2,896,829	(5,654,371)	(282,938)	(3,040,480)	432,847
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	683,447	284,306	27,920	995,673	319,645
Room and occupancy tax	-	2,109,653	-	2,109,653	-
Interest and other charges	-	(86,660)	(63,752)	(150,412)	-
Miscellaneous revenue	16,016	-	435,956	451,972	-
Grant revenue	1,554,255	275,000	-	1,829,255	-
Total nonoperating revenues (expenses)	2,253,718	2,582,299	400,124	5,236,141	319,645
Income (loss) before capital contributions and transfers	5,150,547	(3,072,072)	117,186	2,195,661	752,492
Transfers and Capital Contributions:					
Transfers from other funds	-	24,545,478	8,912,804	33,458,282	121,989
Capital contributions	68,500	-	-	68,500	-
Total transfers and capital contributions	68,500	24,545,478	8,912,804	33,526,782	121,989
Changes in net position	5,219,047	21,473,406	9,029,990	35,722,443	874,481
Net position – beginning, as previously presented	49,430,000	61,506,732	10,898,727	121,835,459	19,537,470
Change in accounting principles	(79,445)	-	-	(79,445)	(18,253)
Net position – beginning, as adjusted	49,350,555	61,506,732	10,898,727	121,756,014	19,519,217
Net position – ending	\$ 54,569,602	\$ 82,980,138	\$ 19,928,717	\$ 157,478,457	\$ 20,393,698

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	Major Funds			Totals	
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Nonmajor Enterprise Funds	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers, users and others	\$ 20,988,170	\$ 2,336,936	\$ 851,329	\$ 24,176,435	\$ 32,398,367
Cash received (paid) for goods and services	(9,921,642)	(10,781,929)	318,441	(20,385,130)	6,773,266
Cash paid for claims	-	-	-	-	(37,092,180)
Cash paid to employees for services	(4,662,678)	-	-	(4,662,678)	(1,446,308)
Net cash flows from operating activities	6,403,850	(8,444,993)	1,169,770	(871,373)	633,145
Cash flows from noncapital financing activities:					
Receipts from operating grants	1,554,255	275,000	-	1,829,255	-
Receipts from miscellaneous sources	16,016	-	435,956	451,972	-
Transfers from other funds	-	24,545,478	8,912,804	33,458,282	121,989
Net cash flows from non-capital financing activities	1,570,271	24,820,478	9,348,760	35,739,509	121,989
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,797,188)	(10,173,906)	(2,907,773)	(15,878,867)	-
Cash received from room and occupancy tax	-	2,109,653	-	2,109,653	-
Principal paid on debt	-	(2,837,030)	(59,996)	(2,897,026)	-
Interest and other charges paid on debt	-	(50,545)	(63,897)	(114,442)	-
Net cash flows from capital and related financing activities	(2,797,188)	(10,951,828)	(3,031,666)	(16,780,682)	-
Cash flows from investing activities:					
Interest earned	683,447	284,306	27,920	995,673	319,645
Net cash flows from investing activities	683,447	284,306	27,920	995,673	319,645
Net change in cash and cash equivalents	5,860,380	5,707,963	7,514,784	19,083,127	1,074,779
Cash and cash equivalents - beginning	37,833,158	26,255,578	1,928,294	66,017,030	25,470,765
Cash and cash equivalents - ending	<u>\$ 43,693,538</u>	<u>\$ 31,963,541</u>	<u>\$ 9,443,078</u>	<u>\$ 85,100,157</u>	<u>\$ 26,545,544</u>

(Continued)

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	Major Funds			Totals	
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Nonmajor Enterprise Funds	Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 2,896,829	\$ (5,654,371)	\$ (282,938)	\$ (3,040,480)	\$ 432,847
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	2,338,181	2,169,536	390,228	4,897,945	-
Landfill closure and post closure care costs	1,152,448	-	-	1,152,448	-
Change in accounts receivable	(32,414)	-	(116,310)	(148,724)	56,017
Change in other receivables	213,649	(249,683)	-	(36,034)	-
Change in due from other governments	(48,836)	-	-	(48,836)	(8)
Change in inventories and prepaids	-	(78,592)	-	(78,592)	(461,584)
Change in deferred outflows - OPEB	118,034	-	-	118,034	20,338
Change in deferred outflows - Pension	153,312	-	-	153,312	37,245
Change in accounts payable	221,317	(940,089)	1,178,505	459,733	32,880
Change in other accrued liabilities	-	(34,291)	285	(34,006)	11,267
Change in unearned revenue	(41,679)	446,881	-	405,202	553,688
Change in accrued payroll	15,113	-	-	15,113	-
Change in accrued interest payable	-	(3,816)	-	(3,816)	-
Change in due to other funds	-	(4,100,568)	-	(4,100,568)	-
Change in estimated claims payable	-	-	-	-	45,000
Change in compensated absences	(231,612)	-	-	(231,612)	(4,961)
Change in pension liability - LGERS	6,906	-	-	6,906	1,607
Change in OPEB liability	(439,305)	-	-	(439,305)	(100,403)
Change in deferred inflows - OPEB	85,831	-	-	85,831	10,124
Change in deferred inflows - Pension	(3,924)	-	-	(3,924)	(912)
Total adjustments	3,507,021	(2,790,622)	1,452,708	2,169,107	200,298
Net cash flows from operating activities	\$ 6,403,850	\$ (8,444,993)	\$ 1,169,770	\$ (871,373)	\$ 633,145
Reconciliation of cash and investments:					
Cash and investments:					
Unrestricted	\$ 43,693,538	\$ 30,755,117	\$ 9,301,625	\$ 83,750,280	\$ -
Restricted	-	1,208,424	141,453	1,349,877	26,545,544
Total cash and cash equivalents	\$ 43,693,538	\$ 31,963,541	\$ 9,443,078	\$ 85,100,157	\$ 26,545,544
Schedule of non-cash capital and related financing activities:					
Capital contributions	\$ 68,500	\$ -	\$ -	\$ 68,500	\$ -

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2025

	OPEB Irrevocable Trust Fund	Custodial Funds
ASSETS		
Taxes receivable, net	\$ -	\$ 1,723,829
Due from customers	-	1,561,579
Restricted cash and cash equivalents	6,562,939	333,555
Total assets	6,562,939	3,618,963
LIABILITIES		
Accounts and vouchers payable	-	1,673,231
Due to other governments	-	4,701
Due to other funds	-	3,308
Reserve for taxes receivable	-	1,928,116
Total liabilities	-	3,609,356
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	6,562,939	-
Individuals and organizations	-	9,607
Total net position	\$ 6,562,939	\$ 9,607

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2025

	OPEB Irrevocable Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ 1,000,000	\$ -
Ad valorem taxes for other governments	-	141,130,197
Collections on behalf of inmates and other governments	-	1,315,025
Investment income	255,604	-
Total additions	1,255,604	142,445,222
DEDUCTIONS		
Tax distributions to other governments	-	141,290,214
Payments on behalf of inmates	-	1,308,310
Total deductions	-	142,598,524
Net change in fiduciary net position	1,255,604	(153,302)
Total net position, beginning	5,307,335	162,909
Total net position, ending	\$ 6,562,939	\$ 9,607

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF NET POSITION
COMPONENT UNITS

JUNE 30, 2025

	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corp	Total Component Units
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 7,002,969	\$ 4,650,685	\$ 6,511,713	\$ 364,998	\$ 470,824	\$ 19,001,189
Receivables (net of allowance for uncollectibles):						
Accounts receivable	-	280,687	-	1,552	-	282,239
Other receivables	-	51,450	1,050	440	12,449	65,389
Inventories	6,865,543	-	-	8,387	-	6,873,930
Prepays	142,622	-	-	45,833	5,465	193,920
Total current assets	14,011,134	4,982,822	6,512,763	421,210	488,738	26,416,667
Noncurrent assets:						
Cash and cash equivalents – restricted	-	335,076	-	-	-	335,076
Capital assets:						
Assets not being depreciated	1,981,094	109,799	-	-	-	2,090,893
Assets being depreciated, net	5,011,921	16,564,049	-	554,448	398,312	22,528,730
Total noncurrent assets	6,993,015	17,008,924	-	554,448	398,312	24,954,699
Total assets	21,004,149	21,991,746	6,512,763	975,658	887,050	51,371,366
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	1,044,922	-	-	-	-	1,044,922
OPEB related	35,766	-	-	-	-	35,766
Total deferred outflows of resources	1,080,688	-	-	-	-	1,080,688
LIABILITIES						
Current liabilities:						
Accounts and vouchers payable	835,347	137,223	542,685	130,042	56,968	1,702,265
Due to Primary Government	1,055,768	-	-	-	-	1,055,768
Other accrued liabilities	1,461,729	28,454	-	29,161	-	1,519,344
Accrued interest payable	-	31,627	-	-	-	31,627
Total current liabilities	3,352,844	197,304	542,685	159,203	56,968	4,309,004
Noncurrent liabilities:						
Net pension liability	2,093,889	-	-	-	-	2,093,889
Other postemployment benefits liability	184,740	-	-	-	-	184,740
Due within one year	319,244	407,653	-	79,618	135,666	942,181
Due in more than one year	1,817,795	9,605,687	-	123,659	286,807	11,833,948
Total noncurrent liabilities	4,415,668	10,013,340	-	203,277	422,473	15,054,758
Total liabilities	7,768,512	10,210,644	542,685	362,480	479,441	19,363,762
DEFERRED INFLOWS OF RESOURCES						
Pension related	73,372	-	-	-	-	73,372
OPEB related	67,682	-	-	-	-	67,682
Total deferred inflows of resources	141,054	-	-	-	-	141,054
NET POSITION						
Net investment in capital assets	4,951,703	6,677,646	-	351,171	398,312	12,378,832
Restricted for:						
Debt service	-	335,076	-	-	-	335,076
Capital	-	802,000	-	-	-	802,000
Facility Investment Fee	-	117,774	-	-	-	117,774
Public safety	1,737,494	-	-	-	-	1,737,494
Unrestricted (deficit)	7,486,074	3,848,606	5,970,078	262,007	9,297	17,576,062
Total net position	\$ 14,175,271	\$ 11,781,102	\$ 5,970,078	\$ 613,178	\$ 407,609	\$ 32,947,238

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS

YEAR ENDED JUNE 30, 2025

	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corp	Total Component Units
Expenses	\$ 44,835,995	\$ 3,023,541	\$ 7,800,444	\$ 3,450,504	\$ 1,152,282	\$ 60,262,766
Program revenues:						
Charges for services	45,174,852	3,024,493	8,621,032	1,553,599	-	58,373,976
Capital grants and contributions	-	246,746	-	-	1,058,183	1,304,929
Total program revenues	45,174,852	3,271,239	8,621,032	1,553,599	1,058,183	59,678,905
Net (expenses) revenues	338,857	247,698	820,588	(1,896,905)	(94,099)	(583,861)
General revenues:						
Interest and investment earnings	-	73,578	62,404	50,219	7,486	193,687
Miscellaneous revenue	33,575	24,890	1,795,691	23,457	-	1,877,613
Total nonoperating revenues (expenses)	33,575	98,468	1,858,095	73,676	7,486	2,071,300
Change in net position	372,432	346,166	2,678,683	(1,823,229)	(86,613)	1,487,439
Changes in net position	372,432	346,166	2,678,683	(1,823,229)	(86,613)	1,487,439
Total net position – beginning	13,802,839	11,438,063	3,291,395	2,436,407	494,222	31,462,926
Change in accounting principles	-	(3,127)	-	-	-	(3,127)
Total net position – beginning, as adjusted	13,802,839	11,434,936	3,291,395	2,436,407	494,222	31,459,799
Total net position – ending	\$ 14,175,271	\$ 11,781,102	\$ 5,970,078	\$ 613,178	\$ 407,609	\$ 32,947,238

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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.

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
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.
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 governed by a three member Board of elected officials. 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

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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 Irrevocable Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees.

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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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. 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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, certain Special Revenue Funds, the Permanent funds, 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position:

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 may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

State law [G.S. 159-30(c)] authorizes the County 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's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The 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 by BNY Mellon consisting of short to intermediate treasuries, agencies, and corporate issues.

Cash and Cash Equivalents

The County pools money 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 considers demand deposits and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

Ad Valorem Taxes Receivables

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, 2024.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years and the percentage of prior year receivables collected within the current fiscal year.

Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease 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 recognized on a straight-line basis over the term of the lease.

Inventories and Prepaid Items

The inventories of the County 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.

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.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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

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

	Years
Buildings	40
Improvements water lines	40
Improvements	25
Furniture and equipment	5 – 10
Vehicles	5

Right to use lease and subscription assets are amortized over the life of the associated contract.

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 – unavailable revenue, other OPEB or pension related deferrals, and leases.

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – annual, floating holiday, and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave

The County's Annual Leave policy specifies that employees have a maximum accumulation/carry forward of 240 hours (or 257 hours for law enforcement officers) of unused Annual Leave. Additionally, the County's Annual Leave policy specifies that at termination of employment, employees may receive a lump sum payment for up to 240 hours (or 257 hours for law enforcement officers). As such, a liability was accrued for 100% of the unused Annual Leave balance (up to the applicable maximums).

Floating Holiday Leave

Accrued Floating Holiday Leave must be used by the end of the calendar year. Management made the determination that it is more likely than not that unused Floating Holiday Leave will be used before it is forfeited. As such, a liability was accrued for 100% of the Floating Holiday Leave balance.

Sick Leave

The County's Sick Leave policy specifies that there is no limit on the amount of unused sick leave an employee can accumulate/carry forward. Upon termination of employment, an employee shall not be paid for any unused sick leave. However, a liability for the estimated value of sick leave that is more likely than not to be used as time off was included in the liability for compensated absences.

Net Position/Fund Balances

Net Position

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

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

The governmental fund types classify fund balances as follows:

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

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

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 required to be retained in perpetuity for maintenance of the County's cemetery.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors 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 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 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 Safety – Portion of fund balance that is restricted by revenue source for law enforcement purposes and the Injured Animal Stabilization Fund.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

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.

Committed for ARP Freed Up Capacity – Portion of fund balance committed by the Board of Commissioners from American Rescue Plan Act (ARP) freed up general fund capacity.

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.

Economic Development – Site Acquisition – Portion of total fund balance assigned by management for site acquisition to promote business creation or expansion.

ARP Freed Up Capacity – Portion of total fund balance assigned by management from ARP freed up general fund capacity.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance. Additionally, and deficit fund balance within the other governmental fund types is reported as unassigned.

Spending and Fund Balance Policies

The 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1 - Nature of operations and summary of significant accounting policies (continued)

The County will maintain a General Fund unassigned fund balance of no less than 12% which exceeds the minimum 8% recommended by the Local Government Commission (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 County required all open purchase orders as of June 30, 2025 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 2026 budget. Therefore, the balance of encumbrances as of June 30, 2025 is zero for all funds.

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.

Note 2 - Cash and Cash Equivalents

Deposits

All of the County'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 agents.

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, 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, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2 - Cash and Cash Equivalents (continued)

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies 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, 2025 the County's deposits had a carrying amount of \$425,444,427 and a bank balance of \$427,985,307. Included in the County's deposits is cash of \$4,650,685 for the District, \$335,076 for the ESD, \$6,511,713 for the TDA, and \$470,824 for FCEDC. The County had a carrying amount of \$333,555 for the custodial funds. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$414,576,282 was covered by collateral under the Pooling Method. The County had \$11,452 in the petty cash and change funds.

Investments

As of June 30, 2025, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less than		
	Measurement Method		6 Months	6 - 12 Months	1 - 2 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 118,248,103	\$ 118,248,103	\$ -	\$ -
Total		\$ 118,248,103	\$ 118,248,103	\$ -	\$ -

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, 2025, the County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has adopted a formal investment policy. The 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 the County. The County uses the Pooling Method of collateralization when purchasing Certificates of Deposits.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2 - Cash and Cash Equivalents (continued)

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. 100% of the County's investments 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 by BNY Mellon.

At June 30, 2025, the County's OPEB Trust had \$6,562,939 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Fund pursuant to G.S. 159-30.1. The State Treasurer's OPEB Fund 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 by BNY Mellon.

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, 2025, of 2.1 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 2.1 years at June 30, 2025.

Note 3 - Receivables

Receivables and allowances for doubtful accounts at the government-wide level at June 30, 2025 are as follows:

	Governmental Activities	Business Type Activities
Gross receivables		
Taxes receivable	\$ 30,008,703	\$ 290,582
Accounts receivable - ISF	532,148	-
Other receivables	4,788,915	4,161,478
Total gross receivables	35,329,766	4,452,060
Less: allowances		
Taxes receivable	2,947,504	-
Other receivables	17,373	-
Total allowances	2,964,877	-
	\$ 32,364,889	\$ 4,452,060

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 4 - Capital assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,560,314	\$ 1,842,976	\$ -	\$ 19,403,290
Construction in progress	16,621,932	1,569,472	645,929	17,545,475
Total capital assets, non-depreciable	<u>34,182,246</u>	<u>3,412,448</u>	<u>645,929</u>	<u>36,948,765</u>
Capital assets being depreciated:				
Buildings and improvements	299,412,625	1,716,555	-	301,129,180
Equipment, furniture, and fixtures	41,860,637	2,026,842	-	43,887,479
Vehicles	16,899,666	2,008,426	466,636	18,441,456
Right-of-use assets:				
Buildings	143,278	-	-	143,278
Equipment	74,476	-	-	74,476
IT subscription	1,513,888	1,367,840	1,808,757	1,072,971
Total capital assets, depreciable	<u>359,904,570</u>	<u>7,119,663</u>	<u>2,275,393</u>	<u>364,748,840</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(151,660,889)	(6,640,772)	-	(158,301,661)
Equipment, furniture, and fixtures	(26,706,106)	(2,647,153)	-	(29,353,259)
Vehicles	(13,058,979)	(1,216,064)	(405,343)	(13,869,700)
Right-of-use assets:				
Buildings	(50,646)	(41,988)	-	(92,634)
Equipment	(46,157)	(17,135)	-	(63,292)
IT subscription	(756,098)	(1,672,291)	(1,913,134)	(515,255)
Total accumulated depreciation/amortization	<u>(192,278,875)</u>	<u>(12,235,403)</u>	<u>(2,318,477)</u>	<u>(202,195,801)</u>
Total capital assets, depreciable, net	<u>167,625,695</u>	<u>(5,115,740)</u>	<u>(43,084)</u>	<u>162,553,039</u>
Governmental activities capital assets, net	<u>\$ 201,807,941</u>	<u>\$ (1,703,292)</u>	<u>\$ 602,845</u>	<u>\$ 199,501,804</u>

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

General government	\$ 5,032,949
Public safety	3,622,185
Human services	1,292,563
Economic and physical development	1,471,786
Cultural and recreational	815,920
Total depreciation and amortization expense	<u>\$ 12,235,403</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 4 - Capital assets (continued)

Capital asset activity for the business-type activities for the year ended June 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Buisness-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 8,145,036	\$ 71,582	\$ -	\$ 8,216,618
Construction in progress	10,298,307	10,508,987	-	20,807,294
Total capital assets, non-depreciable	18,443,343	10,580,569	-	29,023,912
Capital Assets being depreciated:				
Landfill	23,477,295	-	-	23,477,295
Buildings and improvements	94,240,302	2,734,671	-	96,974,973
Furniture, fixtures and equipment	29,241,270	1,634,647	-	30,875,917
Vehicles	4,945,966	997,480	-	5,943,446
Plant and distribution system	17,212,349	-	-	17,212,349
Total capital assets being depreciated	169,117,182	5,366,798	-	174,483,980
Less Accumulated Depreciation for:				
Landfill	(12,555,267)	(278,322)	-	(12,833,589)
Buildings and improvements	(56,983,613)	(2,069,465)	-	(59,053,078)
Furniture, fixtures and equipment	(15,567,090)	(1,855,944)	-	(17,423,034)
Vehicles	(3,925,681)	(309,249)	-	(4,234,930)
Plant and distribution system	(6,485,960)	(384,965)	-	(6,870,925)
Accumulated Depreciation, Net	(95,517,611)	(4,897,945)	-	(100,415,556)
Capital Assets, Depreciable, Net	73,599,571	468,853	-	74,068,424
Buisness-Type Activities Capital Assets, Net	\$ 92,042,914	\$ 11,049,422	\$ -	\$ 103,092,336

At June 30, 2025, the County has construction contracts in progress for various capital projects and improvements. The remaining commitment on these contracts is \$28,334,509.

Note 5 - Pension Plan and Other Post Employment Obligations

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

All full time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023 (Valuation Date) the Separation Allowance's membership consisted of:

	County
Retirees Receiving Benefits	46
Active Plan Members	271
Total	317

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.

Actuarial Assumptions

The “Entry Age Normal” (EAN) actuarial cost method was used in the December 31, 2023 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	4.28%

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, 2023 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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 \$852,482 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.

At June 30, 2025, the County reported a total pension liability of \$12,905,799. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$1,608,246.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 980,714	\$ -
Changes of assumptions and Other Inputs	616,928	1,112,608
County benefit payments and plan administrative expense made subsequent to the measurement date	515,662	-
Total	<u>\$ 2,113,304</u>	<u>\$ 1,112,608</u>

The County paid \$515,662 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, 2026. 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:

Years Ended June 30:	
2026	\$ 418,360
2027	(100,177)
2028	51,415
2029	92,084
2030	23,352
Total	<u>\$ 485,034</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate

The following presents the County's total pension liability calculated using the discount rate of (4.28%), 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 (3.28%) or one percentage point higher (5.28%) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	<u>\$ 13,854,112</u>	<u>\$ 12,905,799</u>	<u>\$ 12,037,845</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance	
	2025
Beginning balance	\$ 12,500,448
Service Cost	513,183
Interest on the total pension liability	482,968
Differences between expected and actual experience in the measurement of the total pension liability	518,885
Changes of assumptions or other inputs	(257,203)
Benefit payments	(852,482)
Ending balance of the total pension liability	<u>\$ 12,905,799</u>

Changes of Assumptions – Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at the December 31, 2023 Measurement Date (MD) to 4.28% at December 31, 2024 MD.

Changes in Benefit Terms – There have been no changes in benefit terms since the prior measurement 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.

Local Governmental Employees' Retirement System

Plan Description

The County is participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs") of participating local governmental entities. 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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, 2025, was 15.10% of compensation for law enforcement officers and 13.60% 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 \$17,350,860 for the year ended June 30, 2025.

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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

At June 30, 2025, the County reported a liability of \$78,801,729 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025 (measured as of June 30, 2024), the County's proportion was 1.169%, which was a decrease of 0.017% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$23,146,049. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,809,047	\$ 92,847
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	10,713,048	-
Changes in proportion and differences between County contributions and proportionate share of contributions	323,001	1,198,240
County contributions subsequent to the measurement date	17,350,860	-
Total	<u>\$ 42,195,956</u>	<u>\$ 1,291,087</u>

\$17,350,860 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30:</u>	
2026	\$ 7,050,074
2027	15,248,979
2028	2,466,299
2029	(1,211,343)
Total	<u>\$ 23,554,009</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2023 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

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, 2023 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fix Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
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 2.38%. All rates of return and inflation are annualized.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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.

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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	<u>\$ 139,638,971</u>	<u>\$ 78,801,729</u>	<u>\$ 28,754,730</u>

Pension plan fiduciary net position

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

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers 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.

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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.

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.

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 \$29,110 for the year ended June 30, 2025.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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

At June 30, 2025, the County reported an asset of \$385,192 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension asset was then rolled forward to the measurement date of June 30, 2024 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, 2024, the County's proportion was 3.343%, which was a decrease of 0.141% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of \$55,373. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,457	\$ 6,886
Net difference between projected and actual earnings on pension plan investments	148,755	-
Changes in proportion and differences between County contributions and proportionate share of contributions	16,532	16,866
County contributions subsequent to the measurement date	29,110	-
Total	<u>\$ 202,854</u>	<u>\$ 23,752</u>

\$29,110 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30:</u>	
2026	\$ 63,605
2027	72,348
2028	13,505
2029	534
Total	<u>\$ 149,992</u>

Actuarial Assumptions

The total pension liability in the December 31, 2023 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

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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, 2023 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 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 99.8% 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, 2025 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:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ (255,224)</u>	<u>\$ (385,192)</u>	<u>\$ (494,669)</u>

Pension Plan Fiduciary Net Position

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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, 2024. The total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability/asset was then rolled forward to the measurement date of June 30, 2024 utilizing updated procedures incorporating the actuarial assumptions. The total pension liability for LEOSSA liability was measured as December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 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:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$78,801,729	\$ (385,192)	n/a	\$78,416,537
Proportion of the Net Pension Liability (Asset)	1.169%	3.343%	n/a	
Total Pension Liability	n/a	n/a	\$12,905,799	\$12,905,799
Pension Expense	\$23,146,049	\$ 55,373	\$ 1,608,246	\$24,809,668

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$13,809,047	\$ 8,457	\$ 980,714	\$14,798,218
Changes of assumptions	-	-	616,928	616,928
Net difference between projected and actual earnings on pension plan investments	10,713,048	148,755	-	10,861,803
Changes in proportion and differences between County contributions and proportionate share of contributions	323,001	16,532	-	339,533
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	17,350,860	29,110	515,662	17,895,632
Total Deferred Outflows	\$42,195,956	\$ 202,854	\$ 2,113,304	\$44,512,114
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 92,847	\$ 6,886	\$ -	\$ 99,733
Changes of assumptions	-	-	1,112,608	1,112,608
Changes in proportion and differences between County contributions and proportionate share of contributions	1,198,240	16,866	-	1,215,106
Total Deferred Inflows	\$ 1,291,087	\$ 23,752	\$ 1,112,608	\$ 2,427,447

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Other Post Employment 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, 2025 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, 2023 Valuation Date. The HCB Plan Membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	812
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	785
Total	<u>1,597</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 2025, 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Investments

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 \$6,562,939 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Trust at June 30, 2025. 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, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Bond Index Fund	0.0%	N/A
Equity Index Fund	0.0%	N/A
Short Term Investment Fund	100.0%	2.65%
Total	100.0%	

Rate of Return

For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 2.65%. 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, 2025 were as follows:

Total OPEB liability	\$ 149,744,827
Plan fiduciary net position	6,562,939
County's net OPEB liability	<u>\$ 143,181,888</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.38%

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Actuarial Assumptions

The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2023 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%
Firefighters	3.25% to 8.15%
Law Enforcement Officers	3.25% to 7.90%
Municipal bond index:	
Prior Measurement Date	3.93%
Measurement Date	5.20%
Healthcare cost trend rates:	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2026

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, 2023 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, 2023 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2023 valuation.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2025 was 5.20% which was a change from the discount rate of 3.93% at June 30, 2024. 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 5.20% at June 30, 2025 per the Standard & Poor's Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2024, the Standard & Poor's Municipal Bond 20 Year High Grade rate was 3.93%.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

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

The following presents the NOL of the County reported at June 30, 2025, as well as what the County's NOL would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB Liability	<u>\$ 162,468,499</u>	<u>\$ 143,181,888</u>	<u>\$ 127,314,070</u>

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:

	1% Decrease	Current	1% Increase
Net OPEB Liability	<u>\$ 124,008,504</u>	<u>\$ 143,181,888</u>	<u>\$ 166,762,499</u>

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the County Reported a net OPEB liability of \$143,181,888. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2025 utilizing updated procedures incorporating the actuarial assumptions.

At June 30, 2025, the components of the Net OPEB Liability of the County, measured as of June 30, 2025 were as follows:

Changes in Total OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2024	\$ 172,523,902	\$ 5,307,335	\$ 167,216,567
Changes for the year:			
Service cost at the end of the year	3,059,737	-	3,059,737
Interest on TOL and cash flows	6,638,599	-	6,638,599
Difference between expected and actual experience	(695,385)	-	(695,385)
Changes in Assumption	(24,506,290)	-	(24,506,290)
Contributions - Employer	-	8,275,736	(8,275,736)
Net Investment income	-	255,604	(255,604)
Benefit Payments	(7,275,736)	(7,275,736)	-
Net Changes	(22,779,075)	1,255,604	(24,034,679)
Balance as of June 30, 2025	<u>\$ 149,744,827</u>	<u>\$ 6,562,939</u>	<u>\$ 143,181,888</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Changes in Assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% to 5.20% in 2025. Police officers may retire early with 25 years of creditable service at any age.

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

For the year ended June 30, 2025, the County recognized OPEB income of \$8,466,685. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,049,661	\$ 3,562,981
Changes in assumption or other inputs	77,026	24,216,866
Net difference between projected and actual earnings on plan investments	-	116,849
Total	<u>\$ 3,126,687</u>	<u>\$ 27,896,696</u>

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

<u>Measurement Period Ended June 30:</u>	
2026	\$ (12,995,628)
2027	(6,357,079)
2028	(5,396,129)
2029	(21,173)
Total	<u>\$ (24,770,009)</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5 - Pension Plan and Other Post Employment Obligations (continued)

Other Employment Benefits

The County has 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.

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 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 \$17,453,662 reported as landfill closure and post-closure care liability at June 30, 2025 represents a closed landfill with estimated costs of \$224,479, a Construction & Demolition (C & D) landfill with estimated costs of \$2,918,727 and the subtitle D landfill with estimated costs of \$14,310,456. 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 63.68% and 80.57%, respectively, of the total estimated capacity. The County will recognize the remaining estimated post-closure costs of \$475,406 for the old unlined landfill and the cost of closure and post-closure care of \$1,664,963 and \$3,450,535 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 2025. The life expectancy of the C & D landfill is estimated at 6.7 years and the subtitle D landfill at 5.8 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7 - 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.

Changes in the balances of claim liabilities for the County during the years ended June 30, 2024 and 2025 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2024-2025	\$ 5,890,800	\$ 21,768,922	\$ (21,723,922)	\$ 5,935,800
2023-2024	\$ 5,756,485	\$ 19,957,598	\$ (19,823,283)	\$ 5,890,800

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 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations

Summary of Long-Term Obligations

The following is a summary of the County's long-term debt obligations (principal) at June 30, 2025:

Name of Debt Issue	Issue Date	Purpose of Debt Issue	Interest Rate	Issue Amount	Principal 6/30/25
General Obligation Bonds - Direct Borrowings and Direct Placements					
Sanitary Sewer Series 2005 (USDA)	8/22/2005	NORCRESS Sewer	4.125%	\$ 1,250,000	\$ 878,000
Revenue Bonds - Direct Borrowings and Direct Placements					
2018A USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	2.375%	\$ 819,000	\$ 747,000
2018B USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	1.625%	560,000	505,000
				\$ 1,379,000	\$ 1,252,000
Certificates of Participation & Limited Obligation Bonds					
LOBS Series 2011A (QSCB) (Regions Bank) ¹	1/26/2011	New Century Middle School	6.1%	\$ 14,805,000	\$ 987,000
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 23,005,000	4,134,100 6,855,900 10,990,000
LOBS Series 2021	2/24/2021	Emergency Operations Center FTCC Fire Training Center	1.0 - 4.0%	11,095,000 10,000,000 21,095,000 \$ 58,905,000	8,874,937 8,000,070 16,875,007 \$ 28,852,007
Certificates of Participation - Direct Borrowings and Direct Placements					
COPS Tax Credit Series 2009 (QSCB) (Wachovia)	12/1/2009	Various School Projects	1.25%	\$ 15,900,000	\$ 993,751
LOBS Refunding Series 2019A	10/15/2019	Refund PNC Bank CIP Draw Program	1.73%	11,300,000 33,850,000 \$ 49,750,000	3,225,000 3,225,000 \$ 4,218,751
Installment Financing Notes - Direct Borrowings and Direct Placements					
NC Clean Drinking Water Loan	11/1/2013	Southpoint Water Project	0.00%	\$ 100,323 \$ 100,323	\$ 39,963 \$ 39,963
Total				\$ 111,384,323	\$ 35,240,721

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

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, 2025 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%.

\$ 878,000

At June 30, 2025, the County had no bonds authorized but unissued and a legal debt margin of \$2,222,612,000.

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, 2025 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%.

\$ 747,000

\$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%.

505,000

\$1,252,000

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

Certificates of Participation and Limited Obligation Bonds

Certificates of participation and other limited obligation bonds outstanding for the year ended June 30, 2025 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%.

\$ 987,000

\$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%

10,990,000

\$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%.

16,875,007

28,852,007

Premium

3,928,544

\$32,780,551

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%.

\$ 993,751

\$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%.

1,406,528

\$ 2,400,279

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

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%.

\$ 1,818,472
\$ 1,818,472

Installment Financing Obligations

Installment financing notes payable at June 30, 2025 are comprised of the following:

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.

\$ 39,963

Long-term Obligation Activity

The following is a summary of changes in the County's long-term obligations as of June 30, 2025:

	Balance July 1, 2024 (restated)	Additions	Decreases	Balance June 30, 2025	Current Portion of Long-Term Liabilities
Governmental activities:					
COPS & limited obligation bonds	\$ 34,129,000	\$ -	\$ 5,276,993	\$ 28,852,007	\$ 5,232,007
Premium	4,482,879	-	554,335	3,928,544	554,335
COPS from direct borrowings and placements	5,126,998	-	2,726,719	2,400,279	1,698,104
Lease liabilities	122,054	-	59,147	62,907	37,283
IT subscription liabilities	587,937	1,325,504	1,481,340	432,101	329,470
Compensated absences	11,657,442	418,528	-	12,075,970	10,155,611
Net OPEB liability	162,314,305	-	23,362,756	138,951,549	-
Net pension liability (LERS)	76,753,509	272,894	-	77,026,403	-
Total pension liability (LEOSA)	12,500,448	405,351	-	12,905,799	7,718,400
Total governmental activities	<u>\$ 307,674,572</u>	<u>\$ 2,422,277</u>	<u>\$ 33,461,290</u>	<u>\$ 276,635,559</u>	<u>\$ 25,725,210</u>

Amount presented under additions for compensated absences is presented net of decreases.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

Unspent debt proceeds related to governmental activities shown on the previous page is \$1,253,191.

The Board of Education holds title to certain schools even though the related debt is held by the County. At June 30, 2025, the County owes \$8,291,406 for projects for which the Board of Education holds title.

	Balance July 1, 2024 (restated)	Additions	Decreases	Balance June 30, 2025	Current Portion of Long-Term Liabilities
Business-type activities:					
GO bonds from direct borrowings and placements	\$ 907,000	\$ -	\$ 29,000	\$ 878,000	\$ 30,000
USDA Revenue bonds from direct borrowings and placements	1,278,000	-	26,000	1,252,000	27,000
COPS & limited obligation bonds	4,655,502	-	2,837,030	1,818,472	910,646
Notes from direct borrowings and placements	44,959	-	4,996	39,963	4,996
Accrued landfill closure and postclosure costs	16,301,213	1,152,449	-	17,453,662	-
Compensated absences	280,684	1,005	-	281,690	239,402
Net OPEB liability	4,902,262	-	671,923	4,230,339	-
Net pension liability (LGERS)	1,768,420	6,906	-	1,775,326	-
Total business-type activities	\$ 30,138,040	\$ 1,160,360	\$ 3,568,949	\$ 27,729,452	\$ 1,212,044

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

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		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
Governmental Activities:										
2026	\$ -	\$ -	\$ 6,930,111	\$ 1,578,046	\$ -	\$ -	\$ -	\$ -	\$ 6,930,111	\$ 1,578,046
2027	-	-	4,942,175	812,199	-	-	-	-	4,942,175	812,199
2028	-	-	4,240,000	604,675	-	-	-	-	4,240,000	604,675
2029	-	-	2,485,000	447,100	-	-	-	-	2,485,000	447,100
2030	-	-	1,055,000	369,150	-	-	-	-	1,055,000	369,150
2031 - 2035	-	-	5,275,000	1,291,875	-	-	-	-	5,275,000	1,291,875
2036 - 2040	-	-	5,275,000	453,150	-	-	-	-	5,275,000	453,150
2041	-	-	1,050,000	10,500	-	-	-	-	1,050,000	10,500
	-	-	31,252,286	5,566,695	-	-	-	-	31,252,286	5,566,695
Premium	-	-	3,928,544	-	-	-	-	-	3,928,544	-
(Total net of amortization)	\$ -	\$ -	\$ 35,180,830	\$ 5,566,695	\$ -	\$ -	\$ -	\$ -	\$ 35,180,830	\$ 5,566,695

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

	General Obligation Bonds from Direct Borrowings and Direct Placements		Certificates of Participation and Limited Obligation Bonds		Revenue Bonds from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements		Total Debt Due	
Business-type Activities:										
2026	\$ 30,000	\$ 36,218	\$ 910,646	\$ 23,582	\$ 27,000	\$ 25,947	\$ 4,996	\$ -	\$ 972,642	\$ 85,747
2027	31,000	34,980	907,826	7,853	28,000	25,396	4,996	-	971,822	68,229
2028	32,000	33,701	-	-	28,000	24,821	4,996	-	64,996	58,522
2029	34,000	32,381	-	-	28,000	24,246	4,996	-	66,996	56,627
2030	35,000	30,979	-	-	29,000	23,671	4,996	-	68,996	54,650
2031 - 2035	197,000	132,125	-	-	155,000	109,070	14,983	-	366,983	241,195
2036 - 2040	241,000	87,904	-	-	172,000	92,440	-	-	413,000	180,344
2041 - 2045	278,000	34,567	-	-	191,000	73,881	-	-	469,000	108,448
2046 - 2050	-	-	-	-	211,000	53,276	-	-	211,000	53,276
2051 - 2055	-	-	-	-	233,000	30,408	-	-	233,000	30,408
2056 - 2058	-	-	-	-	150,000	6,201	-	-	150,000	6,201
	<u>\$ 878,000</u>	<u>\$ 422,855</u>	<u>\$ 1,818,472</u>	<u>\$ 31,435</u>	<u>\$ 1,252,000</u>	<u>\$ 489,357</u>	<u>\$ 39,963</u>	<u>\$ -</u>	<u>\$ 3,988,435</u>	<u>\$ 943,647</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

Leases

The County has entered into lease agreements for buildings and equipment with terms ranging from 36 months to 60 months. The interest rates range from 0.893% to 2.705%.

The future lease obligations as of June 30, 2025, were as follows:

Years Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 37,283	\$ 1,026	\$ 38,309
2027	22,648	376	23,024
2028	1,973	51	2,024
2029	1,003	9	1,012
Total	<u>\$ 62,907</u>	<u>\$ 1,462</u>	<u>\$ 64,369</u>

IT Subscriptions

The County has several subscription agreements with terms ranging from 12 months to 36 months. The interest rates range from 1.710% to 3.295%.

The future SBITA obligations as of June 30, 2025, were as follows:

Years Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 329,470	\$ 11,347	\$ 340,817
2027	102,631	2,488	105,119
Total	<u>\$ 432,101</u>	<u>\$ 13,835</u>	<u>\$ 445,936</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

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
\$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

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 8 - Long-Term Obligations (continued)

Defeasance of 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, 2025, the County has net losses on defeasances totaling \$708,942 related to prior year refundings. Net losses on defeasance related to governmental activities debt consists of \$700,036 for certificates of participation and other limited obligation bonds. Losses on defeasance related to business-type activities debt consist of \$8,906 for limited obligation bonds. Deferred amounts are reported as deferred outflows of resources in the government wide financial statements.

Note 9 - Interfund Balances and Activity

Due From/To Other Funds

The composition of interfund balances included in the fund financial statements as of June 30, 2025 is as follows:

	Payable Fund		
	Nonmajor Governmental	Crown Center	Total
Receivable Fund			
General Fund	\$ 1,048,231	\$ 5,500	\$ 1,053,731
Total	\$ 1,048,231	\$ 5,500	\$ 1,053,731

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, 2025 are summarized below:

	Transfers in					Total
	General	Nonmajor Governmental	Cumberland County Crown Center	Nonmajor Enterprise	Internal Service	
Transfers out:						
General	\$ -	\$ 3,654,942	\$ 14,370,144	\$ 6,170,000	\$ 121,989	\$ 24,317,075
ARPA	21,358,082	-	-	2,742,804	-	24,100,886
Nonmajor Governmental	159,860	549,846	10,175,334	-	-	10,885,040
Total transfers	\$ 21,517,942	\$ 4,204,788	\$ 24,545,478	\$ 8,912,804	\$ 121,989	\$ 59,303,001

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.

\$21,358,082 was transferred from the ARPA Fund to the General Fund for grant expenditures recognized in the general fund and interest earnings generated from ARPA funds during fiscal year 2025 that can be utilized for any government purpose.

\$2,742,804 was transferred from the ARPA Fund to nonmajor governmental funds for grant expenditures recognized in the nonmajor governmental funds.

\$10,175,334 was transferred from the Prepared Food and Beverage Fund to the Crown Center Fund to provide funding for operations, debt service, and several capital improvement projects.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10 - 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. Historically, each of the three participants appointed 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. Effective in the 2024 fiscal year, eight trustees are appointed by the General Assembly, two members annually. Four trustees are elected by the Cumberland County Board of Commissioners, and one of those four trustees can be a County Commissioner. 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 \$15,468,600 and \$520,108 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2025. Fiscal year 2025 budgeted, but unspent capital funds in the amount of \$2,187,516 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, 2025. 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 11 - 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, 2025, 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 12 - Stewardship, Compliance, and Accountability

Negative Fund Balance in Special Revenue Fund

The CDBG Disaster Recovery Fund has a fund balance on June 30, 2025 totaling (\$6,871). There were no expenditures in fiscal year 2025. As of June 30, 2025, \$6,871 related to prior year expenditures were still owed. Staff will work to ensure reimbursement for these expenditures are received in the fiscal year 2026.

The Cumberland Industrial Center Sewer Fund has a fund balance on June 30, 2025, totaling (\$66,453). 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 was completed during fiscal year 2024. Reimbursement was received on October 15, 2024. Staff will work to determine why the reimbursement did not cover all expenditures.

The Water Feasibility Fund has a fund balance on June 30, 2025 totaling (\$103,500). Staff will work to determine the authorized revenues for this project.

The Transportation Fund has a fund balance on June 30, 2025 totaling (\$19,597). The County continued to provide critical transportation services during a period of decreased funding. Staff will work to ensure expenditures do not exceed revenues and available fund balance in future fiscal years.

Negative Fund Balances in Custodial Funds

The City Tax Fund and the Vehicle Interest Fund have negative fund balances on June 30, 2025 totaling (\$199,658) 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.

Note 13 - 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 \$2,762,573 as part of this settlement in Fiscal Year 2025. 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Note 14 - Reimbursements for Pandemic-Related Expenditures

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for 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 15 – Restatements of Beginning Balances

During the fiscal year ending June 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. The following opinion units were restated for this change in accounting principles which increased the long-term liabilities related to compensated absences.

	Funds				Discrete Component Unit
	Internal Service Funds	Governmental Activities	Enterprise Fund Cumberland County Solid Waste Fund	Business-Type Activities	Eastover Sanitary District
June 30, 2024, as previously reported	\$ 19,537,470	\$ 357,535,559	\$ 49,430,000	\$ 121,835,459	\$ 11,438,063
Change in accounting principles	(18,253)	(3,774,962)	(79,445)	(79,445)	(3,127)
June 30, 2024, as adjusted	\$ 19,519,217	\$ 353,760,597	\$ 49,350,555	\$ 121,756,014	\$ 11,434,936

Note 16 - Subsequent Events

The County, Board, and District have evaluated subsequent events for potential recognition and disclosure through February 20, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE

LAST NINE FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability									
Beginning balance	\$ 12,500,448	\$ 11,738,337	\$ 13,260,556	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970	\$ 7,819,888
Service cost	513,183	449,559	586,862	676,788	400,153	384,671	412,469	365,895	392,574
Interest on the total pension liability	482,968	488,245	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	518,885	385,665	220,562	609,803	326,375	165,417	3,481	194,482	-
Changes of assumptions or other inputs	(257,203)	258,938	(1,827,675)	(322,873)	3,444,073	248,522	(303,123)	528,706	(172,562)
Benefit payments	(852,482)	(820,296)	(791,427)	(730,180)	(638,884)	(603,201)	(559,449)	(530,301)	(498,207)
Ending balance of the total pension liability	<u>\$ 12,905,799</u>	<u>\$ 12,500,448</u>	<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.

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

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY
AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICIER'S SPECIAL SEPARATION ALLOWANCE

LAST NINE FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 12,905,799	\$ 12,500,448	\$ 11,738,337	\$ 13,260,556	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970
Covered-employee payroll	18,730,416	17,358,382	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	68.90%	72.01%	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.

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

CUMBERLAND COUNTY, NORTH CAROLINA**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) FOR
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM***LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) (%)	1.169%	1.186%	1.227%	1.288%	1.273%	1.326%	1.343%	1.519%	1.542%	1.505%
County's proportion of the net pension liability (asset) (\$)	\$ 78,801,729	\$ 78,521,929	\$ 69,215,808	\$ 19,757,317	\$ 45,483,638	\$ 36,211,480	\$ 31,862,451	\$ 23,202,140	\$ 32,723,222	\$ 6,755,651
County's covered payroll	\$ 111,462,729	\$ 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
County's proportion of the net pension liability (assets) as a percentage of its covered payroll	70.70%	76.06%	73.40%	21.04%	49.37%	38.83%	35.69%	24.54%	34.80%	7.47%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

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

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 17,350,860	\$ 14,716,945	\$ 13,090,689	\$ 11,206,539	\$ 9,750,651	\$ 8,507,911	\$ 7,277,190	\$ 6,772,970	\$ 6,987,172	\$ 6,390,360
Contributions in relation to the contractually required contribution	17,350,860	14,716,945	13,090,689	11,206,539	9,750,651	8,507,911	7,277,190	6,772,970	6,987,172	6,390,360
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	\$ 124,155,452	\$ 111,462,729	\$ 103,235,064	\$ 94,298,539	\$ 93,895,155	\$ 92,136,967	\$ 93,267,871	\$ 89,267,532	\$ 94,553,360	\$ 94,035,999
Contributions as a percentage of covered payroll	13.975%	13.203%	12.680%	11.884%	10.385%	9.234%	7.802%	7.587%	7.390%	6.796%

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET POSITION
LIABILITY (ASSET)
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) %	3.343%	3.484%	3.222%	2.970%	3.130%	2.828%	2.956%	3.271%	3.320%	3.456%
County's proportionate share of the net pension liability (asset) \$	\$ (385,192)	\$ (418,648)	\$ (426,554)	\$ (570,624)	\$ (717,239)	\$ (558,205)	\$ (489,604)	\$ (558,321)	\$ (620,657)	\$ (800,785)
County's covered payroll	191,632	168,617	158,938	144,877	143,072	140,216	133,835	138,455	132,630	128,767
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(201.01%)	(248.28%)	(268.38%)	(393.87%)	(501.31%)	(398.10%)	(365.83%)	(403.25%)	(467.96%)	(621.89%)
Plan fiduciary net position as a percentage of the total pension liability	133.61%	135.74%	139.04%	156.53%	173.62%	164.11%	153.51%	153.77%	160.17%	197.29%

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

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY CONTRIBUTIONS
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 29,110	\$ 28,763	\$ 31,091	\$ 36,933	\$ 35,644	\$ 29,966	\$ 27,291	\$ 27,333	\$ 28,420	\$ 27,120
Contributions in relation to the contractually required contribution	29,110	28,763	31,091	36,933	35,644	29,966	27,291	27,333	28,420	27,120
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	\$ 221,700	\$ 191,632	\$ 168,617	\$ 158,938	\$ 144,877	\$ 143,072	\$ 140,216	\$ 133,835	\$ 138,455	\$ 132,630
Contributions as a percentage of covered payroll	13.130%	15.009%	18.439%	23.237%	24.603%	20.945%	19.464%	20.423%	20.527%	20.448%

CUMBERLAND COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service cost	\$ 3,059,737	\$ 3,607,782	\$ 3,600,589	\$ 6,761,551	\$ 6,785,884	\$ 6,444,733	\$ 9,517,173	\$ 10,922,897
Interest	6,638,599	6,021,362	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	-	-	-	-
Difference between expected and actual experience	(695,385)	5,284,244	1,617,895	(27,088,507)	(615,627)	(7,634,053)	(128,191,230)	(433,811)
Changes of assumptions	(24,506,290)	(3,353,141)	(2,676,460)	(32,918,027)	1,177,366	27,084,706	(9,315,098)	(31,765,312)
Benefit payments	(7,275,736)	(7,939,167)	(7,940,427)	(7,408,089)	(5,981,799)	(5,320,327)	(6,264,272)	(5,897,406)
Net Change in Total OPEB Liability	(22,779,075)	3,621,080	426,341	(54,665,443)	6,096,784	27,129,791	(123,842,572)	(17,829,182)
Total OPEB liability - beginning, as restated	172,523,902	168,902,822	168,476,481	223,141,924	217,045,140	189,915,349	295,544,503	313,373,685
Total OPEB liability - ending	149,744,827	172,523,902	168,902,822	168,476,481	223,141,924	217,045,140	171,701,931	295,544,503
Plan Fiduciary Net Position:								
Contributions - employer	\$ 8,275,736	\$ 8,939,167	\$ 8,940,427	\$ 8,408,089	\$ 6,981,799	\$ 6,320,327	\$ -	\$ -
Net investment income	255,604	204,283	88,757	6,043	7,401	851	-	-
Benefit payments	(7,275,736)	(7,939,167)	(7,940,427)	(7,408,089)	(5,981,799)	(5,320,327)	-	-
Net Change in Plan Fiduciary Net Position	1,255,604	1,204,283	1,088,757	1,006,043	1,007,401	1,000,851	-	-
Plan fiduciary net position - beginning	5,307,335	4,103,052	3,014,295	2,008,252	1,000,851	-	-	-
Plan fiduciary net position - ending (b)	6,562,939	5,307,335	4,103,052	3,014,295	2,008,252	1,000,851	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 143,181,888	\$ 167,216,567	\$ 164,799,770	\$ 165,462,186	\$ 221,133,672	\$ 216,044,289	\$ 171,701,931	\$ 295,544,503
Plan fiduciary net position as a percentage of the total OPEB liability	4.38%	3.08%	2.43%	1.79%	0.90%	0.46%	0.00%	0.00%
Covered payroll	\$ 50,999,546	\$ 50,999,546	\$ 52,246,606	\$ 52,246,606	\$ 61,103,256	\$ 61,103,256	\$ 77,093,623	\$ 77,093,623
Net OPEB liability as a percentage of covered payroll	281%	328%	315%	317%	362%	354%	223%	383%

Notes to Schedule

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

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%
2025	5.20%

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

MAJOR FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
Revenues:				
Ad valorem taxes:				
Current year	\$ 178,485,379	\$ 179,105,449	\$ 620,070	\$ 177,235,795
Prior years	840,000	848,018	8,018	954,128
Penalties and interest	782,000	1,022,837	240,837	962,373
Motor vehicle - current	27,744,979	28,745,751	1,000,772	26,370,695
Motor vehicle - prior	12,000	12,557	557	13,751
Other rental receipts	935,000	1,076,449	141,449	1,091,636
Total ad valorem taxes	208,799,358	210,811,061	2,011,703	206,628,378
Other taxes:				
Real estate transfer	2,100,000	1,902,798	(197,202)	1,932,460
Beer and wine	370,000	367,007	(2,993)	446,580
Sales	64,246,366	67,062,825	2,816,459	63,417,887
Other	415,000	355,783	(59,217)	391,094
Total other taxes	67,131,366	69,688,413	2,557,047	66,188,021
Unrestricted intergovernmental revenues:				
Federal	21,000	19,306	(1,694)	16,240
State government	135,000	155,995	20,995	53,175
Fayetteville	9,533,866	8,117,526	(1,416,340)	14,175,997
Municipalities	2,032,045	2,119,505	87,460	3,161,650
Other governmental	7,434,648	6,113,600	(1,321,048)	6,692,601
Total unrestricted intergovernmental revenues	19,156,559	16,525,932	(2,630,627)	24,099,663
Restricted intergovernmental revenues	67,387,508	55,937,746	(11,449,762)	57,772,068
Licenses and permits:				
Inspection department permits	1,195,344	1,139,084	(56,260)	1,127,070
Marriage licenses	66,000	59,700	(6,300)	72,625
Register of Deeds fees	1,132,150	1,623,611	491,461	1,568,919
Total licenses and permits	2,393,494	2,822,395	428,901	2,768,614
Sales and services:				
Health department fees	6,425,001	9,499,233	3,074,232	7,341,057
Library fees	5,350	6,341	991	6,063
Sheriff department fees	3,648,500	3,481,314	(167,186)	4,151,402
Social services fees	41,400	-	(41,400)	2,250
Other department fees	1,860,766	2,158,025	297,259	1,889,479
Total sales and services	11,981,017	15,144,913	3,163,896	13,390,251
Interest earned on investments	7,354,302	12,888,557	5,534,255	15,479,538
Miscellaneous:				
Miscellaneous	468,189	779,170	310,981	752,674
Rent, land, and buildings	5,003,276	5,175,345	172,069	5,149,523
Total miscellaneous	5,471,465	5,954,515	483,050	5,902,197
Total revenues	389,675,069	389,773,532	98,463	392,228,730

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
Expenditures:				
Current:				
General government:				
Governing body	\$ 866,902	\$ 854,830	\$ 12,072	\$ 736,843
Administration	2,503,867	1,865,152	638,715	2,222,699
Public information	1,927,289	1,882,174	45,115	1,564,007
Court facilities	148,220	82,390	65,830	211,788
Human resources	1,951,016	1,544,179	406,837	1,280,843
Innovation and technology services	9,727,070	8,946,912	780,158	8,709,018
Budget and Performance	643,859	609,578	34,281	-
Board of elections	1,875,894	1,587,735	288,159	1,608,789
Financial services	1,678,253	1,344,345	333,908	1,352,490
Legal	1,374,922	1,333,892	41,030	1,273,104
Register of Deeds	3,272,136	2,627,747	644,389	2,482,021
Register of Deeds Automation	205,150	126,079	79,071	9,088
Tax Administration	7,075,574	6,693,985	381,589	6,450,370
Facilities Maintenance	1,272,933	1,125,868	147,065	1,291,965
Carpentry shop	262,911	268,398	(5,487)	247,593
Facilities Management	1,732,273	1,505,559	226,714	1,564,472
Public buildings - janitorial	1,344,024	1,323,468	20,556	1,194,800
Central maintenance	7,555,981	4,337,516	3,218,465	4,298,059
Landscaping and grounds	832,027	743,889	88,138	718,447
Property revaluation	1,039,631	936,151	103,480	813,815
General government - other	23,559,350	7,086,389	16,472,961	8,302,679
Total general government	70,849,282	46,826,236	24,023,046	46,332,890
Public safety:				
Emergency services	5,118,125	4,837,971	280,154	4,471,069
Emergency services grants	301,975	43,261	258,714	86,458
Sheriff	34,544,390	32,943,850	1,600,540	30,369,183
Jail	22,604,799	18,035,411	4,569,388	16,953,114
School law enforcement-local	3,296,024	3,304,642	(8,618)	4,635,420
Sheriff's grants	628,924	330,730	298,194	2,590,949
Animal services	4,769,194	4,357,994	411,200	4,101,432
Public safety other	3,159,740	2,972,544	187,196	2,502,554
LEO Separation Allowance	1,215,985	964,157	251,828	928,585
DWI Court	221,840	105,317	116,523	86,316
Veterans Treatment Court	948,996	13,010	935,986	-
Mental Health Specialty Court	440,218	-	440,218	-
Adult Drug Treatment Court	962,689	16,724	945,965	-
Worth Court	419,782	-	419,782	-
Justice services	1,025,582	764,298	261,284	712,944
Misdemeanor program	42,596	34,839	7,757	37,484
Total public safety	79,700,859	68,724,748	10,976,111	67,475,506
Economic and physical development:				
Planning and inspections department	3,990,586	2,380,848	1,609,738	3,499,812
Engineering	2,481,251	926,347	1,554,904	605,625
NC cooperative extension service	1,837,721	788,614	1,049,107	748,355
NC cooperative extension program	79,200	16,220	62,980	21,282
Soil conservation district	2,428,121	238,451	2,189,670	854,101
Soil conservation cost share	112,788	112,585	203	95,210
Economic physical development - other	42,493	25,000	17,493	1,222,118
Location services	268,347	249,730	18,617	240,691
Economic incentives	486,126	273,893	212,233	305,276
Water & sewer industrial expansion	128,078	6,155	121,923	172,689
Public utilities	116,565	119,147	(2,582)	114,195
Total economic and physical development	11,971,276	5,136,990	6,834,286	7,879,354

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
Expenditures (continued):				
Current (continued):				
Human services:				
Mental Health:				
Mental health other	\$ 5,128,703	\$ 252,573	\$ 4,876,130	\$ 5,091,424
Court ordered evaluations	318,840	318,840	-	318,840
Sobriety court	-	-	-	51,295
Subtotal - mental health	5,447,543	571,413	4,876,130	5,461,559
Health:				
Health - administration	3,487,597	3,498,328	(10,731)	3,090,969
Laboratory	752,058	795,321	(43,263)	778,068
Pharmacy	1,045,971	908,763	137,208	779,259
C. C. Jail health program	5,010,840	4,813,981	196,859	4,667,975
Management support	393,507	449,653	(56,146)	389,743
NC environmental health	2,380,686	2,379,876	810	2,225,008
Immunization clinic	1,443,697	1,449,338	(5,641)	1,092,458
School health program	2,241,618	1,954,265	287,353	1,784,117
Child health clinic	1,247,123	1,214,107	33,016	924,745
Dental clinic	-	-	-	1
Health promotion	634,856	624,342	10,514	555,704
Maternal health clinic	1,330,560	1,403,055	(72,495)	1,223,729
Medical records	304,409	282,859	21,550	264,091
Breast/cervical cancer	125,694	116,117	9,577	118,445
Child service coordination	951,000	917,820	33,180	815,682
Child fatality prevention	12,044	12,383	(339)	8,139
Chest TB clinic	235,788	232,900	2,888	220,421
Family planning clinic	1,193,606	1,066,584	127,022	990,066
NC general communicable disease	383,132	274,194	108,938	328,953
NC AIDS	93,440	92,392	1,048	86,426
Adult health clinic	461,195	502,672	(41,477)	416,521
School health	1,101,151	916,644	184,507	942,829
WIC - clinic services	2,899,392	2,671,962	227,430	2,408,208
Health - other	98,788	93,594	5,194	91,208
Bioterrorism preparedness and response	60,294	51,835	8,459	39,530
STD clinic	1,920,443	1,754,679	165,764	1,510,270
Maternal care coordination	1,584,598	1,571,634	12,964	1,345,188
Community transformation grant	271,755	209,556	62,199	123,251
Claims processing	299,181	294,303	4,878	282,909
Teen Pregnancy Preventive Initiative	91,018	94,697	(3,679)	84,312
Triple P Program	319,001	297,477	21,524	300,767
Comprehensive opioid abuse	570,214	89,247	480,967	272,834
American Public Health Association	-	-	-	2,328
NC Partnership for the Children	201,039	207,782	(6,743)	178,032
COVID-19 response	1,241,463	860,291	381,172	2,680,952
Monkeypox	-	-	-	861
First Responders Comprehensive Addiction and Recovery Grant	508,418	63,943	444,475	-
Healthy Conversations	183,147	175,140	8,007	90,691
WIC Outreach	146,334	96,422	49,912	60,510
Healthy Start Program	590,400	406,659	183,741	34,480
Local Workfirst Infrastructure	431,927	67,556	364,371	-
Connected care	1,323,780	1,130,626	193,154	886,440
Subtotal - health	37,571,164	34,042,994	3,528,170	32,096,118
Welfare:				
Social services department	67,383,980	57,201,294	10,182,686	48,924,278
Social services - other	12,549,511	10,836,824	1,712,687	9,281,448
Grant - FV care center	738,332	724,424	13,908	645,301
Welfare - other	343,715	290,632	53,083	296,735
Subtotal - welfare	81,015,538	69,053,174	11,962,364	59,147,762

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND (CONCLUDED)

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
Expenditures (continued):				
Current (continued):				
Human services (continued):				
Other human services:				
Veterans' services	\$ 694,266	\$ 707,224	\$ (12,958)	\$ 650,296
Spring Lake Resource Center	81,806	76,022	5,784	63,583
Child support enforcement	6,925,787	6,805,609	120,178	6,168,300
Subtotal - other human services	<u>7,701,859</u>	<u>7,588,855</u>	<u>113,004</u>	<u>6,882,179</u>
Total human services	<u>131,736,104</u>	<u>111,256,436</u>	<u>20,479,668</u>	<u>103,587,618</u>
Cultural and recreational:				
Library	12,594,501	12,213,571	380,930	11,068,219
Culture recreation other	415,569	415,569	-	109,923
Library - grants	527,873	187,917	339,956	353,903
Total cultural and recreational	<u>13,537,943</u>	<u>12,817,057</u>	<u>720,886</u>	<u>11,532,046</u>
Education:				
Public schools - current	89,648,337	89,648,337	-	87,526,532
Public schools - other contractual	2,000,000	1,888,972	111,028	1,944,435
Community colleges - current	15,468,600	15,468,600	-	15,718,600
Total education	<u>107,116,937</u>	<u>107,005,909</u>	<u>111,028</u>	<u>105,189,567</u>
Debt service				
Principal payments	-	1,540,487	(1,540,487)	1,650,353
Interest and fees	-	40,453	(40,453)	31,800
Total debt service	<u>-</u>	<u>1,580,940</u>	<u>(1,580,940)</u>	<u>1,682,153</u>
Total expenditures	<u>414,912,401</u>	<u>353,348,316</u>	<u>61,564,085</u>	<u>343,679,133</u>
Revenues over (under) expenditures	<u>(25,237,332)</u>	<u>36,425,216</u>	<u>(61,662,548)</u>	<u>48,549,597</u>
Other financing sources (uses):				
Sale of capital assets	-	445,917	(445,917)	469,752
Issuance of lease	-	1,325,504	(1,325,504)	1,283,535
Transfers in	24,767,665	21,874,027	2,893,638	4,200,380
Transfers out	(42,369,402)	(40,877,455)	(1,491,947)	(35,586,966)
Fund balance appropriated	42,839,069	-	42,839,069	-
Total other financing sources (uses)	<u>25,237,332</u>	<u>(17,232,007)</u>	<u>42,469,339</u>	<u>(29,633,299)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>19,193,209</u>	<u>\$ (19,193,209)</u>	<u>18,916,298</u>
Fund Balances:				
Fund balance - beginning		<u>179,247,814</u>		<u>158,948,792</u>
Fund balance - ending		<u>\$ 198,441,023</u>		<u>\$ 177,865,090</u>
Reconciliation to H-1:				
General Fund - ending fund balance		\$ 198,441,023		\$ 177,865,090
County School Fund - ending fund balance (H-6)		23,917,609		25,998,056
Capital Investment Fund - ending fund balance (H-7)		181,988,468		173,371,536
		<u>\$ 404,347,100</u>		<u>\$ 377,234,682</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Ad valorem taxes	\$ 208,799,358	\$ 210,811,061	\$ 2,011,703	\$ 206,612,155
Other taxes	67,131,366	69,688,413	2,557,047	66,188,022
Intergovernmental	86,841,806	72,463,678	(14,378,128)	81,625,792
Licenses and permits	2,113,150	2,822,395	709,245	2,768,370
Investment earnings	7,354,302	12,888,557	5,534,255	15,479,538
Sales and services	11,937,617	15,144,913	3,207,296	13,390,654
Miscellaneous	5,497,470	5,954,515	457,045	6,164,199
Total revenues	389,675,069	389,773,532	98,463	392,228,730
EXPENDITURES				
Current:				
General government	72,399,738	46,826,236	25,573,502	46,258,369
Public safety	79,900,859	68,724,748	11,176,111	67,475,514
Economic and physical development	11,971,276	5,136,990	6,834,286	7,881,882
Human services	129,985,648	111,256,436	18,729,212	103,587,610
Culture and recreation	13,537,943	12,817,057	720,886	11,532,046
Education	107,116,937	107,005,909	111,028	105,189,567
Debt service:				
Principal	-	1,540,487	(1,540,487)	355,376
Interest and other charges	-	40,453	(40,453)	16,045
Total expenditures	414,912,401	353,348,316	61,564,085	342,296,409
Excess (deficiency) of revenues over expenditures	(25,237,332)	36,425,216	61,662,548	49,932,321
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	24,767,665	21,874,027	(2,893,638)	4,200,380
Transfers to other funds	(42,369,402)	(40,877,455)	1,491,947	(35,586,966)
Proceeds from sale of capital assets	-	445,917	445,917	469,752
Lease and subscription assets issued	-	1,325,504	1,325,504	1,283,535
Fund balance appropriated	42,839,069	-	(42,839,069)	-
Total other financing sources (uses)	25,237,332	(17,232,007)	(42,469,339)	(29,633,299)
Net change in fund balance	\$ -	19,193,209	\$ 19,193,209	20,299,022
Fund Balances:				
Fund balances - beginning		179,247,814		158,948,792
Fund balances - ending		\$ 198,441,023		\$ 179,247,814
Reconciliation to H-1:				
General Fund - ending fund balance		\$ 198,441,023		\$ 179,247,814
County School Fund - ending fund balance (H-6)		23,917,609		25,998,056
Capital Investment Fund - ending fund balance (H-7)		181,988,468		173,371,536
		\$ 404,347,100		\$ 378,617,406

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COUNTY SCHOOL FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
REVENUES				
Taxes:				
Other taxes	\$ 78,456	\$ 18,021,174	\$ 17,942,718	\$ 17,511,024
Intergovernmental	39,876,349	5,801,866	(34,074,483)	5,271,977
Investment earnings	-	824,831	824,831	734,048
Total revenues	<u>39,954,805</u>	<u>24,647,871</u>	<u>(15,306,934)</u>	<u>23,517,049</u>
EXPENDITURES				
Education:				
School Capital Outlay I	31,104,380	18,907,136	12,197,244	13,484,069
School Capital Outlay II	2,804,775	2,371,669	433,106	2,794,775
School Capital Outlay III	1,924,300	1,328,163	596,137	1,324,300
Total expenditures	<u>35,833,455</u>	<u>22,606,968</u>	<u>13,226,487</u>	<u>17,603,144</u>
Excess (deficiency) of revenues over expenditures	<u>4,121,350</u>	<u>2,040,903</u>	<u>(2,080,447)</u>	<u>5,913,905</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(4,121,350)	(4,121,350)	-	(4,236,118)
Proceeds from sale of capital assets	-	-	-	56,375
Total other financing sources (uses)	<u>(4,121,350)</u>	<u>(4,121,350)</u>	<u>-</u>	<u>(4,179,743)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,080,447)</u>	<u>\$ (2,080,447)</u>	<u>1,734,162</u>
Fund Balances:				
Fund balances - beginning		25,998,056		24,263,894
Fund balances - ending		<u>\$ 23,917,609</u>		<u>\$ 25,998,056</u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CAPITAL INVESTMENT FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
REVENUES				
Investment earnings	\$ 335,658	\$ 2,785,032	\$ 2,449,374	\$ 3,320,883
Intergovernmental	766,465	1,163,420	396,955	-
Miscellaneous	-	138,461	138,461	122
Total revenues	1,102,123	4,086,913	2,984,790	3,321,005
EXPENDITURES				
Current:				
General government	19,412,941	2,716,597	16,696,344	788,777
Economic and physical development	24,854,563	2,253,518	22,601,045	3,248,219
Education	2,617,735	520,108	2,097,627	387,236
Debt service:				
Principal	8,003,721	8,003,712	9	8,887,512
Interest and other charges	2,302,303	2,301,692	611	2,495,571
Total expenditures	57,191,263	15,795,627	41,395,636	15,807,315
Excess (deficiency) of revenues over expenditures	(56,089,140)	(11,708,714)	44,380,426	(12,486,310)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	37,551,874	37,551,874	-	38,624,502
Transfers to other funds	(42,884,134)	(17,226,228)	25,657,906	(160,500)
Proceeds from sale of capital assets	-	-	-	9,969
Fund balance appropriated	61,421,400	-	(61,421,400)	-
Total other financing sources (uses)	56,089,140	20,325,646	(35,763,494)	38,473,971
Net change in fund balance	\$ -	8,616,932	\$ 8,616,932	25,987,661
Fund Balances:				
Fund balances - beginning		173,371,536		147,383,875
Fund balances - ending		\$ 181,988,468		\$ 173,371,536

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

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - AMERICAN RESCUE PLAN ACT FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Intergovernmental	\$ 65,168,690	\$ 30,024,274	\$ -	\$ 25,821,763	\$ 55,846,037
Investment earnings	715,317	1,464,560	-	391,382	1,855,942
Total revenues	65,884,007	31,488,834	-	26,213,145	57,701,979
EXPENDITURES					
General government	18,476,146	9,929,430	-	1,720,878	11,650,308
Total expenditures	18,476,146	9,929,430	-	1,720,878	11,650,308
Excess of revenues over expenditures	47,407,861	21,559,404	-	24,492,267	46,051,671
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,913,119	-	-	-	-
Transfers to other funds	(49,320,980)	(20,094,846)	-	(24,100,886)	(44,195,732)
Total other financing sources (uses)	(47,407,861)	(20,094,846)	-	(24,100,886)	(44,195,732)
Net change in fund balance	\$ -	\$ 1,464,558	\$ -	391,381	\$ 1,855,939
Fund balances - beginning				1,464,558	
Fund balances - ending				\$ 1,855,939	

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	Special Revenue Funds	Capital Project Funds	Cemetery Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 17,832,382	\$ -	\$ -	\$ 17,832,382
Cash and cash equivalents – restricted	10,230,690	3,776,336	65,313	14,072,339
Receivables (net of allowance for uncollectibles):				
Property taxes	468,478	-	-	468,478
Due from other governments	1,307,842	-	-	1,307,842
Other receivables, net	1,206,954	537	-	1,207,491
Due from other funds	-	-	-	-
Total assets	<u>\$ 31,046,346</u>	<u>\$ 3,776,873</u>	<u>\$ 65,313</u>	<u>\$ 34,888,532</u>
LIABILITIES				
Accounts payable	\$ 2,204,437	\$ 121	\$ 1,517	\$ 2,206,075
Accrued payroll	83,906	-	-	83,906
Other accrued liabilities	200	-	-	200
Due to other governments	83,758	-	-	83,758
Due to other funds	944,731	103,500	-	1,048,231
Unearned revenue	53,173	-	-	53,173
Total liabilities	<u>3,370,205</u>	<u>103,621</u>	<u>1,517</u>	<u>3,475,343</u>
Deferred inflows of resources - taxes	<u>448,921</u>	<u>-</u>	<u>-</u>	<u>448,921</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Cemetery	-	-	63,796	63,796
Restricted:				
Stabilization by State Statute	1,675,432	537	-	1,675,969
Inmates	1,228,365	-	-	1,228,365
Fire protection	2,476,389	-	-	2,476,389
Register of Deeds	283,192	-	-	283,192
Public safety	3,878,182	732,879	-	4,611,061
Economic and physical development	2,068,377	-	-	2,068,377
Human services	10,664,036	-	-	10,664,036
Cultural and recreational	5,179,438	3,043,457	-	8,222,895
Unassigned (deficit)	<u>(226,191)</u>	<u>(103,621)</u>	<u>-</u>	<u>(329,812)</u>
Total fund balances (Deficit)	<u>27,227,220</u>	<u>3,673,252</u>	<u>63,796</u>	<u>30,964,268</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,046,346</u>	<u>\$ 3,776,873</u>	<u>\$ 65,313</u>	<u>\$ 34,888,532</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Project Funds	Cemetery Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Ad valorem taxes	\$ 17,975,939	\$ -	\$ -	\$ 17,975,939
Other taxes	13,470,680	-	-	13,470,680
Intergovernmental revenue	10,968,149	-	-	10,968,149
Licenses and permits	83,580	-	-	83,580
Investment earnings	428,492	47,754	930	477,176
Miscellaneous	779,191	-	800	779,991
Sales and services	1,405,538	-	-	1,405,538
Total revenues	<u>45,111,569</u>	<u>47,754</u>	<u>1,730</u>	<u>45,161,053</u>
EXPENDITURES				
Current:				
General government	2,275,043	-	-	2,275,043
Public safety	16,069,795	433,908	-	16,503,703
Economic and physical development	4,626,951	68,500	3,610	4,699,061
Human services	4,098,264	-	-	4,098,264
Culture and recreation	4,837,526	-	-	4,837,526
Total expenditures	<u>31,907,579</u>	<u>502,408</u>	<u>3,610</u>	<u>32,413,597</u>
Excess (deficiency) of revenues over expenditures	<u>13,203,990</u>	<u>(454,654)</u>	<u>(1,880)</u>	<u>12,747,456</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,204,788	-	-	4,204,788
Transfers to other funds	(10,885,040)	-	-	(10,885,040)
Total other financing sources (uses)	<u>(6,680,252)</u>	<u>-</u>	<u>-</u>	<u>(6,680,252)</u>
Net change in fund balances	6,523,738	(454,654)	(1,880)	6,067,204
Fund balances (deficit), beginning	20,703,482	4,127,906	65,676	24,897,064
Fund balances (deficit), ending	<u>\$ 27,227,220</u>	<u>\$ 3,673,252</u>	<u>\$ 63,796</u>	<u>\$ 30,964,268</u>

NONMAJOR SPECIAL REVENUE FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

JUNE 30, 2025

	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
ASSETS							
Cash and cash equivalents	\$ 1,850,015	\$ 2,205,321	\$ 3,623,346	\$ 301,252	\$ 75,040	\$ 82,784	\$ 2,109,507
Cash and cash equivalents – restricted	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):							
Due from other governments	-	-	-	-	-	-	254,474
Property taxes	-	-	171,521	-	747,830	-	-
Other receivable	1,538	626	368,660	976	29,862	24	366
Total assets	<u>\$ 1,851,553</u>	<u>\$ 2,205,947</u>	<u>\$ 4,163,527</u>	<u>\$ 302,228</u>	<u>\$ 852,732</u>	<u>\$ 82,808</u>	<u>\$ 2,364,347</u>
LIABILITIES							
Accounts payable	\$ -	\$ 7,045	\$ 327,094	\$ 172,574	\$ 127,564	\$ -	\$ 212,992
Accrued payroll	-	-	-	20,659	30,409	-	21,281
Other accrued liabilities	-	-	-	-	-	-	200
Due to other governments	-	-	-	-	-	-	47
Due to other funds	-	-	-	-	661,183	-	-
Unearned revenue	-	-	-	-	53,173	-	-
Total liabilities	<u>-</u>	<u>7,045</u>	<u>327,094</u>	<u>193,233</u>	<u>872,329</u>	<u>-</u>	<u>234,520</u>
Deferred inflows of resources - taxes	-	-	138,350	-	-	-	-
FUND BALANCES (DEFICITS)							
Restricted:							
Stabilization by State Statute	1,538	626	368,660	976	29,862	24	254,840
Inmates	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Public safety	-	2,198,276	-	-	-	-	-
Register of Deeds	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	82,784	1,874,987
Human services	-	-	-	108,019	-	-	-
Cultural and recreational	1,850,015	-	3,329,423	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,459)</u>	<u>-</u>	<u>-</u>
Total fund balances (Deficit)	<u>1,851,553</u>	<u>2,198,902</u>	<u>3,698,083</u>	<u>108,995</u>	<u>(19,597)</u>	<u>82,808</u>	<u>2,129,827</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 1,851,553</u>	<u>\$ 2,205,947</u>	<u>\$ 4,163,527</u>	<u>\$ 302,228</u>	<u>\$ 852,732</u>	<u>\$ 82,808</u>	<u>\$ 2,364,347</u>

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

JUNE 30, 2025

	Special Revenue Funds						CDBG Disaster Recovery Fund
	Fire Protection Fund	Federal Drug Justice Fund	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	
ASSETS							
Cash and cash equivalents	\$ 3,302,765	\$ 219,911	\$ 790,395	\$ 129,986	\$ 31,156	\$ -	\$ -
Cash and cash equivalents – restricted	-	-	-	-	-	1,391,019	-
Receivables (net of allowance for uncollectibles):							
Due from other governments	-	-	-	-	-	110,596	103,408
Property taxes	388,491	-	-	-	-	-	-
Other receivable	802,778	49	146	24	-	-	-
Total assets	<u>\$ 4,494,034</u>	<u>\$ 219,960</u>	<u>\$ 790,541</u>	<u>\$ 130,010</u>	<u>\$ 31,156</u>	<u>\$ 1,501,615</u>	<u>\$ 103,408</u>
LIABILITIES							
Accounts payable	\$ 904,296	\$ 2,118	\$ 4,390	\$ -	\$ 113	\$ 1,209	\$ -
Accrued payroll	-	-	-	-	-	4,207	-
Other accrued liabilities	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	157,238	110,279
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>904,296</u>	<u>2,118</u>	<u>4,390</u>	<u>-</u>	<u>113</u>	<u>162,654</u>	<u>110,279</u>
Deferred inflows of resources - taxes	310,571	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Restricted:							
Stabilization by State Statute	802,778	49	146	24	-	110,596	103,408
Inmates	-	-	-	-	-	1,228,365	-
Fire protection	2,476,389	-	-	-	-	-	-
Public safety	-	217,793	786,005	129,986	31,043	-	-
Register of Deeds	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(110,279)
Total fund balances (Deficit)	<u>3,279,167</u>	<u>217,842</u>	<u>786,151</u>	<u>130,010</u>	<u>31,043</u>	<u>1,338,961</u>	<u>(6,871)</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 4,494,034</u>	<u>\$ 219,960</u>	<u>\$ 790,541</u>	<u>\$ 130,010</u>	<u>\$ 31,156</u>	<u>\$ 1,501,615</u>	<u>\$ 103,408</u>

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

JUNE 30, 2025

	Special Revenue Funds						
	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
ASSETS							
Cash and cash equivalents	\$ -	\$ 500	\$ 513,236	\$ 39,511	\$ 645,932	\$ 559,695	\$ 47,646
Cash and cash equivalents – restricted	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):							
Due from other governments	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	98	-
Total assets	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 513,236</u>	<u>\$ 39,511</u>	<u>\$ 645,932</u>	<u>\$ 559,793</u>	<u>\$ 47,646</u>
LIABILITIES							
Accounts payable	\$ -	\$ 400	\$ 230,044	\$ -	\$ -	\$ 507	\$ 3,496
Accrued payroll	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	44,209	39,502
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>400</u>	<u>230,044</u>	<u>-</u>	<u>-</u>	<u>44,716</u>	<u>42,998</u>
Deferred inflows of resources - taxes	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Restricted:							
Stabilization by State Statute	-	-	-	-	-	98	-
Inmates	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Public safety	-	100	-	-	-	514,979	-
Register of Deeds	-	-	283,192	-	-	-	-
Economic and physical development	-	-	-	39,511	-	-	-
Human services	-	-	-	-	645,932	-	4,648
Cultural and recreational	-	-	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (Deficit)	<u>-</u>	<u>100</u>	<u>283,192</u>	<u>39,511</u>	<u>645,932</u>	<u>515,077</u>	<u>4,648</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 513,236</u>	<u>\$ 39,511</u>	<u>\$ 645,932</u>	<u>\$ 559,793</u>	<u>\$ 47,646</u>

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

JUNE 30, 2025

	Special Revenue Funds					
	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Rhodes Pond Grant	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ 71,095	\$ 729,317	\$ -	\$ 503,972	\$ -	\$ 17,832,382
Cash and cash equivalents – restricted	-	-	8,839,671	-	-	10,230,690
Receivables (net of allowance for uncollectibles):						
Due from other governments	-	-	-	-	-	468,478
Property taxes	-	-	-	-	-	1,307,842
Other receivable	24	122	1,563	98	-	1,206,954
Total assets	<u>\$ 71,119</u>	<u>\$ 729,439</u>	<u>\$ 8,841,234</u>	<u>\$ 504,070</u>	<u>\$ -</u>	<u>\$ 31,046,346</u>
LIABILITIES						
Accounts payable	\$ -	\$ 28,310	\$ 107,392	\$ 24,471	\$ 50,422	\$ 2,204,437
Accrued payroll	-	-	7,350	-	-	83,906
Other accrued liabilities	-	-	-	-	-	200
Due to other governments	-	-	-	-	-	83,758
Due to other funds	-	-	-	-	16,031	944,731
Unearned revenue	-	-	-	-	-	53,173
Total liabilities	<u>-</u>	<u>28,310</u>	<u>114,742</u>	<u>24,471</u>	<u>66,453</u>	<u>3,370,205</u>
Deferred inflows of resources - taxes	-	-	-	-	-	448,921
FUND BALANCES (DEFICITS)						
Restricted:						
Stabilization by State Statute	24	122	1,563	98	-	1,675,432
Inmates	-	-	-	-	-	1,228,365
Fire protection	-	-	-	-	-	2,476,389
Public safety	-	-	-	-	-	3,878,182
Register of Deeds	-	-	-	-	-	283,192
Economic and physical development	71,095	-	-	-	-	2,068,377
Human services	-	701,007	8,724,929	479,501	-	10,664,036
Cultural and recreational	-	-	-	-	-	5,179,438
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,453)</u>	<u>(226,191)</u>
Total fund balances (Deficit)	<u>71,119</u>	<u>701,129</u>	<u>8,726,492</u>	<u>479,599</u>	<u>(66,453)</u>	<u>27,227,220</u>
 Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 71,119</u>	<u>\$ 729,439</u>	<u>\$ 8,841,234</u>	<u>\$ 504,070</u>	<u>\$ -</u>	<u>\$ 31,046,346</u>

Concluded

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	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
REVENUES						
Taxes:						
Ad valorem taxes	\$ -	\$ -	\$ 5,282,270	\$ -	\$ -	\$ -
Other taxes	10,397,860	-	367,830	-	-	-
Intergovernmental revenue	-	64,366	23,279	1,502,512	1,464,868	2,017,612
Licenses and permits	-	-	-	-	-	-
Investment earnings	49,301	33,082	68,439	2,424	7,301	28,392
Miscellaneous	-	-	-	-	-	177,903
Sales and services	-	-	-	161,657	87,432	-
Total revenues	10,447,161	97,448	5,741,818	1,666,593	1,559,601	2,223,907
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	330,417	-	-	-	-
Economic and physical development	-	-	-	-	1,897,125	2,572,318
Human services	-	-	-	2,415,769	-	-
Culture and recreation	-	-	4,809,937	-	-	-
Total expenditures	-	330,417	4,809,937	2,415,769	1,897,125	2,572,318
Excess (deficiency) of revenues over expenditures	10,447,161	(232,969)	931,881	(749,176)	(337,524)	1,169
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	2,500,000	-	-	636,447	696,069	367,729
Transfers to other funds	(10,245,000)	-	-	-	(549,845)	-
Total other financing sources (uses)	(7,745,000)	-	-	636,447	146,224	367,729
Net change in fund balances	2,702,161	(232,969)	931,881	(112,729)	(191,300)	19,318
Fund balances (deficit), beginning	(850,608)	2,431,871	2,766,202	221,724	171,703	2,110,509
Fund balances (deficit), ending	\$ 1,851,553	\$ 2,198,902	\$ 3,698,083	\$ 108,995	\$ (19,597)	\$ 2,129,827

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Special Revenue Funds						CDBG Disaster Recovery Fund
	Fire Protection Fund	Federal Drug Justice Fund	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	
REVENUES							
Taxes:							
Ad valorem taxes	\$ 12,693,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	802,192	-	-	-	-	-	-
Intergovernmental revenue	-	195,841	40,439	1,986	28,491	-	-
Licenses and permits	-	-	-	-	-	-	-
Investment earnings	53,355	2,082	12,264	2,005	372	-	-
Miscellaneous	-	-	-	-	-	598,596	-
Sales and services	-	-	-	-	-	-	-
Total revenues	<u>13,549,216</u>	<u>197,923</u>	<u>52,703</u>	<u>3,991</u>	<u>28,863</u>	<u>598,596</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	12,859,041	22,869	192,320	16,173	16,316	784,949	-
Economic and physical development	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>12,859,041</u>	<u>22,869</u>	<u>192,320</u>	<u>16,173</u>	<u>16,316</u>	<u>784,949</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>690,175</u>	<u>175,054</u>	<u>(139,617)</u>	<u>(12,182)</u>	<u>12,547</u>	<u>(186,353)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	-	-	-	4,543	-
Transfers to other funds	(24,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,543</u>	<u>-</u>
Net change in fund balances	666,175	175,054	(139,617)	(12,182)	12,547	(181,810)	-
Fund balances (deficit), beginning	2,612,992	42,788	925,768	142,192	18,496	1,520,771	(6,871)
Fund balances (deficit), ending	<u>\$ 3,279,167</u>	<u>\$ 217,842</u>	<u>\$ 786,151</u>	<u>\$ 130,010</u>	<u>\$ 31,043</u>	<u>\$ 1,338,961</u>	<u>\$ (6,871)</u>

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Special Revenue Funds						
	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
REVENUES							
Taxes:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	1,902,798	-	-	-	-
Intergovernmental revenue	-	10,000	176,371	-	-	171,194	78,392
Licenses and permits	-	-	83,580	-	-	-	-
Investment earnings	41	-	-	566	-	8,533	1,221
Miscellaneous	-	-	-	-	-	1,473	1,219
Sales and services	-	-	158,426	-	998,023	-	-
Total revenues	41	10,000	2,321,175	566	998,023	181,200	80,832
EXPENDITURES							
Current:							
General government	-	10,000	2,265,043	-	-	-	-
Public safety	-	-	-	-	-	63,902	68,388
Economic and physical development	-	-	-	-	-	-	-
Human services	-	-	-	-	785,124	-	-
Culture and recreation	3,785	-	-	-	-	-	-
Total expenditures	3,785	10,000	2,265,043	-	785,124	63,902	68,388
Excess (deficiency) of revenues over expenditures	(3,744)	-	56,132	566	212,899	117,298	12,444
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	(3,744)	-	56,132	566	212,899	117,298	12,444
Fund balances (deficit), beginning	3,744	100	227,060	38,945	433,033	397,779	(7,796)
Fund balances (deficit), ending	\$ -	\$ 100	\$ 283,192	\$ 39,511	\$ 645,932	\$ 515,077	\$ 4,648

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Rhodes Pond Grant	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,975,939
Other taxes	-	-	-	-	-	13,470,680
Intergovernmental revenue	-	-	2,762,573	500,000	1,930,225	10,968,149
Licenses and permits	-	-	-	-	-	83,580
Investment earnings	21,566	11,109	121,867	3,403	-	428,492
Miscellaneous	-	-	-	-	-	779,191
Sales and services	-	-	-	-	-	1,405,538
Total revenues	<u>21,566</u>	<u>11,109</u>	<u>2,884,440</u>	<u>503,403</u>	<u>1,930,225</u>	<u>45,111,569</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,275,043
Public safety	1,715,420	-	-	-	-	16,069,795
Economic and physical development	-	-	-	-	157,508	4,626,951
Human services	-	135,657	761,714	-	-	4,098,264
Culture and recreation	-	-	-	23,804	-	4,837,526
Total expenditures	<u>1,715,420</u>	<u>135,657</u>	<u>761,714</u>	<u>23,804</u>	<u>157,508</u>	<u>31,907,579</u>
Excess (deficiency) of revenues over expenditures	<u>(1,693,854)</u>	<u>(124,548)</u>	<u>2,122,726</u>	<u>479,599</u>	<u>1,772,717</u>	<u>13,203,990</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	4,204,788
Transfers to other funds	-	-	(66,195)	-	-	(10,885,040)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(66,195)</u>	<u>-</u>	<u>-</u>	<u>(6,680,252)</u>
Net change in fund balances	(1,693,854)	(124,548)	2,056,531	479,599	1,772,717	6,523,738
Fund balances (deficit), beginning	1,764,973	825,677	6,669,961	-	(1,839,170)	20,703,482
Fund balances (deficit), ending	<u>\$ 71,119</u>	<u>\$ 701,129</u>	<u>\$ 8,726,492</u>	<u>\$ 479,599</u>	<u>\$ (66,453)</u>	<u>\$ 27,227,220</u>

Concluded

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – PREPARED FOOD AND BEVERAGE FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Other taxes	\$ 10,205,000	\$ 10,397,860	\$ 192,860	\$ 10,265,183
Investment earnings	40,000	49,301	9,301	82,533
Total revenues	10,245,000	10,447,161	202,161	10,347,716
EXPENDITURES				
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	10,245,000	10,447,161	(202,161)	10,347,716
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(10,245,000)	(10,245,000)	-	(11,513,348)
Transfers from other funds	2,500,000	2,500,000	-	-
Fund balance appropriated	(2,500,000)	-	2,500,000	-
Total other financing sources (uses)	(10,245,000)	(7,745,000)	2,500,000	(11,513,348)
Net change in fund balance	\$ -	2,702,161	\$ 2,297,839	(1,165,632)
Fund Balances:				
Fund balances - beginning		(850,608)		315,024
Fund balances - ending		\$ 1,851,553		\$ (850,608)

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – EMERGENCY TELEPHONE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 60,489	\$ 64,366	\$ 3,877	\$ 679,315
Investment earnings	-	33,082	33,082	39,184
Total revenues	60,489	97,448	36,959	718,499
EXPENDITURES				
Public safety:				
Implemental functions	24,198	20,546	3,652	15,200
Telephone/furniture	57,808	42,793	15,015	77,599
Software	277,077	191,622	85,455	164,462
Hardware	253,321	99,907	153,414	92,062
Training	32,000	12,250	19,750	29,907
EOC	2,500	-	2,500	-
Adjustments	-	(36,701)	36,701	(124,685)
Total expenditures	646,904	330,417	316,487	254,545
Excess (deficiency) of revenues over expenditures	(586,415)	(232,969)	353,446	463,954
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	586,415	-	(586,415)	-
Total other financing sources (uses)	586,415	-	(586,415)	-
Net change in fund balance	\$ -	(232,969)	\$ (232,969)	463,954
Fund Balances:				
Fund balances - beginning		2,431,871		1,967,917
Fund balances - ending		<u>\$ 2,198,902</u>		<u>\$ 2,431,871</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – RECREATION FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
REVENUES				
Taxes:				
Ad valorem taxes	\$ 5,576,314	\$ 5,282,270	\$ (294,044)	\$ 5,145,830
Other taxes	-	367,830	367,830	-
Intergovernmental	-	23,279	23,279	232,248
Investment earnings	15,191	68,439	53,248	77,176
Total revenues	<u>5,591,505</u>	<u>5,741,818</u>	<u>150,313</u>	<u>5,455,254</u>
EXPENDITURES				
Current:				
Culture and recreation	6,334,519	4,809,937	1,524,582	3,868,960
Capital outlay	-	-	-	379,636
Total expenditures	<u>6,334,519</u>	<u>4,809,937</u>	<u>1,524,582</u>	<u>4,248,596</u>
Excess (deficiency) of revenues over expenditures	<u>(743,014)</u>	<u>931,881</u>	<u>1,674,895</u>	<u>1,206,658</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	168,400	-	(168,400)	-
Fund balance appropriated	<u>574,614</u>	<u>-</u>	<u>(574,614)</u>	<u>-</u>
Total other financing sources (uses)	<u>743,014</u>	<u>-</u>	<u>(743,014)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>931,881</u>	<u>\$ 931,881</u>	<u>1,206,658</u>
Fund Balances:				
Fund balances - beginning		2,766,202		1,559,544
Fund balances - ending		<u>\$ 3,698,083</u>		<u>\$ 2,766,202</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – JUVENILE CRIME PREVENTION FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 1,554,552	\$ 1,502,512	\$ (52,040)	\$ 1,460,495
Investment earnings	-	2,424	2,424	2,936
Sales and services	161,657	161,657	-	208,111
Total revenues	1,716,209	1,666,593	(49,616)	1,671,542
EXPENDITURES				
Human services:				
JCP Programs	2,535,492	2,415,769	119,723	1,443,365
Residential group home	-	-	-	580,356
Total expenditures	2,535,492	2,415,769	119,723	2,023,721
Excess (deficiency) of revenues over expenditures	(819,283)	(749,176)	70,107	(352,179)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	819,283	636,447	(182,836)	399,541
Total other financing sources (uses)	819,283	636,447	(182,836)	399,541
Net change in fund balance	\$ -	(112,729)	\$ (112,729)	47,362
Fund Balances:				
Fund balances - beginning		221,724		174,362
Fund balances - ending		\$ 108,995		\$ 221,724

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 2,160,749	\$ 1,464,868	\$ (695,881)	\$ 1,925,930
Investment earnings	-	7,301	7,301	13,874
Sales and services	117,671	87,432	(30,239)	88,168
Total revenues	2,278,420	1,559,601	(718,819)	2,027,972
EXPENDITURES				
Current:				
Economic and physical development	2,561,426	1,897,125	664,301	2,282,797
Total expenditures	2,561,426	1,897,125	664,301	2,282,797
Excess (deficiency) of revenues over expenditures	(283,006)	(337,524)	(54,518)	(254,825)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	920,603	696,069	(224,534)	635,861
Transfers to other funds	(637,597)	(549,845)	87,752	(438,084)
Total other financing sources (uses)	283,006	146,224	(136,782)	197,777
Net change in fund balance	\$ -	(191,300)	\$ (191,300)	(57,048)
Fund Balances:				
Fund balances - beginning		171,703		228,751
Fund balances - ending		<u>\$ (19,597)</u>		<u>\$ 171,703</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FLEE HILL DRAINAGE DISTRICT FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	
REVENUES				
Investment earnings	\$ -	\$ 1,169	\$ 1,169	\$ 1,488
Total revenues	-	1,169	1,169	1,488
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	1,169	\$ 1,169	1,488
Fund Balances:				
Fund balances - beginning		81,639		80,151
Fund balances - ending		\$ 82,808		\$ 81,639

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 5,427,110	\$ 2,017,612	\$ (3,409,498)	\$ 2,095,981
Investment earnings	-	28,392	28,392	35,005
Miscellaneous	176,628	177,903	1,275	119,195
Total revenues	5,603,738	2,223,907	(3,379,831)	2,250,181
EXPENDITURES				
Economic and physical development				
Administration	1,151,248	359,566	791,682	510,643
Economic Development	1,425,127	914,167	510,960	819,021
Housing activities	4,799,604	708,609	4,090,995	288,533
Public facilities	120,000	4,988	115,012	15,283
Public services	135,632	116,222	19,410	220,789
Program grants	759,107	468,766	290,341	459,031
Total expenditures	8,390,718	2,572,318	5,818,400	2,313,300
Excess (deficiency) of revenues over expenditures	(2,786,980)	(348,411)	2,438,569	(63,119)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,150,123	367,729	(782,394)	343,615
Fund balance appropriated	1,636,857	-	(1,636,857)	-
Total other financing sources (uses)	2,786,980	367,729	(2,419,251)	343,615
Net change in fund balance	\$ -	19,318	\$ 19,318	280,496
Fund Balances:				
Fund balances - beginning		2,110,509		1,830,013
Fund balances - ending		\$ 2,129,827		\$ 2,110,509

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FIRE PROTECTION FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Ad valorem taxes	\$ 12,491,749	\$ 12,693,669	\$ 201,920	\$ 12,403,412
Other taxes	-	802,192	802,192	-
Investment earnings	52,965	53,355	390	62,712
Total revenues	12,544,714	13,549,216	1,004,502	12,466,124
EXPENDITURES				
Current:				
Public safety	13,198,170	12,859,041	339,129	12,209,407
Total expenditures	13,198,170	12,859,041	339,129	12,209,407
Excess (deficiency) of revenues over expenditures	(653,456)	690,175	1,343,631	256,717
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(24,000)	(24,000)	-	(24,000)
Fund balance appropriated	677,456	-	(677,456)	-
Total other financing sources (uses)	653,456	(24,000)	(677,456)	(24,000)
Net change in fund balance	\$ -	666,175	\$ 666,175	232,717
Fund Balances:				
Fund balances - beginning		2,612,992		2,380,275
Fund balances - ending		\$ 3,279,167		\$ 2,612,992

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FEDERAL DRUG JUSTICE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 2,500	\$ 195,841	\$ 193,341	\$ -
Investment earnings	1,000	2,082	1,082	984
Total revenues	3,500	197,923	194,423	984
EXPENDITURES				
Current:				
Public safety	24,500	22,869	1,631	25,036
Total expenditures	24,500	22,869	1,631	25,036
Excess (deficiency) of revenues over expenditures	(21,000)	175,054	196,054	(24,052)
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	21,000	-	(21,000)	-
Total other financing sources (uses)	21,000	-	(21,000)	-
Net change in fund balance	\$ -	175,054	\$ 175,054	(24,052)
Fund Balances:				
Fund balances - beginning		42,788		66,840
Fund balances - ending		\$ 217,842		\$ 42,788

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FEDERAL DRUG FORFEITURE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 100,000	\$ 40,439	\$ (59,561)	\$ 265,874
Investment earnings	2,500	12,264	9,764	15,514
Total revenues	102,500	52,703	(49,797)	281,388
EXPENDITURES				
Current:				
Public safety	349,402	192,320	157,082	238,575
Total expenditures	349,402	192,320	157,082	238,575
Excess (deficiency) of revenues over expenditures	(246,902)	(139,617)	107,285	42,813
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	246,902	-	(246,902)	-
Total other financing sources (uses)	246,902	-	(246,902)	-
Net change in fund balance	\$ -	(139,617)	\$ (139,617)	42,813
Fund Balances:				
Fund balances - beginning		925,768		882,955
Fund balances - ending		\$ 786,151		\$ 925,768

COUNTY OF CUMBERLAND, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – NORTH CAROLINA CONTROLLED SUBSTANCE FUND**

YEAR ENDED JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 30,500	\$ 1,986	\$ (28,514)	\$ 18,487
Investment earnings	2,200	2,005	(195)	2,672
Total revenues	32,700	3,991	(28,709)	21,159
EXPENDITURES				
Current:				
Public safety	32,700	16,173	16,527	13,082
Total expenditures	32,700	16,173	16,527	13,082
Net change in fund balance	\$ -	(12,182)	\$ (12,182)	8,077
Fund Balances:				
Fund balances - beginning		142,192		134,115
Fund balances - ending		\$ 130,010		\$ 142,192

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ANIMAL MEDICAL FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ 16,496	\$ 28,491	\$ 11,995	\$ 31,886
Investment earnings	-	372	372	551
Total revenues	16,496	28,863	12,367	32,437
EXPENDITURES				
Current:				
Public safety	16,496	16,316	180	42,693
Total expenditures	16,496	16,316	180	42,693
Excess (deficiency) of revenues over expenditures	-	12,547	12,547	(10,256)
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	12,547	\$ 12,547	(10,256)
Fund Balances:				
Fund balances - beginning		18,496		28,752
Fund balances - ending		\$ 31,043		\$ 18,496

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – INMATE WELFARE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Miscellaneous	\$ 467,000	\$ 598,596	\$ 131,596	\$ 558,050
Total revenues	467,000	598,596	131,596	558,050
EXPENDITURES				
Current:				
Public safety	1,141,086	784,949	356,137	286,804
Total expenditures	1,141,086	784,949	356,137	286,804
Excess (deficiency) of revenues over expenditures	(674,086)	(186,353)	487,733	271,246
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,543	4,543	-	-
Fund balance appropriated	669,543	-	(669,543)	-
Total other financing sources (uses)	674,086	4,543	(669,543)	-
Net change in fund balance	\$ -	(181,810)	\$ (181,810)	271,246
Fund Balances:				
Fund balances - beginning		1,520,771		1,249,525
Fund balances - ending		<u>\$ 1,338,961</u>		<u>\$ 1,520,771</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CDBG DISASTER RECOVERY FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 21,563
Total revenues	-	-	-	21,563
EXPENDITURES				
Economic and physical development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	21,563
Fund Balances:				
Fund balances - beginning		(6,871)		(28,434)
Fund balances - ending		<u>\$ (6,871)</u>		<u>\$ (6,871)</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – LINDEN LITTLE RIVER PARK FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Investment earnings	\$ 45	\$ 41	\$ (4)	\$ 160
Total revenues	45	41	(4)	160
EXPENDITURES				
Current:				
Culture and recreation	3,790	3,785	5	5,402
Total expenditures	3,790	3,785	5	5,402
Excess (deficiency) of revenues over expenditures	(3,745)	(3,744)	1	(5,242)
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	3,745	-	(3,745)	-
Total other financing sources (uses)	3,745	-	(3,745)	-
Net change in fund balance	<u>\$ -</u>	<u>(3,744)</u>	<u>\$ (3,744)</u>	<u>(5,242)</u>
Fund Balances:				
Fund balances - beginning		3,744		8,986
Fund balances - ending		<u>\$ -</u>		<u>\$ 3,744</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FINES AND FORFEITURES FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 16,500	\$ 10,000	\$ (6,500)	\$ 5,600
Total revenues	16,500	10,000	(6,500)	5,600
EXPENDITURES				
Current:				
General government	16,500	10,000	6,500	5,600
Total expenditures	16,500	10,000	6,500	5,600
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances:				
Fund balances - beginning		100		100
Fund balances - ending		<u>\$ 100</u>		<u>\$ 100</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEEDS OF TRUST FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2025)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Taxes:				
Other taxes	\$ 2,100,000	\$ 1,902,798	\$ (197,202)	\$ 1,932,460
Intergovernmental	185,132	176,371	(8,761)	174,294
Licenses and permits	94,250	83,580	(10,670)	101,674
Sales and services	175,000	158,426	(16,574)	183,750
Total revenues	<u>2,554,382</u>	<u>2,321,175</u>	<u>(233,207)</u>	<u>2,392,178</u>
EXPENDITURES				
Current:				
General government	<u>2,554,382</u>	<u>2,265,043</u>	<u>289,339</u>	<u>2,345,931</u>
Total expenditures	<u>2,554,382</u>	<u>2,265,043</u>	<u>289,339</u>	<u>2,345,931</u>
Net change in fund balance	<u>\$ -</u>	56,132	<u>\$ 56,132</u>	46,247
Fund Balances:				
Fund balances - beginning		227,060		180,813
Fund balances - ending		<u>\$ 283,192</u>		<u>\$ 227,060</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – EMERGENCY RENTAL ASSISTANCE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	566	566	984
Total revenues	-	566	566	984
EXPENDITURES				
Current:				
Economic and physical development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	566	566	984
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	566	\$ 566	984
Fund Balances:				
Fund balances - beginning		38,945		37,961
Fund balances - ending		\$ 39,511		\$ 38,945

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DSS REPRESENTATIVE PAYEE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Sales and services	\$ 1,062,200	\$ 998,023	\$ (64,177)	\$ 778,302
Total revenues	1,062,200	998,023	(64,177)	778,302
EXPENDITURES				
Current:				
Human services	1,062,200	785,124	277,076	810,765
Total expenditures	1,062,200	785,124	277,076	810,765
Net change in fund balance	\$ -	212,899	\$ 212,899	(32,463)
Fund Balances:				
Fund balances - beginning		433,033		465,496
Fund balances - ending		\$ 645,932		\$ 433,033

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – INNOVATIVE COURT PROGRAM FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 613,128	\$ 171,194	\$ (441,934)	\$ 500,000
Investment earnings	-	8,533	8,533	5,070
Miscellaneous	-	1,473	1,473	-
Total revenues	<u>613,128</u>	<u>181,200</u>	<u>(431,928)</u>	<u>505,070</u>
EXPENDITURES				
Current:				
Public safety	<u>613,128</u>	<u>63,902</u>	<u>549,226</u>	<u>107,291</u>
Total expenditures	<u>613,128</u>	<u>63,902</u>	<u>549,226</u>	<u>107,291</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>117,298</u>	<u>117,298</u>	<u>397,779</u>
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>117,298</u>	<u>\$ 117,298</u>	<u>397,779</u>
Fund Balances:				
Fund balances - beginning		<u>397,779</u>		<u>-</u>
Fund balances - ending		<u>\$ 515,077</u>		<u>\$ 397,779</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – HUMAN TRAFFICKING WORTH FUND

YEAR ENDED JUNE 30, 2025
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 110,088	\$ 78,392	\$ (31,696)	\$ -
Investment earnings	-	1,221	1,221	2,207
Miscellaneous	-	1,219	1,219	-
Total revenues	110,088	80,832	(29,256)	2,207
EXPENDITURES				
Current:				
Public safety	110,088	68,388	41,700	10,003
Total expenditures	110,088	68,388	41,700	10,003
Excess (deficiency) of revenues over expenditures	-	12,444	12,444	(7,796)
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	12,444	\$ 12,444	(7,796)
Fund Balances:				
Fund balances - beginning		(7,796)		-
Fund balances - ending		\$ 4,648		\$ (7,796)

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – STREAM RESTORATION GRANT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	21,566	21,566	35,152
Total revenues	-	21,566	21,566	35,152
EXPENDITURES				
Current:				
Public safety	1,715,421	1,715,420	1	284,580
Total expenditures	1,715,421	1,715,420	1	284,580
Excess (deficiency) of revenues over expenditures	(1,715,421)	(1,693,854)	21,567	(249,428)
OTHER FINANCING SOURCES (USES)				
Fund balance appropriated	1,715,421	-	(1,715,421)	-
Total other financing sources (uses)	1,715,421	-	(1,715,421)	-
Net change in fund balance	\$ -	(1,693,854)	\$ (1,693,854)	(249,428)
Fund Balances:				
Fund balances - beginning		1,764,973		2,014,401
Fund balances - ending		\$ 71,119		\$ 1,764,973

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SCIF HOMELESS GRANT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Investment earnings	\$ -	\$ 11,109	\$ 11,109	\$ 15,722
Total revenues	-	11,109	11,109	15,722
EXPENDITURES				
Current:				
Human services	797,771	135,657	662,114	270,415
Total expenditures	797,771	135,657	662,114	270,415
Excess (deficiency) of revenues over expenditures	(797,771)	(124,548)	673,223	(254,693)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	157,649
Fund balance appropriated	797,771	-	(797,771)	-
Total other financing sources (uses)	797,771	-	(797,771)	157,649
Net change in fund balance	\$ -	(124,548)	\$ (124,548)	(97,044)
Fund Balances:				
Fund balances - beginning		825,677		922,721
Fund balances - ending		\$ 701,129		\$ 825,677

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - OPIOID SETTLEMENT FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Intergovernmental	\$ 5,027,409	\$ 6,864,368	\$ -	\$ 2,762,573	\$ 9,626,941
Investment earnings	-	102,787	-	121,867	224,654
Total revenues	5,027,409	6,967,155	-	2,884,440	9,851,595
EXPENDITURES					
Human services	4,254,956	290,034	-	761,714	1,051,748
Total expenditures	4,254,956	290,034	-	761,714	1,051,748
Excess of revenues over expenditures	772,453	6,677,121	-	2,122,726	8,799,847
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	23,852	-	-	23,852
Transfers to other funds	(772,453)	(31,399)	-	(66,195)	(97,594)
Total other financing sources (uses)	(772,453)	(7,547)	-	(66,195)	(73,742)
Net change in fund balance	\$ -	\$ 6,669,574	\$ -	2,056,531	\$ 8,726,105
Fund balances - beginning				6,669,961	
Fund balances - ending				\$ 8,726,492	

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – RHODES POND GRANT

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ -
Investment earnings	-	3,403	3,403	-
Total revenues	500,000	503,403	3,403	-
EXPENDITURES				
Current:				
Culture and recreation	500,000	23,804	476,196	-
Total expenditures	500,000	23,804	476,196	-
Net change in fund balance	\$ -	479,599	\$ 479,599	-
Fund Balances:				
Fund balances - beginning		-		-
Fund balances - ending		\$ 479,599		\$ -

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CUMBERLAND INDUSTRIAL CENTER SEWER FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Intergovernmental	\$ 252,608	\$ 1,930,225	\$ 1,677,617	\$ -
Total revenues	252,608	1,930,225	1,677,617	-
EXPENDITURES				
Current:				
Economic and physical development	252,608	157,508	95,100	1,538,801
Total expenditures	252,608	157,508	95,100	1,538,801
Net change in fund balance	\$ -	1,772,717	\$ 1,772,717	(1,538,801)
Fund Balances:				
Fund balances - beginning		(1,839,170)		(300,369)
Fund balances - ending		\$ (66,453)		\$ (1,839,170)

NONMAJOR CAPITAL PROJECT FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS

JUNE 30, 2025

	Capital Projects Funds				
	Cultural and Recreation Fund	Emergency Operations Center Fund	Water Feasibility Fund	MLK Park Fund	Total Capital Projects Funds
ASSETS					
Cash and cash equivalents – restricted	\$ 461,312	\$ 732,879	\$ -	\$ 2,582,145	\$ 3,776,336
Other receivable	73	-	-	464	537
Total assets	<u>\$ 461,385</u>	<u>\$ 732,879</u>	<u>\$ -</u>	<u>\$ 2,582,609</u>	<u>\$ 3,776,873</u>
LIABILITIES					
Accounts payable	\$ -	\$ 121	\$ -	\$ -	\$ 121
Due to other funds	-	-	103,500	-	103,500
Total liabilities	<u>-</u>	<u>121</u>	<u>103,500</u>	<u>-</u>	<u>103,621</u>
FUND BALANCES (DEFICITS)					
Restricted:					
Stabilization by State Statute	73	-	-	464	537
Public Safety	-	732,879	-	-	732,879
Cultural and recreational	461,312	-	-	2,582,145	3,043,457
Unassigned (deficit)	<u>-</u>	<u>(121)</u>	<u>(103,500)</u>	<u>-</u>	<u>(103,621)</u>
Total fund balances (Deficit)	<u>461,385</u>	<u>732,758</u>	<u>(103,500)</u>	<u>2,582,609</u>	<u>3,673,252</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 461,385</u>	<u>\$ 732,879</u>	<u>\$ -</u>	<u>\$ 2,582,609</u>	<u>\$ 3,776,873</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	Capital Projects Funds				
	Cultural and Recreation Fund	Emergency Operations Center Fund	Water Feasibility Fund	MLK Park Fund	Total Capital Projects Funds
REVENUES					
Investment earnings	\$ 6,455	\$ 5,111	\$ -	\$ 36,188	\$ 47,754
Total revenues	6,455	5,111	-	36,188	47,754
EXPENDITURES					
Current:					
Public safety	-	433,908	-	-	433,908
Economic and physical development	-	-	68,500	-	68,500
Total expenditures	-	433,908	68,500	-	502,408
Excess (deficiency) of revenues over expenditures	6,455	(428,797)	(68,500)	36,188	(454,654)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	6,455	(428,797)	(68,500)	36,188	(454,654)
Fund balances (deficit), beginning	454,930	1,161,555	(35,000)	2,546,421	4,127,906
Fund balances (deficit), ending	\$ 461,385	\$ 732,758	\$ (103,500)	\$ 2,582,609	\$ 3,673,252

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - CULTURAL AND RECREATION FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ -	\$ 54,751	\$ -	\$ 6,455	\$ 61,206
Total revenues	-	54,751	-	6,455	61,206
EXPENDITURES					
Cultural and recreational	5,266,456	4,837,490	-	-	4,837,490
Total expenditures	5,266,456	4,837,490	-	-	4,837,490
Excess of revenues over expenditures	(5,266,456)	(4,782,739)	-	6,455	(4,776,284)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	5,285,165	5,285,165	-	-	5,285,165
Debt issuance costs	(47,768)	(76,555)	-	-	(76,555)
Transfers from other funds	402,962	402,962	-	-	402,962
Transfers to other funds	(402,962)	(402,962)	-	-	(402,962)
Premium on debt issuance	29,059	29,059	-	-	29,059
Total other financing sources (uses)	5,266,456	5,237,669	-	-	5,237,669
Net change in fund balance	\$ -	\$ 454,930	\$ -	6,455	\$ 461,385
Fund balances - beginning				454,930	
Fund balances - ending				\$ 461,385	

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - EMERGENCY OPERATIONS CENTER FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ -	\$ 380,299	\$ -	\$ 5,111	\$ 385,410
Total revenues	-	380,299	-	5,111	385,410
EXPENDITURES					
Public safety	14,330,702	13,549,447	-	433,908	13,983,355
Total expenditures	14,330,702	13,549,447	-	433,908	13,983,355
Excess of revenues over expenditures	(14,330,702)	(13,169,148)	-	(428,797)	(13,597,945)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	14,507,300	14,507,300	-	-	14,507,300
Debt issuance costs	(326,598)	(326,597)	-	-	(326,597)
Transfers from other funds	5,951,818	5,951,818	-	-	5,951,818
Transfers to other funds	(5,801,818)	(5,801,818)	-	-	(5,801,818)
Total other financing sources (uses)	14,330,702	14,330,703	-	-	14,330,703
Net change in fund balance	\$ -	\$ 1,161,555	\$ -	(428,797)	\$ 732,758
Fund balances - beginning				1,161,555	
Fund balances - ending				\$ 732,758	

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - WATER FEASIBILITY FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Economic and physical development	400,000	35,000	-	68,500	103,500
Total expenditures	400,000	35,000	-	68,500	103,500
Excess of revenues over expenditures	(400,000)	(35,000)	-	(68,500)	(103,500)
OTHER FINANCING SOURCES (USES)					
Gen X Study	400,000	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	400,000	-	-	-	-
Net change in fund balance	\$ -	\$ (35,000)	\$ -	(68,500)	\$ (103,500)
Fund balances - beginning				(35,000)	
Fund balances - ending				\$ (103,500)	

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - MLK PARK FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ -	\$ 46,421	\$ -	\$ 36,188	\$ 82,609
Total revenues	-	46,421	-	36,188	82,609
EXPENDITURES					
Economic and physical development	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over expenditures	-	46,421	-	36,188	82,609
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	2,500,000	2,500,000	-	-	2,500,000
Total other financing sources (uses)	2,500,000	2,500,000	-	-	2,500,000
Net change in fund balance	<u>\$ 2,500,000</u>	<u>\$ 2,546,421</u>	<u>\$ -</u>	<u>36,188</u>	<u>\$ 2,582,609</u>
Fund balances - beginning				<u>2,546,421</u>	
Fund balances - ending				<u>\$ 2,582,609</u>	

NONMAJOR PERMANENT FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CEMETERY PERMANENT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
REVENUES				
Investment earnings	\$ 25	\$ 930	\$ 905	\$ 1,179
Burial fees	3,600	800	(2,800)	7,200
Total revenues	3,625	1,730	(1,895)	8,379
EXPENDITURES				
Current:				
Maintenance	30,125	3,610	26,515	2,727
Total expenditures	30,125	3,610	26,515	2,727
Net change in fund balance	<u>\$ -</u>	(1,880)	<u>\$ (1,880)</u>	5,652
Fund Balances:				
Fund balances - beginning		65,676		60,024
Fund balances - ending		<u>\$ 63,796</u>		<u>\$ 65,676</u>

NONMAJOR ENTERPRISE FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2025

	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	Grays Creek Water and Sewer District Fund	Total Non-major Enterprise Funds
ASSETS							
Current assets:							
Cash and investments	\$ 608,497	\$ 2,336,459	\$ 371,026	\$ 128,151	\$ 4,857,085	\$ 1,000,407	\$ 9,301,625
Other receivables	52,815	236,408	16,975	79,163	-	-	385,361
Total current assets	661,312	2,572,867	388,001	207,314	4,857,085	1,000,407	9,686,986
Noncurrent assets:							
Capital assets:							
Assets not being depreciated	-	261,125	-	16,923	14,955	2,741,140	3,034,143
Assets being depreciated, net	1,400,536	4,918,589	331,196	3,835,287	-	-	10,485,608
Cash and investments - restricted	-	-	-	141,453	-	-	141,453
Total noncurrent assets	1,400,536	5,179,714	331,196	3,993,663	14,955	2,741,140	13,661,204
Total assets	2,061,848	7,752,581	719,197	4,200,977	4,872,040	3,741,547	23,348,190
LIABILITIES							
Current liabilities:							
Accounts payable	4,284	213,157	3,502	2,143	-	1,000,407	1,223,493
Interest payable	-	3,018	-	2,162	-	-	5,180
Other accrued liabilities	2,749	-	8,402	9,685	-	-	20,836
Current portion of long-term debt	-	30,000	4,996	27,000	-	-	61,996
Total current liabilities	7,033	246,175	16,900	40,990	-	1,000,407	1,311,505
Noncurrent liabilities:							
Long-term liabilities, less current portion	-	848,000	34,968	1,225,000	-	-	2,107,968
Total noncurrent liabilities	-	848,000	34,968	1,225,000	-	-	2,107,968
Total liabilities	7,033	1,094,175	51,868	1,265,990	-	1,000,407	3,419,473
NET POSITION							
Net investment in capital assets	1,400,536	4,301,714	291,232	2,600,210	14,955	2,741,140	11,349,787
Restricted							
Debt service	-	-	-	27,000	-	-	27,000
Project	-	-	-	114,453	-	-	114,453
Unrestricted (deficit)	654,279	2,356,692	376,097	193,324	4,857,085	-	8,437,477
Total net position	\$ 2,054,815	\$ 6,658,406	\$ 667,329	\$ 2,934,987	\$ 4,872,040	\$ 2,741,140	\$ 19,928,717

COUNTY OF CUMBERLAND, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	Nonmajor Funds						Total Nonmajor Enterprise Funds
	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	Grays Creek Water and Sewer District Fund	
OPERATING REVENUES:							
Charges for services	\$ 116,118	\$ 618,026	\$ 67,479	\$ 166,016	\$ -	\$ -	\$ 967,639
Total operating revenues	116,118	618,026	67,479	166,016	-	-	967,639
OPERATING EXPENSES:							
Utilities	-	523,215	10,846	54,742	-	-	588,803
Repairs and maintenance	21,737	150,312	5,138	-	-	1,664	178,851
Administrative costs	4,259	74,130	6,736	7,570	-	-	92,695
Depreciation	60,893	216,866	10,811	101,658	-	-	390,228
Total operating expenses	86,889	964,523	33,531	163,970	-	1,664	1,250,577
Operating income (loss)	29,229	(346,497)	33,948	2,046	-	(1,664)	(282,938)
NONOPERATING REVENUES (EXPENSES):							
Investment earnings	7,914	11,061	4,951	3,994	-	-	27,920
Interest and other charges	-	(37,314)	-	(26,438)	-	-	(63,752)
Miscellaneous revenue	-	435,956	-	-	-	-	435,956
Total nonoperating revenues (expenses)	7,914	409,703	4,951	(22,444)	-	-	400,124
Income (loss) before capital contributions and transfers	37,143	63,206	38,899	(20,398)	-	(1,664)	117,186
Transfers:							
Transfers from other funds	-	1,310,000	-	-	4,860,000	2,742,804	8,912,804
Changes in net position	37,143	1,373,206	38,899	(20,398)	4,860,000	2,741,140	9,029,990
Net position – beginning	2,017,672	5,285,200	628,430	2,955,385	12,040	-	10,898,727
Net position – ending	\$ 2,054,815	\$ 6,658,406	\$ 667,329	\$ 2,934,987	\$ 4,872,040	\$ 2,741,140	\$ 19,928,717

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	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	Grays Creek Water and Sewer District Fund	Total Non-major Enterprise Funds
Cash flows from operating activities:							
Cash received from customers, users and others	\$ 107,480	\$ 535,126	\$ 64,282	\$ 144,441	\$ -	\$ -	\$ 851,329
Cash paid for goods and services	(21,850)	(573,558)	(20,030)	(64,864)	-	998,743	318,441
Net cash flows from operating activities	85,630	(38,432)	44,252	79,577	-	998,743	1,169,770
Cash flows from noncapital financing activities:							
Receipts from miscellaneous sources	-	435,956	-	-	-	-	435,956
Transfers from other funds	-	1,310,000	-	-	4,860,000	2,742,804	8,912,804
Net cashflows from non-capital							
Net cash flows from non-capital financing activities	-	1,745,956	-	-	4,860,000	2,742,804	9,348,760
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	-	(163,718)	-	-	(2,915)	(2,741,140)	(2,907,773)
Principal paid on debt	-	(29,000)	(4,996)	(26,000)	-	-	(59,996)
Interest and other charges paid on debt	-	(37,414)	-	(26,483)	-	-	(63,897)
Net cash flows from capital and related financing activities	-	(230,132)	(4,996)	(52,483)	(2,915)	(2,741,140)	(3,031,666)
Cash flows from investing activities:							
Interest earned	7,914	11,061	4,951	3,994	-	-	27,920
Net cash provided by investing activities	7,914	11,061	4,951	3,994	-	-	27,920
Net change in cash and cash equivalents	93,544	1,488,453	44,207	31,088	4,857,085	1,000,407	7,514,784
Cash and cash equivalents, beginning	514,953	848,006	326,819	238,516	-	-	1,928,294
Cash and cash equivalents, ending	\$ 608,497	\$ 2,336,459	\$ 371,026	\$ 269,604	\$ 4,857,085	\$ 1,000,407	\$ 9,443,078

(Continued)

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	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	Grays Creek Water and Sewer District Fund	Total Non-major Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 29,229	\$ (346,497)	\$ 33,948	\$ 2,046	\$ -	\$ (1,664)	\$ (282,938)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:							
Depreciation and amortization	60,893	216,866	10,811	101,658	-	-	390,228
(Increase) decrease in accounts receivable	(8,638)	(82,900)	(3,197)	(21,575)	-	-	(116,310)
Increase (decrease) in accounts payable	3,746	174,099	2,290	(2,037)	-	1,000,407	1,178,505
Increase (decrease) in other accrued liabilities	400	-	400	(515)	-	-	285
Total adjustments	56,401	308,065	10,304	77,531	-	1,000,407	1,452,708
Net cash provided by (used in) operating activities	<u>\$ 85,630</u>	<u>\$ (38,432)</u>	<u>\$ 44,252</u>	<u>\$ 79,577</u>	<u>\$ -</u>	<u>\$ 998,743</u>	<u>\$ 1,169,770</u>
Reconciliation of cash and cash equivalents:							
Cash and investments:							
Unrestricted	\$ 608,497	\$ 2,336,459	\$ 371,026	\$ 128,151	\$ 4,857,085	\$ 1,000,407	\$ 9,301,625
Restricted	-	-	-	141,453	-	-	141,453
Total cash and cash equivalents	<u>\$ 608,497</u>	<u>\$ 2,336,459</u>	<u>\$ 371,026</u>	<u>\$ 269,604</u>	<u>\$ 4,857,085</u>	<u>\$ 1,000,407</u>	<u>\$ 9,443,078</u>

Concluded

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CUMBERLAND COUNTY SOLID WASTE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025		Variance Positive (Negative)	2024
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 5,373,200	\$ 6,719,417	\$ 1,346,217	\$ 5,480,280
Solid waste fees	14,034,000	14,049,976	15,976	9,975,149
Other operating revenue	300,000	86,378	(213,622)	165,835
Total operating revenues	19,707,200	20,855,771	1,148,571	15,621,264
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	599,550	683,447	83,897	820,836
Miscellaneous	12,730	16,016	3,286	10,324
Grant revenue	4,592,253	1,554,255	(3,037,998)	795,388
Capital contributions	-	68,500	68,500	-
Transfers in	14,292,211	-	(14,292,211)	-
Total nonoperating revenues and other financing sources				
(uses)	19,496,744	2,322,218	(17,174,526)	1,626,548
Fund balance appropriated	12,765,292	-	(12,765,292)	-
Total revenues, other financing sources, and fund balance appropriations	\$ 51,969,236	\$ 23,177,989	\$ (28,791,247)	\$ 17,247,812
OPERATING EXPENDITURES				
Salaries and employee benefits	\$ 5,162,020	\$ 4,678,797	\$ 483,223	\$ 4,343,820
Utilities	395,265	275,303	119,962	228,365
Repairs and maintenance	1,889,680	1,622,382	267,298	1,607,792
Administrative costs	11,322,879	8,203,595	3,119,284	5,314,782
Landfill closure and postclosure care costs	5,458,343	1,152,448	4,305,895	648,438
Total expenditures	24,228,187	15,932,525	8,295,662	12,143,197
OTHER OPERATING AND FINANCING USES				
Capital outlay	27,491,049	2,797,189	24,693,860	6,172,835
Transfers to other funds	250,000	-	(250,000)	-
Total other expenditures and financing uses	27,741,049	2,797,189	24,443,860	6,172,835
Total expenditures and other financing uses	\$ 51,969,236	\$ 18,729,714	\$ 32,739,522	\$ 18,316,032
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 23,177,989		
Total expenditures and other financing uses		18,729,714		
		4,448,275		
Capital outlay		2,797,189		
Depreciation		(2,338,181)		
Pension expense		(156,294)		
OPEB expense		468,058		
Change in net position		\$ 5,219,047		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CUMBERLAND COUNTY CROWN CENTER FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Charges for services	\$ 6,326,899	\$ 2,586,619	\$ (3,740,280)	\$ 2,457,599
Total operating revenues	6,326,899	2,586,619	(3,740,280)	2,457,599
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	158,463	284,306	125,843	278,389
Room and occupancy tax	2,193,971	2,109,653	(84,318)	2,063,305
Grant revenue	275,000	275,000	-	22,935
Issuance of debt	144,455,422	-	(144,455,422)	-
Transfers in	11,830,891	24,545,478	12,714,587	11,441,631
Total nonoperating revenues and other financing sources				
(uses)	158,913,747	27,214,437	(131,699,310)	13,806,260
Fund balance appropriated	8,433,575	-	(8,433,575)	-
Total revenues, other financing sources, and fund balance appropriations	<u>\$ 173,674,221</u>	<u>\$ 29,801,056</u>	<u>\$ (143,873,165)</u>	<u>\$ 16,263,859</u>
OPERATING EXPENDITURES				
Repairs and maintenance	\$ 1,021,805	\$ 293,670	\$ 728,135	\$ 54,862
Global Spectrum, LP	5,647,082	5,528,729	118,353	5,512,391
Administrative costs	423,172	249,055	174,117	247,413
Total expenditures	7,092,059	6,071,454	1,020,605	5,814,666
OTHER OPERATING AND FINANCING USES				
Principal payments	2,837,031	2,837,030	1	4,064,571
Interest and other charges	54,363	86,660	(32,297)	182,196
Bond issuance costs	541,210	-	541,210	-
Capital outlay	162,925,619	10,173,901	152,751,718	7,102,586
Transfers to other funds	223,939	-	223,939	-
Total other expenditures and financing uses	166,582,162	13,097,591	153,484,571	11,349,353
Total expenditures and other financing uses	<u>\$ 173,674,221</u>	<u>\$ 19,169,045</u>	<u>\$ 154,505,176</u>	<u>\$ 17,164,019</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 29,801,056		
Total expenditures and other financing uses		19,169,045		
		10,632,011		
Capital outlay		10,173,901		
Depreciation		(2,169,536)		
Principal payments		2,837,030		
Change in net position		<u>\$ 21,473,406</u>		

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - SOLID WASTE PROJECT FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ 64,550	\$ 5,778	\$ -	\$ 929	\$ 6,707
Total revenues	64,550	5,778	-	929	6,707
EXPENDITURES					
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	-	1,087,062	-	293,209	1,380,271
Total expenditures	15,478,137	15,616,926	-	293,209	15,910,135
Revenues over (under) expenditures	(15,413,587)	(15,611,148)	-	(292,280)	(15,903,428)
OTHER FINANCING SOURCES (USES)					
Grant revenues	1,526,056	1,201,818	-	273,485	1,475,303
Transfers from other funds	14,137,531	13,546,307	-	-	13,546,307
Transfers to other funds	(250,000)	(250,000)	-	-	(250,000)
Total other financing sources (uses)	15,413,587	14,498,125	-	273,485	14,771,610
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (1,113,023)	\$ -	\$ (18,795)	\$ (1,131,818)

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - CROWN CAPITAL PROJECT FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ 513	\$ 509	\$ -	\$ -	\$ 509
Total revenues	513	509	-	-	509
EXPENDITURES					
Economic & Physical Development	7,717,820	7,759,027	-	-	7,759,027
Depreciation	-	1,016,232	-	208,490	1,224,722
Total expenditures	7,717,820	8,775,259	-	208,490	8,983,749
Revenues over (under) expenditures	(7,717,307)	(8,774,750)	-	(208,490)	(8,983,240)
OTHER FINANCING SOURCES (USES)					
Installment purchase revenue	6,326,899	4,384,958	-	-	4,384,958
Debt issuance costs	(41,210)	(41,209)	-	-	(41,209)
Transfers from other funds	1,655,557	1,655,557	-	-	1,655,557
Transfers to other funds	(223,939)	(223,938)	-	-	(223,938)
Total other financing sources (uses)	7,717,307	5,775,368	-	-	5,775,368
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (2,999,382)	\$ -	(208,490)	\$ (3,207,872)
Fund balances - beginning				6,728,868	
Fund balances - ending				<u>\$ 6,520,378</u>	

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - CROWN EVENT CENTER CAPITAL PROJECT FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Economic & Physical Development	143,955,422	23,000	-	12,050,759	12,073,759
Total expenditures	143,955,422	23,000	-	12,050,759	12,073,759
Revenues over (under) expenditures	(143,955,422)	(23,000)	-	(12,050,759)	(12,073,759)
OTHER FINANCING SOURCES (USES)					
Installment purchase revenue	144,455,422	-	-	-	-
Debt issuance costs	(500,000)	-	-	-	-
Transfers from other funds	2,500,000	2,500,000	-	14,370,144	16,870,144
Transfers to other funds	(2,500,000)	-	-	-	-
Total other financing sources (uses)	143,955,422	2,500,000	-	14,370,144	16,870,144
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 2,477,000</u>	<u>\$ -</u>	2,319,385	<u>\$ 4,796,385</u>
Fund balances - beginning				2,477,000	
Fund balances - ending				<u>\$ 4,796,385</u>	

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – KELLY HILLS WATER AND SEWER DISTRICT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Charges for services	\$ 122,971	\$ 116,118	\$ (6,853)	\$ 117,209
Total operating revenues	122,971	116,118	(6,853)	117,209
Nonoperating revenues				
Interest earned on investments	-	7,914	7,914	8,888
Total nonoperating revenues	-	7,914	7,914	8,888
Tota revenues	\$ 122,971	\$ 124,032	\$ 1,061	\$ 126,097
OPERATING EXPENDITURES				
Repairs and maintenance	\$ 73,446	\$ 21,737	\$ 51,709	\$ 34,305
Administrative costs	49,525	4,259	45,266	8,286
Total expenditures	\$ 122,971	\$ 25,996	\$ 96,975	\$ 42,591
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 124,032		
Total expenditures and other financing uses		25,996		
		98,036		
Depreciation		(60,893)		
Change in net position		\$ 37,143		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – NORCRESS WATER AND SEWER DISTRICT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Charges for services	\$ 1,092,191	\$ 618,026	\$ (474,165)	\$ 513,105
Total operating revenues	1,092,191	618,026	(474,165)	513,105
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	-	11,061	11,061	19,237
Miscellaneous revenue	400,000	435,956	35,956	-
Transfers in from other funds	1,310,000	1,310,000	-	-
Total nonoperating revenues and other financing sources				
(uses)	1,710,000	1,757,017	47,017	19,237
Fund balance appropriated	838,160	-	(838,160)	-
Total revenues, other financing sources, and fund balance appropriations	<u>\$ 3,640,351</u>	<u>\$ 2,375,043</u>	<u>\$ (1,265,308)</u>	<u>\$ 532,342</u>
OPERATING EXPENDITURES				
Utilities	\$ 635,300	\$ 523,215	\$ 112,085	\$ 492,570
Repairs and maintenance	2,767,953	150,312	2,617,641	197,812
Administrative costs	170,684	74,130	96,554	3,209
Total expenditures	3,573,937	747,657	2,826,280	693,591
OTHER OPERATING AND FINANCING USES				
Principal payments	29,000	-	(29,000)	27,000
Capital outlay	-	-	-	89,725
Interest and other charges	37,414	37,314	(100)	38,435
Total other expenditures and financing uses	66,414	37,314	(29,100)	155,160
Total expenditures and other financing uses	<u>\$ 3,640,351</u>	<u>\$ 784,971</u>	<u>\$ 2,797,180</u>	<u>\$ 848,751</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 2,375,043		
Total expenditures and other financing uses		784,971		
		1,590,072		
Depreciation		(216,866)		
Change in net position		<u>\$ 1,373,206</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SOUTHPOINT WATER AND SEWER DISTRICT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025		Variance Positive (Negative)	2024
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 51,019	\$ 67,479	\$ 16,460	\$ 67,613
Total operating revenues	51,019	67,479	16,460	67,613
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	-	4,951	4,951	5,680
Total nonoperating revenues	-	4,951	4,951	5,680
Total revenues and other financing sources	<u>\$ 51,019</u>	<u>\$ 72,430</u>	<u>\$ 21,411</u>	<u>\$ 73,293</u>
OPERATING EXPENDITURES				
Utilities	\$ 12,963	\$ 10,846	\$ 2,117	\$ 11,557
Repairs and maintenance	23,841	5,138	18,703	2,008
Administrative costs	9,219	6,736	2,483	5,844
Total expenditures	46,023	22,720	23,303	19,409
OTHER OPERATING AND FINANCING USES				
Principal payments	4,996.00	-	4,996	-
Total other expenditures and financing uses	4,996	-	4,996	-
Total expenditures and other financing uses	<u>\$ 51,019</u>	<u>\$ 22,720</u>	<u>\$ 28,299</u>	<u>\$ 19,409</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 72,430		
Total expenditures and other financing uses		22,720		
		49,710		
Depreciation		(10,811)		
Change in net position		<u>\$ 38,899</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – OVERHILLS WATER AND SEWER DISTRICT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025		Variance Positive Positive (Negative)	2024
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 364,119	\$ 166,016	\$ (198,103)	\$ 156,209
Total operating revenues	364,119	166,016	(198,103)	156,209
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	-	3,994	3,994	4,756
Total nonoperating revenues	-	3,994	3,994	4,756
Total revenues, other financing sources, and Total revenues and other financing sources	\$ 364,119	\$ 170,010	\$ (194,109)	\$ 160,965
OPERATING EXPENDITURES				
Utilities	\$ 69,900	\$ 54,742	\$ 15,158	\$ 49,688
Administrative costs	236,452	7,570	228,882	15,650
Total expenditures	306,352	62,312	244,040	65,338
OTHER OPERATING AND FINANCING USES				
Interest and other charges	26,483	26,438	45	26,973
Principal payments	26,000	-	26,000	-
Debt service reserve	5,284	-	5,284	-
Total other expenditures and financing uses	57,767	26,438	31,329	26,973
Total expenditures and other financing uses	\$ 364,119	\$ 88,750	\$ 275,369	\$ 92,311
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 170,010		
Total expenditures and other financing uses		88,750		
		81,260		
Depreciation		(101,658)		
Change in net position		\$ (20,398)		

INTERNAL SERVICE FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2025

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
ASSETS						
Current assets:						
Due from other governments	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 8
Other receivables	527,248	24	1,709	98	3,069	532,148
Inventories	541,620	-	-	-	-	541,620
Prepays	-	-	863,266	-	-	863,266
Total current assets	1,068,876	24	864,975	98	3,069	1,937,042
Noncurrent assets:						
Cash and investments - restricted	14,370,792	125,217	10,050,300	686,298	1,312,937	26,545,544
Total noncurrent assets	14,370,792	125,217	10,050,300	686,298	1,312,937	26,545,544
Total assets	15,439,668	125,241	10,915,275	686,396	1,316,006	28,482,586
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	274,984	-	82,214	-	-	357,198
OPEB related	-	-	13,261	-	-	13,261
Total deferred outflows of resources	274,984	-	95,475	-	-	370,459
LIABILITIES						
Current liabilities:						
Accounts payable	732,430	1,536	49,958	3,359	-	787,283
Incurred but not reported	2,313,000	-	3,622,800	-	-	5,935,800
Accrued payroll	31,303	-	13,192	-	-	44,495
Unearned revenue	553,688	-	-	-	-	553,688
Current portion of long-term debt	49,773	-	2,425	-	-	52,198
Total current liabilities	3,680,194	1,536	3,688,375	3,359	-	7,373,464
Noncurrent liabilities:						
Long-term liabilities, less current portion	585,754	-	289,408	-	-	875,162
Total noncurrent liabilities	585,754	-	289,408	-	-	875,162
Total liabilities	4,265,948	1,536	3,977,783	3,359	-	8,248,626
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	139,497	-	61,100	-	-	200,597
OPEB related	10,124	-	-	-	-	10,124
Total deferred inflows of resources	149,621	-	61,100	-	-	210,721
NET POSITION						
Restricted						
Claims	14,370,792	125,217	10,050,300	686,298	1,312,937	26,545,544
Unrestricted	(3,071,709)	(1,512)	(3,078,433)	(3,261)	3,069	(6,151,846)
Total net position	\$ 11,299,083	\$ 123,705	\$ 6,971,867	\$ 683,037	\$ 1,316,006	\$ 20,393,698

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2025

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
OPERATING REVENUES						
Contributions - Group health insurance	\$ 27,730,542	\$ -	\$ -	\$ -	\$ -	\$ 27,730,542
Contributions	244,038	455,422	2,636,856	-	1,275,500	4,611,816
Pharmacy services	6,219,578	-	-	-	-	6,219,578
Total operating revenues	34,194,158	455,422	2,636,856	-	1,275,500	38,561,936
OPERATING EXPENSES						
Contracted Services	-	20,057	-	-	-	20,057
Salaries and employee benefits	725,124	448,301	292,188	-	-	1,465,613
Group health insurance	27,832,628	-	-	-	-	27,832,628
Administrative costs	63,607	-	33,346	93,869	1,087,586	1,278,408
Employee pharmacy	6,256,459	-	-	-	-	6,256,459
Employee clinic	101,373	-	-	-	-	101,373
Workers' compensation claims	-	-	1,174,551	-	-	1,174,551
Total operating expenses	34,979,191	468,358	1,500,085	93,869	1,087,586	38,129,089
Operating income (loss)	(785,033)	(12,936)	1,136,771	(93,869)	187,914	432,847
NONOPERATING REVENUES (EXPENSES)						
Interest earned on investments	180,622	332	127,301	8,963	2,427	319,645
Total nonoperating revenues (expenses)	180,622	332	127,301	8,963	2,427	319,645
Income (loss) before capital contributions and transfers	(604,411)	(12,604)	1,264,072	(84,906)	190,341	752,492
Transfers:						
Transfers in	21,989	25,000	-	100,000	-	146,989
Transfers out	(25,000)	-	-	-	-	(25,000)
Total transfers	(3,011)	25,000	-	100,000	-	121,989
Changes in net position	(607,422)	12,396	1,264,072	15,094	190,341	874,481
Total net position, beginning	11,918,467	111,309	5,714,086	667,943	1,125,665	19,537,470
Change in accounting principles	(11,962)	-	(6,291)	-	-	(18,253)
Net position – beginning, as adjusted	11,906,505	111,309	5,707,795	667,943	1,125,665	19,519,217
Total net position, ending	\$ 11,299,083	\$ 123,705	\$ 6,971,867	\$ 683,037	\$ 1,316,006	\$ 20,393,698

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2025

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
Cash flows from operating activities:						
Cash received from customers, users and others	\$ 28,033,541	\$ 455,404	\$ 2,636,948	\$ (50)	\$ 1,272,524	\$ 32,398,367
Cash received (paid) for goods and services	6,773,266	-	-	-	-	6,773,266
Cash paid for claims	(34,433,051)	(19,977)	(1,442,122)	(108,444)	(1,088,586)	(37,092,180)
Cash paid to employees for services	(689,760)	(448,301)	(308,247)	-	-	(1,446,308)
Net cash flows from operating activities	(316,004)	(12,874)	886,579	(108,494)	183,938	633,145
Cash flows from noncapital financing activities:						
Transfers from other funds	21,989	25,000	-	100,000	-	146,989
Transfers to other funds	(25,000)	-	-	-	-	(25,000)
Net cash flows from non-capital financing activities	(3,011)	25,000	-	100,000	-	121,989
Cash flows from investing activities:						
Interest earned	180,622	332	127,301	8,963	2,427	319,645
Net cash flows from investing activities	180,622	332	127,301	8,963	2,427	319,645
Net change in cash and cash equivalents	(138,393)	12,458	1,013,880	469	186,365	1,074,779
Cash and cash equivalents - beginning	14,509,185	112,759	9,036,420	685,829	1,126,572	25,470,765
Cash and cash equivalents - ending	<u>\$ 14,370,792</u>	<u>\$ 125,217</u>	<u>\$ 10,050,300</u>	<u>\$ 686,298</u>	<u>\$ 1,312,937</u>	<u>\$ 26,545,544</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating income (loss)	\$ (785,033)	\$ (12,936)	\$ 1,136,771	\$ (93,869)	\$ 187,914	\$ 432,847
Adjustments to reconcile operating income (loss) to net cash flows from operating activities: operating activities:						
(Increase) decrease in accounts receivable	58,969	(18)	92	(50)	(2,976)	56,017
(Increase) decrease in due from other governments	(8)	-	-	-	-	(8)
(Increase) decrease in inventories and prepaids	(181,395)	-	(280,189)	-	-	(461,584)
(Increase) decrease in deferred outflows of resources for pensions	18,594	-	18,651	-	-	37,245
(Increase) decrease in deferred outflows of resources for OPEB	10,204	-	10,134	-	-	20,338
Increase (decrease) in accounts payable	2,411	80	45,964	(14,575)	(1,000)	32,880
Increase (decrease) in other accrued liabilities	8,368	-	2,899	-	-	11,267
Increase (decrease) in unearned revenue	553,688	-	-	-	-	553,688
Increase (decrease) in long-term debt	(56,302)	-	(47,455)	-	-	(103,757)
Increase (decrease) in estimated claims payable	45,000	-	-	-	-	45,000
Increase (decrease) in deferred inflows of resources for OPEB	10,124	-	-	-	-	10,124
Increase (decrease) in deferred inflows of resources for pensions	(624)	-	(288)	-	-	(912)
Total adjustments	469,029	62	(250,192)	(14,625)	(3,976)	200,298
Net cash provided by (used in) operating activities	<u>\$ (316,004)</u>	<u>\$ (12,874)</u>	<u>\$ 886,579</u>	<u>\$ (108,494)</u>	<u>\$ 183,938</u>	<u>\$ 633,145</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GROUP INSURANCE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025		Variance Positive (Negative)	2024
	Budget	Actual		
OPERATING REVENUES				
Contributions - Group health insurance	\$ 29,147,327	\$ 27,730,542	\$ (1,416,785)	\$ 30,415,001
Contributions	558,557	244,038	(314,519)	-
Pharmacy services	6,480,457	6,219,578	(260,879)	5,214,490
Total operating revenues	36,186,341	34,194,158	(1,992,183)	35,629,491
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	160,500	180,622	20,122	230,945
Total nonoperating revenues and other financing sources (uses)	160,500	180,622	20,122	230,945
Fund balance appropriated	3,007,101	-	(3,007,101)	-
Transfers In	21,989	21,989	-	-
Total revenues, other financing sources, and fund balance appropriations	<u>\$ 39,375,931</u>	<u>\$ 34,396,769</u>	<u>\$ (4,979,162)</u>	<u>\$ 35,860,436</u>
OPERATING EXPENDITURES				
Salaries and employee benefits	\$ 810,959	\$ 752,727	\$ 58,232	\$ -
Group health insurance	31,599,888	27,832,628	3,767,260	27,943,260
Administrative costs	19,927	63,607	(43,680)	-
Employee pharmacy	6,795,824	6,256,459	539,365	5,973,822
Employee clinic	124,333	101,373	22,960	740,749
Employee wellness	-	-	-	102,699
Total expenditures	39,350,931	35,006,794	4,344,137	34,760,530
OTHER OPERATING AND FINANCING USES				
Transfers to other funds	25,000	25,000	-	25,000
Total other expenditures and financing uses	25,000	25,000	-	25,000
Total expenditures and other financing uses	<u>\$ 39,375,931</u>	<u>\$ 35,031,794</u>	<u>\$ 4,344,137</u>	<u>\$ 34,785,530</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 34,396,769		
Total expenditures and other financing uses		35,031,794		
		(635,025)		
Change in net pension liability		(1,099)		
Change in deferred outflows of resources - pensions		(18,594)		
Change in deferred inflows of resources - pensions		624		
Change in net OPEB liability		67,000		
Change in deferred outflows of resources - OPEB		(10,204)		
Change in deferred inflows of resources - OPEB		(10,124)		
Change in net position		<u>\$ (607,422)</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – EMPLOYEE FLEXIBLE BENFIT FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Contributions	\$ 435,000	\$ 455,422	\$ 20,422	\$ 399,945
Total operating revenues	435,000	455,422	20,422	399,945
OTHER FINANCING SOURCES				
Interest earned on investments	150	332	182	316
Transfers from other funds	25,000	25,000	-	25,000
Total other financing sources	25,150	25,332	182	25,316
Total revenues and other financing sources	\$ 460,150	\$ 480,754	\$ 20,604	\$ 425,261
OPERATING EXPENDITURES				
Contracted Services	\$ 25,000	\$ 20,057	\$ 4,943	\$ 19,010
Salaries and employee benefits	435,150	448,301	(13,151)	387,111
Total expenditures	\$ 460,150	\$ 468,358	\$ (8,208)	\$ 406,121
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 480,754		
Total expenditures and other financing uses		468,358		
		12,396		
Change in net position		\$ 12,396		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – WORKERS' COMPENSATION FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Contributions	\$ 2,990,258	\$ 2,636,856	\$ (353,402)	\$ 2,523,241
Total operating revenues	<u>2,990,258</u>	<u>2,636,856</u>	<u>(353,402)</u>	<u>2,523,241</u>
OTHER FINANCING SOURCES				
Interest earned on investments	75,000	127,301	52,301	152,632
Total other financing sources	<u>75,000</u>	<u>127,301</u>	<u>52,301</u>	<u>152,632</u>
Total revenues and other financing sources	<u>\$ 3,065,258</u>	<u>\$ 2,764,157</u>	<u>\$ (301,101)</u>	<u>\$ 2,675,873</u>
OPERATING EXPENDITURES				
Salaries and employee benefits	\$ 404,120	\$ 296,586	\$ 107,534	\$ 325,858
Administrative costs	50,220	33,346	16,874	35,246
Workers' compensation claims	2,625,145	1,174,551	1,450,594	837,432
Total expenditures	<u>\$ 3,079,485</u>	<u>\$ 1,504,483</u>	<u>\$ 1,575,002</u>	<u>\$ 1,198,536</u>
OTHER OPERATING AND FINANCING USES				
Transfers from other funds	\$ (14,227)	\$ -	\$ 14,227	\$ -
Total other expenditures and financing uses	<u>(14,227)</u>	<u>-</u>	<u>14,227</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 3,065,258</u>	<u>\$ 1,504,483</u>	<u>\$ 1,589,229</u>	<u>\$ 1,198,536</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 2,764,157		
Total expenditures and other financing uses		<u>1,504,483</u>		
		1,259,674		
Change in net pension liability		(508)		
Change in deferred outflows of resources - pensions		(18,651)		
Change in deferred inflows of resources - pensions		288		
Change in net OPEB liability		33,403		
Change in deferred outflows of resources - OPEB		<u>(10,134)</u>		
Change in net position		<u>\$ 1,264,072</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL LITIGATION FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
NONOPERATING REVENUES AND OTHER FINANCING SOURCES				
Interest earned on investments	\$ 8,000	\$ 8,963	\$ 963	\$ 12,411
Transfers from other funds	100,000	100,000	-	100,000
Total nonoperating revenues and other financing sources				
(uses)	108,000	108,963	963	112,411
Fund balance appropriated	75,000	-	(75,000)	-
Total revenues, other financing sources, and fund balance appropriations	<u>\$ 183,000</u>	<u>\$ 108,963</u>	<u>\$ (74,037)</u>	<u>\$ 112,411</u>
OPERATING EXPENDITURES				
Administrative costs	\$ 183,000	\$ 93,869	\$ 89,131	\$ 170,682
Total expenditures	<u>\$ 183,000</u>	<u>\$ 93,869</u>	<u>\$ 89,131</u>	<u>\$ 170,682</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 108,963		
Total expenditures and other financing uses		93,869		
		<u>15,094</u>		
Change in net position		<u>\$ 15,094</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – VEHICLE INSURANCE FUND

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Contributions	\$ 1,275,000	\$ 1,275,500	\$ 500	\$ 1,196,397
Total operating revenues	<u>1,275,000</u>	<u>1,275,500</u>	<u>500</u>	<u>1,196,397</u>
NONOPERATING REVENUES				
Interest earned on investments	-	2,427	2,427	12,636
Total nonoperating revenues	<u>-</u>	<u>2,427</u>	<u>2,427</u>	<u>12,636</u>
Total revenues	<u>\$ 1,275,000</u>	<u>\$ 1,277,927</u>	<u>\$ 2,927</u>	<u>\$ 1,209,033</u>
OPERATING EXPENDITURES				
Administrative costs	\$ 1,275,000	\$ 1,087,586	\$ 187,414	\$ 972,069
Total expenditures	<u>\$ 1,275,000</u>	<u>\$ 1,087,586</u>	<u>\$ 187,414</u>	<u>\$ 972,069</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 1,277,927		
Total expenditures and other financing uses		<u>1,087,586</u>		
		<u>190,341</u>		
Change in net position		<u>\$ 190,341</u>		

CUSTODIAL FUNDS

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

JUNE 30, 2025

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Total Custodial Funds
ASSETS					
Cash and investments - restricted	\$ 124,125	\$ 184,027	\$ 25,403	\$ -	\$ 333,555
Taxes receivable	1,723,829	-	-	-	1,723,829
Due from other governments	1,561,579	-	-	-	1,561,579
Total assets	<u>3,409,533</u>	<u>184,027</u>	<u>25,403</u>	<u>-</u>	<u>3,618,963</u>
LIABILITIES					
Accounts payable	1,673,231	-	-	-	1,673,231
Due to other governments	4,701	-	-	-	4,701
Reserve for taxes receivable	1,928,116	-	-	-	1,928,116
Due to other funds	3,143	-	-	165	3,308
Total liabilities	<u>3,609,191</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>3,609,356</u>
NET POSITION					
Restricted					
Individuals and organizations	-	184,027	25,403	-	209,430
Unassigned	(199,658)	-	-	(165)	(199,823)
Total net position	<u>\$ (199,658)</u>	<u>\$ 184,027</u>	<u>\$ 25,403</u>	<u>\$ (165)</u>	<u>\$ 9,607</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

YEAR ENDED JUNE 30, 2025

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Total Custodial Funds
ADDITIONS					
Ad valorem taxes for other governments	\$ 141,130,137	\$ -	\$ 60	\$ -	\$ 141,130,197
Collections on behalf of inmates and other governments	-	1,315,025	-	-	1,315,025
Total additions	141,130,137	1,315,025	60	-	142,445,222
DEDUCTIONS					
Tax distributions to other governments	141,290,214	-	-	-	141,290,214
Payments on behalf of inmates	-	1,308,310	-	-	1,308,310
Total deductions	141,290,214	1,308,310	-	-	142,598,524
Net change in fiduciary net position	(160,077)	6,715	60	-	(153,302)
Total net position, beginning	(39,581)	177,312	25,343	(165)	162,909
Total net position, ending	<u>\$ (199,658)</u>	<u>\$ 184,027</u>	<u>\$ 25,403</u>	<u>\$ (165)</u>	<u>\$ 9,607</u>

DISCRETE COMPONENT UNITS

EASTOVER SANITARY DISTRICT

COUNTY OF CUMBERLAND, NORTH CAROLINA
DISCRETELY PRESENTED COMPONENT UNIT
EASTOVER SANITARY DISTRICT
STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

Current assets:	
Cash and investments	\$ 4,650,685
Receivables (net of allowance for uncollectibles):	
Accounts receivable	280,687
Other receivables	51,450
Total current assets	<u>4,982,822</u>
Noncurrent assets:	
Cash and investments – restricted	335,076
Assets not being depreciated	109,799
Assets being depreciated, net	16,564,049
Total noncurrent assets	<u>17,008,924</u>
Total assets	<u>21,991,746</u>

LIABILITIES

Current liabilities:	
Accounts payable	137,223
Current portion of long-term debt	407,653
Other accrued liabilities	28,454
Accrued interest payable	31,627
Total current liabilities	<u>604,957</u>
Noncurrent liabilities:	
Long-term liabilities, less current portion	<u>9,605,687</u>
Total noncurrent liabilities	<u>9,605,687</u>
Total liabilities	<u>10,210,644</u>

NET POSITION

Net investment in capital assets	6,677,646
Restricted for:	
Debt service	335,076
Capital	802,000
Facility Investment Fee	117,774
Unrestricted	<u>3,848,606</u>
Total net position	<u>\$ 11,781,102</u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
EASTOVER SANITARY DISTRICT

YEAR ENDED JUNE 30, 2025

OPERATING REVENUES:

Charges for services	\$ 3,024,493
Total operating revenues	<u>3,024,493</u>

OPERATING EXPENSES:

Salaries and employee benefits	308,596
Utilities	24,917
Repairs and maintenance	85,281
Administrative costs	237,223
Bulk water purchases	594,367
Sewer treatment	202,173
Contracted services	589,738
Depreciation	<u>580,900</u>
Total operating expenses	<u>2,623,195</u>
Operating income (loss)	<u>401,298</u>

NONOPERATING REVENUES (EXPENSES):

Intergovernmental	246,746
Investment earnings	73,578
Interest and other charges	(400,346)
Miscellaneous revenue	<u>24,890</u>
Total nonoperating revenues (expenses)	<u>(55,132)</u>
Changes in net position	346,166
Net position – beginning	<u>11,438,063</u>
Change in accounting principles	(3,127)
Net position – beginning, as adjusted	<u>11,434,936</u>
Net position – ending	<u><u>\$ 11,781,102</u></u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
EASTOVER SANITARY DISTRICT

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Cash received from customers	\$ 2,977,130
Cash paid for goods and services	(1,716,430)
Cash paid to employees for services	(305,865)
Net cash flows from operating activities	<u>954,835</u>

Cash flows from noncapital financing activities:

Receipts from operating grants and other sources	<u>271,636</u>
Net cashflows from non-capital	
Net cash flows from non-capital financing activities	<u>271,636</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(31,984)
Principal paid on debt	(377,687)
Interest and other charges paid on debt	(401,494)
Net cash flows from capital and related financing activities	<u>(811,165)</u>

Cash flows from investing activities:

Interest earned	<u>73,578</u>
Net cash provided by investing activities	<u>73,578</u>

Net change in cash and cash equivalents	488,884
Cash and cash equivalents, beginning	<u>4,496,877</u>
Cash and cash equivalents, ending	<u>\$ 4,985,761</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:

Operating income (loss)	<u>\$ 401,298</u>
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
Depreciation and amortization	580,900
(Increase) decrease in accounts receivable	4,000
(Increase) decrease in other receivable	(51,363)
Increase (decrease) in accounts payable	15,697
Increase (decrease) in accrued expenses	1,572
Increase (decrease) in compensated absences	<u>2,731</u>
Total adjustments	<u>553,537</u>
Net cash provided by (used in) operating activities	<u>\$ 954,835</u>

Reconciliation of cash and cash equivalents:

Cash and investments:	
Unrestricted	\$ 4,650,685
Restricted	335,076
Total cash and cash equivalents	<u>\$ 4,985,761</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – EASTOVER SANITARY DISTRICT

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Charges for services	\$ 2,674,000	\$ 3,024,493	\$ 350,493	\$ 2,816,077
Total operating revenues	2,674,000	3,024,493	350,493	2,816,077
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	45,000	73,578	28,578	88,627
Grant revenue	383,000	246,746	(136,254)	-
Miscellaneous	2,500	24,890	22,390	37,008
Bond anticipation note sale		-	-	-
Transfers in		-	-	-
Total nonoperating revenues and other financing sources				
(uses)	430,500	345,214	(85,286)	125,635
Fund balance appropriated	653,746	-	(653,746)	-
Total revenues, other financing sources, and fund balance appropriations	\$ 3,758,246	\$ 3,369,707	\$ (388,539)	\$ 2,941,712
OPERATING EXPENDITURES				
Salaries and employee benefits	\$ 367,332	\$ 308,596	\$ 58,736	\$ 247,855
Utilities	23,000	24,917	(1,917)	24,702
Repairs and maintenance	190,000	85,281	104,719	116,020
Administrative costs	467,412	237,223	230,189	189,191
Bulk water purchases	585,073	594,367	(9,294)	608,703
Sewer treatment	266,401	202,173	64,228	205,508
Contracted services	1,073,208	589,738	483,470	370,340
Total expenditures	2,972,426	2,042,295	930,131	1,762,319
OTHER OPERATING AND FINANCING USES				
Capital outlay		-	-	-
Debt service & interest	785,820	400,346	385,474	415,179
Debt issuance costs		-	-	-
Total other expenditures and financing uses	785,820	400,346	385,474	415,179
Total expenditures and other financing uses	\$ 3,758,246	\$ 2,442,641	\$ 1,315,605	\$ 2,177,498
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 3,369,707		
Total expenditures and other financing uses		2,442,641		
		927,066		
Depreciation		(580,900)		
Change in net position		\$ 346,166		

CUMBERLAND COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - EASTOVER SANITARY DISTRICT
CAPITAL PROJECT FUND FUND

FOR YEAR ENDED JUNE 30, 2025

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	154	154	-	-	154
Total revenues	154	154	-	-	154
EXPENDITURES					
Water and sewer	32,074	32,074	-	-	32,074
Buildings	1,498,236	1,638,700	-	-	1,638,700
Total expenditures	1,530,310	1,670,774	-	-	1,670,774
Revenues over (under) expenditures	(1,530,156)	(1,670,620)	-	-	(1,670,620)
OTHER FINANCING SOURCES (USES)					
Interest expense	(22,043)	(22,042)	-	-	(22,042)
Bond anticipation note sale	1,400,000	-	-	-	-
Debt issuance costs	(25,000)	(25,090)	-	-	(25,090)
Transfers from other funds	325,924	325,924	-	-	325,924
Transfers to other funds	(148,725)	(148,724)	-	-	(148,724)
Total other financing sources (uses)	1,530,156	130,068	-	-	130,068
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (1,540,552)	\$ -	-	\$ (1,540,552)
Fund balances - beginning				(2,999,382)	
Fund balances - ending				<u>\$ (2,999,382)</u>	

TOURISM DEVELOPMENT AUTHORITY

COUNTY OF CUMBERLAND, NORTH CAROLINA
DISCRETELY PRESENTED COMPONENT UNIT
TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

Current assets:

Cash and investments	\$	6,511,713
Receivables (net of allowance for uncollectibles):		
Other receivables		<u>1,050</u>
Total current assets		<u>6,512,763</u>
Total assets		<u>6,512,763</u>

LIABILITIES

Current liabilities:

Accounts payable		<u>542,685</u>
Total current liabilities		<u>542,685</u>
Total liabilities		<u>542,685</u>

NET POSITION

Unrestricted		<u>5,970,078</u>
Total net position	\$	<u><u>5,970,078</u></u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
TOURISM DEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2025

OPERATING REVENUES:

Occupancy taxes	\$ 8,621,032
Total operating revenues	<u>8,621,032</u>

OPERATING EXPENSES:

Cultural and recreational	<u>7,800,444</u>
Total operating expenses	<u>7,800,444</u>
Operating income (loss)	<u>820,588</u>

NONOPERATING REVENUES (EXPENSES):

Intergovernmental	
Investment earnings	62,404
Miscellaneous revenue	<u>1,795,691</u>
Total nonoperating revenues (expenses)	<u>1,858,095</u>
Changes in net position	2,678,683
Net position – beginning	<u>3,291,395</u>
Net position – ending	<u><u>\$ 5,970,078</u></u>

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF CASH FLOWS
TOURISM DEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Cash received from customers	\$ 8,620,277
Cash paid to employees for services	(8,105,465)
Net cash flows from operating activities	<u>514,812</u>

Cash flows from noncapital financing activities:

Receipts from operating grants	<u>1,795,691</u>
Net cashflows from non-capital	
Net cash flows from non-capital financing activities	<u>1,795,691</u>

Cash flows from investing activities:

Interest earned	<u>62,404</u>
Net cash provided by investing activities	<u>62,404</u>

Net change in cash and cash equivalents	2,372,907
Cash and cash equivalents, beginning	<u>4,138,806</u>
Cash and cash equivalents, ending	<u>\$ 6,511,713</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED BY (USED FOR) OPERATING ACTIVITIES:**

Operating income (loss)	<u>\$ 820,588</u>
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable	(755)
Increase (decrease) in accounts payable	<u>(305,021)</u>
Total adjustments	<u>(305,776)</u>
Net cash provided by (used in) operating activities	<u>\$ 514,812</u>

Reconciliation of cash and cash equivalents:

Cash and investments:	
Unrestricted	<u>\$ 6,511,713</u>
Total cash and cash equivalents	<u>\$ 6,511,713</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – TOURISM DEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025			
	Budget	Actual	Variance Positive (Negative)	2024
OPERATING REVENUES				
Charges for services	\$ 8,976,047	\$ 8,621,032	\$ (355,015)	\$ 8,431,856
Total operating revenues	8,976,047	8,621,032	(355,015)	8,431,856
NONOPERATING REVENUES AND OTHER FINANCING SOURCES (USES)				
Interest earned on investments	30,000	62,404	32,404	56,361
Miscellaneous	-	1,795,691	1,795,691	-
Total nonoperating revenues	30,000	1,858,095	1,828,095	56,361
Fund balance appropriated	919,550	-	(919,550)	-
Total revenues	\$ 9,925,597	\$ 10,479,127	\$ 553,530	\$ 8,488,217
OPERATING EXPENDITURES				
Cultural and recreational	\$ 9,925,597	\$ 7,800,444	\$ 2,125,153	\$ 7,524,356
Total expenditures	\$ 9,925,597	\$ 7,800,444	\$ -	\$ 7,524,356
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:				
Total revenues and other financing sources		\$ 10,479,127		
Total expenditures and other financing uses		7,800,444		
Change in net position		<u>\$ 2,678,683</u>		

SUPPLEMENTARY FINANCIAL DATA

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF CURRENT TAX LEVY

JUNE 30, 2025

	County-Wide			Total Levy		
	Total Property Valuation	Rate	Amount of Levy		Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:						
County-wide	\$ 26,495,846,579	0.00799	\$ 208,308,578			
Late listing penalties		0.10000	<u>225,391</u>	\$ 208,533,969	\$ 183,441,931	\$ 25,092,038
Discoveries:						
County-wide	(301,383,534)	0.00799	985,182			
Late listing penalties		0.10000	<u>110,566</u>	1,095,748	(2,297,488)	3,393,236
Abatements:						
County-wide	(104,973,417)	0.00799	(838,738)			
Late listing penalties		0.10000	<u>(53,303)</u>	<u>(892,041)</u>	<u>(892,041)</u>	<u>-</u>
	<u>\$ 26,089,489,628</u>					
Adjusted tax levy				208,737,676	180,252,402	28,485,274
Uncollected taxes at June 30, 2025				<u>(886,476)</u>	<u>(886,476)</u>	<u>-</u>
Current year's taxes collected				<u>\$ 207,851,200</u>	<u>\$ 179,365,926</u>	<u>\$ 28,485,274</u>
Percent of current year's taxes collected				<u>99.58%</u>	<u>99.51%</u>	<u>0.00%</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE

YEAR ENDED JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 208,737,676	\$ 207,851,200	\$ 886,476
Prior years	<u>3,286,564</u>	<u>-</u>	<u>860,575</u>	<u>2,425,989</u>
	<u>\$ 3,286,564</u>	<u>\$ 208,737,676</u>	<u>\$ 208,711,775</u>	3,312,465
Less allowance for uncollectible ad valorem taxes receivable				<u>(2,947,504)</u>
				<u>\$ 364,961</u>

RECONCILIATION OF COLLECTIONS AND CREDITS WITH REVENUES:

Collections and credits per above	\$ 208,711,775
Interest	601,040
Processing fees	387,718
Rental Car/Equipment Taxes	1,076,449
Other	<u>34,079</u>
Ad Valorem Taxes - General Fund (per report)	<u>\$ 210,811,061</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE
PSAP RECONCILIATION

JUNE 30, 2025

Amounts reported on the Emergency Telephone System Fund budget to actual (J-5) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (232,969)
Grant Expenditures	305,256
Ineligible 911 expenditures - prior years	<u>(344,936)</u>
Beginning Balance, PSAP Revenue-Expenditure Report***	<u>2,368,034</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 2,095,385</u></u>

STATISTICAL SECTION

COUNTY OF CUMBERLAND, NORTH CAROLINA

STATISTICAL SECTION

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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
NET POSITION BY COMPONENT

Schedule 1

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net investment in capital assets	\$ 161,376,329	\$ 163,004,686	\$ 161,369,905	\$ 167,529,351	\$ 135,788,691	\$ 145,716,170	\$ 158,558,572	\$ 165,981,474	\$ 172,400,968	\$ 174,070,599
Restricted	54,946,069	66,301,394	75,001,538	74,320,510	79,080,417	93,130,470	99,565,582	113,147,346	143,092,306	145,964,384
Unrestricted	(112,796,933)	(119,952,268)	(282,762,923)	(249,889,610)	(178,635,656)	(134,277,987)	(67,035,224)	3,302,669	38,267,323	81,582,447
Total Governmental Activities Net Position	<u>\$ 103,525,465</u>	<u>\$ 109,353,812</u>	<u>\$ (46,391,480)</u>	<u>\$ (8,039,749)</u>	<u>\$ 36,233,452</u>	<u>\$ 104,568,653</u>	<u>\$ 191,088,930</u>	<u>\$ 282,431,489</u>	<u>\$ 353,760,597</u>	<u>\$ 401,617,430</u>
Business-type Activities:										
Net investment in capital assets	\$ 33,490,377	\$ 37,152,240	\$ 46,331,906	\$ 50,999,184	\$ 58,831,891	\$ 61,883,882	\$ 66,942,102	\$ 72,734,567	\$ 85,202,472	\$ 99,112,806
Restricted	-	10,374,109	3,759,889	10,011,668	3,546,422	3,383,770	1,681,686	1,579,512	1,424,550	1,349,877
Unrestricted	39,387,855	30,809,678	27,028,957	22,360,900	27,477,141	28,256,453	33,215,551	36,864,478	35,128,992	57,015,774
Total Business-type Activities Net Position	<u>\$ 72,878,232</u>	<u>\$ 78,336,027</u>	<u>\$ 77,120,752</u>	<u>\$ 83,371,752</u>	<u>\$ 89,855,454</u>	<u>\$ 93,524,105</u>	<u>\$ 101,839,339</u>	<u>\$ 111,178,557</u>	<u>\$ 121,756,014</u>	<u>\$ 157,478,457</u>
Primary Government:										
Net investment in capital assets	\$ 194,866,706	\$ 200,156,926	\$ 207,701,811	\$ 218,528,535	\$ 194,620,582	\$ 207,600,052	\$ 225,500,674	\$ 238,716,041	\$ 257,603,440	\$ 273,183,405
Restricted	54,946,069	76,675,503	78,761,427	84,332,178	82,626,839	96,514,240	101,247,268	114,726,858	144,516,856	147,314,261
Unrestricted	(73,409,078)	(89,142,590)	(255,733,966)	(227,528,710)	(151,158,515)	(106,021,534)	(33,819,673)	40,167,147	73,396,315	138,598,221
Total Primary Government Net Position	<u>\$ 176,403,697</u>	<u>\$ 187,689,839</u>	<u>\$ 30,729,272</u>	<u>\$ 75,332,003</u>	<u>\$ 126,088,906</u>	<u>\$ 198,092,758</u>	<u>\$ 292,928,269</u>	<u>\$ 393,610,046</u>	<u>\$ 475,516,611</u>	<u>\$ 559,095,887</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
CHANGES IN NET POSITION

Schedule 2

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES										
Governmental Activities:										
General government	\$ 29,528,752	\$ 30,128,456	\$ 29,507,515	\$ 28,782,804	\$ 29,475,147	\$ 37,908,007	\$ 41,158,664	\$ 42,472,253	\$ 53,466,927	\$ 56,030,104
Public safety	68,675,832	70,034,152	68,374,946	63,788,508	65,079,734	66,856,365	61,892,566	70,538,679	79,802,529	84,940,483
Economic & physical development	13,667,168	13,008,901	13,777,811	13,495,875	17,062,941	17,019,061	10,427,433	10,988,757	17,176,713	12,396,212
Human services	107,291,125	110,361,150	95,495,386	87,063,672	89,720,840	96,908,446	88,142,692	91,582,707	102,090,297	111,173,048
Cultural & recreational	17,100,127	17,527,672	15,818,615	13,850,878	14,666,048	13,998,599	13,536,709	15,556,012	15,822,478	17,688,472
Education	97,089,412	97,230,388	104,859,935	108,512,631	107,300,602	102,234,784	114,500,841	119,881,078	115,751,877	124,072,249
Interest on long-term debt	4,684,877	4,010,962	2,380,138	2,872,177	1,485,783	3,417,789	2,380,021	2,319,001	2,622,589	1,955,476
Total Governmental Activities Expenses	338,037,293	342,301,681	330,214,346	318,366,545	324,791,095	338,343,051	332,038,926	353,338,487	386,733,410	408,256,044
Business-Type Activities:										
Solid Waste	9,382,539	10,189,981	11,055,063	9,833,056	9,389,797	11,705,481	12,949,904	14,471,656	14,195,514	17,958,942
Crown Center	7,436,596	7,745,790	8,081,185	8,105,009	7,886,548	6,860,973	7,466,549	8,465,190	8,058,194	8,327,650
Kelly Hills Water and Sewer District	139,826	118,113	108,803	138,070	107,610	655,658	93,366	111,875	109,020	86,889
NORCRESS Water and Sewer District	872,557	803,787	601,087	657,832	719,659	21,713	628,641	900,444	929,694	1,001,837
Southpoint Water District	26,564	25,936	21,418	21,918	24,359	214,108	31,421	27,149	31,202	33,531
Overhills Park Water and Sewer District	-	29,118	7,490	34,127	123,767	162,073	197,043	198,163	176,238	190,408
Grays Creek Water and Sewer District	-	-	-	-	-	-	-	-	-	1,664
Total Business-type Activities Expenses	17,858,082	18,912,725	19,875,046	18,790,012	18,251,740	19,620,006	21,366,924	24,174,477	23,499,862	27,600,921
Total Primary Government Expenses	\$ 355,895,375	\$ 361,214,406	\$ 350,089,392	\$ 337,156,557	\$ 343,042,835	\$ 357,963,057	\$ 353,405,850	\$ 377,512,964	\$ 410,233,272	\$ 435,856,965

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
CHANGES IN NET POSITION (CONTINUED)

Schedule 2

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PROGRAM REVENUES:										
Governmental Activities:										
Charges for Services:										
General government	\$ 2,277,018	\$ 2,410,131	\$ 2,333,837	\$ 2,314,448	\$ 3,707,411	\$ 6,876,279	\$ 6,951,361	\$ 5,609,944	\$ 4,742,516	\$ 3,070,050
Public safety	3,571,955	3,824,951	4,077,437	4,058,644	4,497,179	4,193,222	4,377,296	4,310,393	4,275,147	3,595,845
Economic & physical development	1,394,180	1,354,788	1,177,033	1,063,423	1,105,500	-	1,978,765	1,375,483	1,811,531	1,656,292
Cultural & recreational	206,028	181,280	152,129	150,207	102,259	14,674	16,370	8,705	6,063	6,341
Human services	6,144,958	6,093,677	6,056,500	6,717,407	6,249,717	5,251,431	6,437,029	6,259,660	8,188,703	10,473,502
Operating Grants and Contributions										
General government	1,290,179	2,207,743	1,407,281	563,329	1,346,132	63,914,742	10,774,847	21,446,430	7,017,697	26,584,261
Public safety	948,585	611,451	491,006	572,859	544,689	1,205,346	284,409	1,587,027	669,979	3,424,772
Economic & physical development	7,193,042	6,680,711	7,472,115	8,033,758	8,939,622	-	3,447,200	4,061,038	4,919,259	4,491,977
Cultural & recreational	644,904	690,437	747,975	1,060,053	509,598	25,638	583,170	660,176	670,692	581,009
Human services	59,695,265	61,630,079	49,480,015	45,259,798	45,492,853	10,331,353	59,764,568	54,611,996	53,309,151	55,595,065
Interest and other charges	-	-	-	-	-	-	-	-	-	1,163,420
Capital Grants and Contributions										
General government	3,724,973	3,674,258	3,592,098	3,485,206	3,416,888	-	3,281,839	3,256,990	3,327,542	3,912,894
Public safety	171,196	301,935	166,330	142,953	133,823	293,298	335,221	293,237	284,361	238,266
Economic & physical development	1,180,957	957,955	677,334	797,204	794,154	966,802	365,452	-	679,315	2,494,590
Human services	-	-	-	-	-	3,513,132	-	-	-	-
Total Governmental Activities										
Program Revenues	88,443,240	90,619,396	77,831,090	74,219,289	76,839,825	96,585,917	98,597,527	103,481,079	89,901,956	117,288,284
Business-Type Activities:										
Charges for Services:										
Solid Waste	3,948,096	4,626,879	4,232,104	4,773,520	4,310,031	3,979,863	4,749,838	5,497,163	5,646,115	6,719,417
Crown Center	1,834,124	1,853,954	1,892,840	1,960,708	1,505,646	592,981	1,797,233	2,631,881	2,457,599	2,586,619
Kelly Hills Water and Sewer District	93,318	77,952	79,303	76,126	76,409	94,603	99,592	102,639	117,209	116,118
NORCRESS Water and Sewer district	397,195	350,328	347,257	440,558	438,979	367,566	421,305	619,297	513,105	618,026
Southpoint Water District	41,013	35,754	36,491	33,395	38,343	44,528	70,672	61,137	67,613	67,479
Overhills Park Water and Sewer District	-	-	-	-	111,608	139,505	146,872	151,566	156,209	166,016
Operating grants and contributions										
Solid Waste	493,139	3,384,721	734,831	520,453	2,627,021	513,208	1,755,983	744,382	795,388	1,554,255
Crown Center	-	159,663	42,971	372,460	17,840	434,669	-	9,172	22,935	275,000
NORCRESS Water and Sewer District	-	-	-	29,613	-	-	-	-	-	435,956
Overhills Water and Sewer District	-	-	-	-	293,620	-	-	-	-	-
Capital grants and contributions										
Overhills Park Water and Sewer District	-	1,380,422	1,424,958	-	-	-	-	-	-	-
Total Business-type Activities										
Program Revenues	6,806,885	11,869,673	8,790,755	8,206,833	9,419,497	6,166,923	9,041,495	9,817,237	9,776,173	12,538,886
Total Primary Government										
Program Revenues	\$ 95,250,125	\$ 102,489,069	\$ 86,621,845	\$ 82,426,122	\$ 86,259,322	\$ 102,752,840	\$ 107,639,022	\$ 113,298,316	\$ 99,678,129	\$ 129,827,170
Net Expense (Revenue):										
Governmental activities	\$ (249,594,053)	\$ (251,682,285)	\$ (252,383,256)	\$ (244,147,256)	\$ (247,951,270)	\$ (241,757,134)	\$ (233,441,399)	\$ (249,857,408)	\$ (296,831,454)	\$ (290,967,760)
Business-type activities	(11,051,197)	(7,043,052)	11,841	10,786	(8,832,243)	(13,453,083)	(12,325,429)	(14,357,240)	(13,723,689)	(15,062,035)
Total Primary Government										
Net Expense	\$ (260,645,250)	\$ (258,725,337)	\$ (252,371,415)	\$ (244,136,470)	\$ (256,783,513)	\$ (255,210,217)	\$ (245,766,828)	\$ (264,214,648)	\$ (310,555,143)	\$ (306,029,795)

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
CHANGES IN NET POSITION (CONTINUED)

Schedule 2, Concluded

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL REVENUES AND										
OTHER CHANGES IN NET POSITION:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 185,971,389	\$ 189,961,506	\$ 197,423,713	\$ 200,555,934	\$ 204,041,081	\$ 211,660,075	\$ 214,751,718	\$ 217,430,360	\$ 224,637,157	\$ 228,055,142
Other taxes	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	90,235,515	93,898,363	95,896,689	101,180,267
Unrestricted grants and contributions	12,746,032	12,493,334	13,609,843	14,109,993	15,436,689	17,617,071	18,816,392	20,545,479	32,229,285	18,409,211
Investment earnings and miscellaneous	350,879	499,798	1,283,268	4,076,490	3,096,412	1,040,674	1,412,761	13,433,515	20,895,214	17,366,978
Gain on sale of capital assets	-	-	-	-	73,663	55,605	1,246,414	347,624	-	489,001
Miscellaneous	6,033,427	7,109,669	6,533,566	5,662,980	6,107,602	5,954,718	6,236,307	9,121,742	9,718,810	6,850,776
Transfers	(5,680,022)	(5,552,333)	(5,784,863)	(8,196,498)	(7,362,068)	(8,770,824)	(12,529,982)	(13,577,116)	(11,441,631)	(33,526,782)
Total governmental activities	<u>258,854,825</u>	<u>265,330,520</u>	<u>274,756,097</u>	<u>282,498,987</u>	<u>289,971,479</u>	<u>309,529,074</u>	<u>320,169,125</u>	<u>341,199,967</u>	<u>371,935,524</u>	<u>338,824,593</u>
Business-Type Activities:										
Other taxes	6,328,374	6,505,637	7,338,720	7,629,789	7,349,240	7,513,714	7,938,853	8,038,447	12,038,454	16,159,629
Unrestricted grants and contributions	-	-	-	-	-	-	-	1,201,818	-	-
Investment earnings	263,733	218,310	490,373	924,118	663,282	42,984	81,726	674,004	890,182	995,673
Gain(Loss) on sale of capital assets	-	-	-	-	(218,453)	311,921	62,941	181,916	-	-
Miscellaneous	697,799	224,567	98,551	83,774	92,526	682,287	27,161	23,157	10,324	102,394
Transfers	5,680,022	5,552,333	5,784,863	8,196,498	7,362,068	8,670,824	12,529,982	13,577,116	11,441,631	33,526,782
Total Business-Type Activities	<u>12,969,928</u>	<u>12,500,847</u>	<u>13,712,507</u>	<u>16,834,179</u>	<u>15,248,663</u>	<u>17,221,730</u>	<u>20,640,663</u>	<u>23,696,458</u>	<u>24,380,591</u>	<u>50,784,478</u>
Total Primary Government	<u>\$ 271,824,753</u>	<u>\$ 277,831,367</u>	<u>\$ 288,468,604</u>	<u>\$ 299,333,166</u>	<u>\$ 305,220,142</u>	<u>\$ 326,750,804</u>	<u>\$ 340,809,788</u>	<u>\$ 364,896,425</u>	<u>\$ 396,316,115</u>	<u>\$ 389,609,071</u>
Change in net position:										
Governmental activities	\$ 9,260,772	\$ 13,648,235	\$ 22,372,841	\$ 38,351,731	\$ 42,020,209	\$ 21,702	\$ 22,952	\$ 91,342,559	\$ 75,104,070	\$ 47,856,833
Business-type activities	<u>1,918,731</u>	<u>5,457,795</u>	<u>13,724,348</u>	<u>16,844,965</u>	<u>6,416,420</u>	<u>3,768,647</u>	<u>21,880</u>	<u>9,339,218</u>	<u>10,656,902</u>	<u>35,722,443</u>
Total Primary Government	<u>\$ 11,179,503</u>	<u>\$ 19,106,030</u>	<u>\$ 36,097,189</u>	<u>\$ 55,196,696</u>	<u>\$ 48,436,629</u>	<u>\$ 3,790,349</u>	<u>\$ 44,832</u>	<u>\$ 100,681,777</u>	<u>\$ 85,760,972</u>	<u>\$ 83,579,276</u>
										Concluded

COUNTY OF CUMBERLAND, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 3

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable:										
Inventories	\$ 191,535	\$ 174,458	\$ 155,968	\$ 174,407	\$ 151,916	\$ 200,505	\$ 220,740	\$ 211,532	\$ 244,314	\$ 259,237
Prepays	210	11,628	5,400	210	1,472	210	210	-	-	-
Leases	-	-	-	-	-	-	2,440	7,286	29,550	35,717
Restricted:										
Stabilization by state statute	27,929,111	29,406,164	32,308,498	33,205,082	33,873,984	36,417,479	44,546,143	42,111,209	56,293,131	47,888,733
Register of Deeds	867,507	901,098	1,022,258	1,059,148	925,163	987,528	1,018,697	988,560	1,145,734	1,190,218
Public health	-	-	3,952,885	3,766,799	4,728,362	6,052,823	7,451,692	8,438,671	9,524,034	11,244,068
County Schools	8,294,625	12,184,346	11,086,455	7,001,882	5,533,695	5,982,196	11,900,413	19,767,100	21,484,632	26,877,597
Committed:										
Tax revaluation	602,906	1,167,295	1,877,327	1,979,245	2,158,423	2,296,335	2,431,671	2,500,000	2,500,000	2,500,000
Capital investment fund	-	-	8,090,585	20,940,072	36,073,289	61,459,283	126,983,896	147,253,777	173,232,484	181,988,468
LEOSSA pension obligation	2,215,961	2,290,100	1,756,915	1,756,982	-	-	-	-	-	-
ARP freed up capacity	-	-	-	-	-	-	-	-	-	22,735,124
Assigned										
Subsequent year's expenditures	16,337,899	8,889,652	7,447,195	8,667,646	8,663,701	9,159,873	8,071,721	6,454,775	8,435,187	12,126,471
Finance & tax office software	4,500,000	4,406,300	4,406,300	1,700,000	-	-	-	-	-	-
Water and sewer industrial expansion	4,626,523	4,527,610	-	-	-	-	-	-	-	-
Economic development incentives	968,841	1,065,139	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,750,000
Mental Health services	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	3,621,105	1,250,000	-	-	-	-	-	-	-	-
Special purposes	4,500,000	2,247,143	809,045	-	-	-	-	-	-	-
Technology	2,000,000	1,500,000	-	-	-	-	-	-	-	-
Economic development - site acquisition	-	-	-	-	-	-	-	-	-	250,000
ARP freed up capacity	-	-	-	-	-	-	-	-	-	6,912,972
Unassigned	32,603,540	47,016,763	53,191,505	68,448,606	78,044,280	110,366,459	75,747,920	100,863,651	103,728,340	88,588,495
Total General Fund	<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>	<u>\$ 378,617,406</u>	<u>\$ 404,347,100</u>
American Rescue Plan Act										
Restricted:										
Stabilization by state statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309	\$ 1,119	\$ 3,110	\$ 2,612
Economic and physical development	-	-	-	-	-	-	47,574	715,318	1,461,448	1,853,327
Unassigned	-	-	-	-	-	-	(309)	(1,119)	-	-
Total American Rescue Plan Act	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,574</u>	<u>\$ 715,318</u>	<u>\$ 1,464,558</u>	<u>\$ 1,855,939</u>

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 3, Concluded

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Other Governmental Funds:										
Nonspendable:										
Prepays	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery	48,451	47,583	47,181	50,173	51,625	57,254	59,986	60,024	65,676	63,796
Restricted:										
Stabilization by state statute	1,120,972	1,688,092	1,551,077	2,787,310	2,048,561	4,187,471	2,003,636	998,076	1,340,413	1,675,969
Register of Deeds	-	-	-	-	-	-	129,531	180,813	227,060	283,192
Inmates	638,782	505,070	280,761	519,052	745,859	920,943	1,168,562	1,249,525	1,520,771	1,228,365
Fire protection	180,022	194,844	191,596	10,606	1,041,995	1,612,940	2,024,066	2,380,208	2,612,690	2,476,389
Public safety	2,722,758	3,029,407	2,705,302	2,704,997	3,123,625	11,216,006	4,822,445	4,337,011	5,063,480	4,611,061
Economic and physical development	796,225	674,215	465,406	1,053,132	708,547	79,084	2,800,168	3,582,351	3,465,214	2,068,377
Human services	1,398,421	168,535	164,891	165,715	294,231	180,335	653,497	1,585,387	8,148,799	10,664,036
Cultural and recreational	5,134,837	6,487,337	6,506,330	6,235,379	8,460,539	7,419,161	7,137,247	4,829,909	5,770,697	8,222,895
Assigned reported in other major funds										
Subsequent year's expenditures	1,803,902	1,803,902	3,398,261	2,744,068	-	-	-	-	-	-
Unassigned reported in nonmajor funds										
Special revenue	(299,551)	(1,265,317)	(1,345,025)	(2,597,753)	(1,111,798)	(974,242)	(459,995)	(715,758)	(3,317,736)	(329,812)
Total All Other Governmental Funds	<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>	<u>\$ 24,897,064</u>	<u>\$ 30,964,268</u>
Total All Governmental Funds	<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>	<u>\$ 404,979,028</u>	<u>\$ 437,167,307</u>
										Concluded

COUNTY OF CUMBERLAND, NORTH CAROLINA
GOVERNMENTAL REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 4

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES:										
Ad valorem taxes	\$ 186,035,597	\$ 188,871,898	\$ 197,023,861	\$ 201,114,697	\$ 204,757,860	\$ 211,701,498	\$ 213,137,111	\$ 218,207,490	\$ 224,161,397	\$228,787,000
Other taxes	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	93,535,248	96,518,480	95,896,689	101,180,267
Intergovernmental	87,569,259	89,199,156	77,740,381	74,366,289	76,614,448	98,128,865	92,541,615	105,989,310	107,482,256	116,218,876
Licenses and permits	2,248,884	2,533,749	2,481,724	2,436,497	2,629,213	3,386,903	3,545,368	13,542,269	2,870,044	2,905,975
Sales and services	11,325,255	11,276,669	11,306,162	11,867,947	12,086,931	12,687,220	13,695,627	2,824,703	14,648,985	16,572,645
Investment earnings	343,238	477,286	1,207,204	3,834,746	2,887,019	1,040,674	1,396,754	13,213,083	20,895,214	17,366,978
Other general revenues	5,813,705	7,376,388	5,338,704	5,538,792	6,026,730	5,954,718	10,737,224	6,593,317	6,848,766	6,850,775
Total Revenues	352,769,058	360,553,692	356,788,606	365,449,056	373,580,301	414,871,633	428,588,947	456,888,652	472,803,351	489,882,516
EXPENDITURES:										
General government	26,250,791	27,720,014	25,902,953	27,864,499	29,751,226	38,812,619	47,849,494	47,691,053	51,881,852	53,538,754
Public safety	63,152,331	63,749,936	63,382,917	70,584,167	67,849,036	68,896,367	72,663,155	81,579,972	81,160,475	85,228,451
Economic and physical development	13,511,856	13,002,856	14,710,741	18,589,617	18,414,832	15,708,568	15,570,619	19,737,837	17,267,726	12,089,569
Human services	100,953,854	104,321,862	89,808,120	90,642,124	92,594,353	102,317,285	100,594,510	97,933,721	106,959,513	115,354,700
Cultural and recreational	15,519,128	15,780,744	15,000,134	15,321,739	14,788,540	14,357,566	14,945,432	16,519,904	15,786,044	17,654,583
Education	97,090,796	97,230,388	104,859,935	108,854,062	107,300,602	106,519,640	114,500,841	118,131,083	123,179,948	130,132,986
Debt service										
Principal	19,310,871	19,149,018	17,999,414	14,699,083	10,529,084	10,144,283	9,396,056	9,392,597	9,242,888	9,544,199
Interest and fees	5,349,679	4,785,439	3,967,289	3,513,691	3,029,269	2,556,856	3,117,836	2,742,525	2,511,616	2,342,145
Debt issuance costs	-	10,697	314,767	-	-	-	-	-	-	-
Total Expenditures	341,139,306	345,750,954	335,946,270	350,068,982	344,256,942	359,313,184	378,637,943	393,728,692	407,990,062	425,885,387
Revenues Over/Under Expenditures	11,629,752	14,802,738	20,842,336	15,380,074	29,323,359	55,558,449	49,951,004	63,159,960	64,813,289	63,997,129
OTHER FINANCING SOURCES (Uses):										
Sale of capital assets	273,441	230,165	1,230,515	151,905	73,663	572,585	3,891,073	347,624	536,097	445,917
Issuance of debt	1,100,000	-	24,119,148	2,477,336	14,079,416	24,507,300	-	-	-	-
Premium on debt issuance	-	-	4,285,557	-	-	(326,597)	-	-	-	-
Lease and subscription assets issued	-	-	-	-	-	-	135,971	1,303,570	1,371,848	1,325,504
Payment to escrow agent for refunding	-	-	(27,245,984)	-	(12,869,659)	-	-	-	-	-
County contribution	-	-	254,735	-	-	-	-	-	-	-
Debt issuance costs	(33,399)	-	-	-	-	-	-	-	-	-
Transfers in	3,481,990	987,026	779,712	6,081,026	1,556,613	7,533,950	92,897,202	62,541,874	5,600,398	25,722,730
Transfers out	(14,739,212)	(6,641,559)	(6,664,575)	(14,377,524)	(9,018,681)	(16,304,774)	(105,527,184)	(78,315,863)	(17,142,029)	(59,303,001)
Total Other Financing Sources (Uses)	(9,917,180)	(5,424,368)	(3,240,892)	(5,667,257)	(6,178,648)	15,982,464	(8,602,938)	(14,122,795)	(9,633,686)	(31,808,850)
Net Change in Fund Balance	\$ 1,712,572	\$ 9,378,370	\$ 17,601,444	\$ 9,712,817	\$ 23,144,711	\$ 71,540,913	\$ 41,348,066	\$ 49,037,165	\$ 55,179,603	\$ 32,188,279
Debt Service as a Percentage of Non-Capital Expenditures	7.44%	6.98%	6.60%	5.28%	4.10%	3.63%	3.38%	3.21%	2.99%	2.86%

COUNTY OF CUMBERLAND, NORTH CAROLINA
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Schedule 5

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

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
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
2024	224,161,397	80,928,912	391,094	446,580	3,864,920	-	10,265,183	320,058,086
2025	228,787,000	86,254,021	355,783	367,007	3,805,596	-	10,397,860	329,967,267

COUNTY OF CUMBERLAND, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY

Schedule 6

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Fiscal Year Ended June 30	Personal Property				Less: Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value ³
	Real Property	Public Service ¹	Motor Vehicle	Other					
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 ⁴	22,057,995	439,286	2,395,619	1,847,541	3,747,353	22,993,088	0.9615	23,099,345	99.54%
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%
2024	22,769,138	498,107	3,276,849	1,920,494	2,884,532	25,580,056	0.9947	25,580,056	98.18%
2025	22,524,374	424,646	3,570,680	1,931,563	2,878,151	25,573,112	0.9953	25,345,007	100.90%

¹ 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.

² 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.

³ 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.

⁴ 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.

COUNTY OF CUMBERLAND, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)

Schedule 7

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
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
2024	0.795	0.050	0.150	-	0.9947	0.5795	0.1700	0.5100	0.7410	0.2550	0.2400	0.2400	0.4000	0.3200	0.3200
2025	0.795	0.050	0.150	-	0.9953	0.5795	0.1700	0.5100	0.7410	0.2550	0.2400	0.2400	0.4000	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

COUNTY OF CUMBERLAND, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

Schedule 8

TEN YEAR COMPARISON
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	June 30, 2025			June 30, 2016		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Goodyear Tire & Rubber Co.	\$ 413,767	1	1.62%	\$364,772		1.57%
Wal-Mart Stores, Inc.	233,986	2	0.91%	158,662		0.68%
Cross Creek Mall SPE, L. P.	166,296	3	0.65%	163,186		0.70%
Duke Energy Progress, Inc.	113,222	4	0.44%	96,472		0.41%
Cargill, Inc.	109,377	5	0.43%	66,613		0.29%
Fayetteville, VA Co., LLC	120,599	6	0.47%	55,343		0.24%
Piedmont Natural Gas	69,938	7	0.27%	91,132		0.39%
Mann+Hummel Purolator Filters	59,880	8	0.23%	64,431		0.28%
Alpek Polyester USA LLC (formerly DAK)	55,581	9	0.22%	62,390		0.27%
South River EMC	58,445	10	0.23%	55,343		0.24%
	<u>\$ 1,401,091</u>		<u>5.48%</u>	<u>\$ 1,178,344</u>		<u>5.07%</u>

Source: Cumberland County Tax Department

COUNTY OF CUMBERLAND, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS - GENERAL FUND

Schedule 9

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Current Tax Collections	Percent of Net Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections To Net Levy
2016	172,307,349	170,999,219	99.24%	1,038,830	172,038,049	99.84%
2017	175,933,805	173,906,079	98.85%	1,159,041	175,065,120	99.51%
2018	¹ 183,621,079	182,126,897	99.19%	1,237,850	183,364,747	99.86%
2019	187,163,252	185,734,181	99.24%	889,341	186,623,522	99.71%
2020	189,321,973	187,188,405	98.87%	1,598,776	188,787,181	99.72%
2021	193,917,047	192,228,162	99.13%	1,107,292	193,335,454	99.70%
2022	195,116,064	194,315,234	99.59%	754,208	195,069,442	99.98%
2023	199,501,614	198,385,306	99.44%	637,592	199,022,898	99.76%
2024	204,663,033	203,606,490	99.48%	-	203,606,490	99.48%
2025	180,252,402	179,365,926	99.51%	1,463,113	180,829,039	100.32%

Source: Cumberland County Tax Department

¹ Denotes the year in which a revaluation was effective on the January 1st preceding the beginning of the fiscal year.

COUNTY OF CUMBERLAND, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE

Schedule 10

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	COPS and Limited Obligation Bonds	Leases	SBITA	Installment Purchase	General Obligation Bonds	Revenue Bonds	COPS and Limited Obligation Bonds	Installment Purchase			
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
2024	-	43,738,877	122,054	587,937	-	907,000	1,278,000	4,655,502	44,959	51,334,329	NA	139
2025	-	35,180,830	62,907	432,101	-	878,000	1,252,000	1,818,472	39,963	39,664,273	NA	116

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Schedule 11

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total General Obligation Bonds	Percentage of Personal Income (1)	Percentage of Actual Taxable Value of Property (2)	G.O. Debt Per Capita (1)
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
2024	907,000	NA	0.004%	3
2025	878,000	NA	0.003%	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

COUNTY OF CUMBERLAND, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN

Schedule 12

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 2,122,201	\$ 2,168,537	\$ 2,139,235	\$ 2,180,702	\$ 2,207,374	\$ 2,255,569	\$ 2,276,450	\$ 2,284,079	\$ 2,046,404	\$ 2,257,853
Total net debt applicable to limit	27,207	19,771	12,984	6,387	3,959	1,650	1,125	934	46,097	35,241
Legal debt margin	<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>	<u>\$ 2,000,307</u>	<u>\$ 2,222,612</u>
Total net debt applicable to the limit as a percentage of debt limit	1.28%	0.91%	0.61%	0.29%	0.18%	0.07%	0.05%	0.04%	2.25%	1.56%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Property Value	\$ 25,345,007
Plus : Exempt Property	2,878,151
Total Assessed Value	<u>\$ 28,223,158</u>
Debt Limit (8% of total assessed value)	\$ 2,257,853
Debt applicable to limit:	
Total Bonded debt	33,949
Revenue bonds	<u>1,252</u>
Total amount of debt applicable to debt limit	<u>35,241</u>
Legal debt margin	<u>\$ 2,222,612</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS

Schedule 13

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Population ¹	Personal Income ²	Per Capita Income ²	Median Age ³	School Enrollment ¹	Unemployment Rate ⁴
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	15,656,782,000	46,768	31.7	47,313	5.9%
2023	342,082	16,335,221,000	47,752	*	48,300	5.0%
2024	337,970	*	*	*	49,183	4.7%
2025	341,758	*	*	*	53,051	450.0%

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 (2022 and 2023 data is now available, 2024 and 2025 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

COUNTY OF CUMBERLAND, NORTH CAROLINA
PRINCIPAL EMPLOYERS

Schedule 14

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	Fiscal Year 2025			Fiscal Year 2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Defense-Military	47,000	1	46.75%			
U.S. Department of Defense-Civilians	16,200	2	16.11%	9,500	1	8.12%
Cumberland County Schools	5,800	3	5.77%	6,314	2	5.39%
Cape Fear Valley Health System	5,200	4	5.17%	6,167	3	5.27%
Wal-Mart Asssociates Inc.	4,300	5	4.28%	2,860	5	2.44%
Goodyear Tire & Rubber Co.	2,100	6	2.09%	2,500	6	2.14%
Cumberland County Government	2,100	7	2.09%	2,947	4	2.52%
City of Fayetteville	2,000	8	1.99%	1,770	7	1.51%
Veterans Administration	2,000	9	1.99%	1,000	8	0.85%
Amazon	1,400	10	1.39%			
Fayetteville Technical Community College				1,000	9	0.85%
Food Lion				1,000	10	0.85%
Total Employment (Ten Largest Employers)	88,100		87.64%	35,058		29.94%
Total Employment	100,530			117,059		

Sources:
Fayetteville Cumberland County Economic Development

COUNTY OF CUMBERLAND, NORTH CAROLINA
FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

Schedule 15

LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	245	234	242	243	242	241	240	274	273	306
Public Safety										
Sheriff	398	322	348	432	425	372	317	402	362	335
Detention Facility	251	255	228	220	190	172	154	144	151	257
Other	55	54	93	99	103	99	94	101	50	53
Human Services										
Public Health	242	245	196	207	211	208	211	224	246	289
Mental Health	-	-	-	-	-	-	-	-	-	-
Social Services	608	602	605	570	581	510	500	583	611	660
Other	75	161	75	78	85	81	78	72	67	76
Cultural & Recreation										
Library	153	178	137	140	138	148	144	138	134	146
Economic and Physical Development	79	78	63	70	67	66	76	71	73	61
Crown Center	-	-	-	-	-	-	-	-	-	-
Solid Waste	59	55	57	57	60	57	57	57	60	64
Total	2,165	2,184	2,044	2,116	2,102	1,954	1,871	2,066	2,027	2,247

Source: Munis

COUNTY OF CUMBERLAND, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION

Schedule 16

LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Number of persons voting in elections	90,038	198,833	61,497	117,383	81,683	147,263	131,529	149,917	140,941	38,026
Number of registered voters	202,770	211,971	212,599	220,237	211,932	223,160	210,817	209,319	228,661	217,116
Number of birth certificates processed	8,035	7,844	7,845	7,918	7,971	7,023	7,209	6,758	6,828	6,920
Number of death certificates processed	2,976	3,098	3,109	3,130	3,265	3,891	4,216	3,587	3,522	3,627
Number of land record instruments	39,206	41,309	39,466	37,469	45,520	57,772	56,520	43,642	38,582	39,812
Number of marriage licenses issued	3,591	3,676	3,573	3,558	2,719	2,669	3,123	3,048	2,905	2,391
Number of pieces of mail handled	613,235	671,513	669,366	571,508	693,858	749,352	565,430	391,914	535,252	211,601
Public Safety										
Number of fire calls answered	15,753	16,653	18,704	21,085	18,454	17,972	16,872	17,860	16,931	14,870
Number fire permits issued	220	211	138	220	266	179	481	367	262	372
Number of emergency calls dispatched	341,488	323,491	320,806	322,164	303,101	300,729	278,839	283,669	272,063	247,694
Number of sheriff calls answered	213,486	212,864	195,227	190,661	170,935	96,212	144,458	104,098	103,395	90,622
Number of civil court papers handled	44,119	43,220	44,130	41,864	40,258	30,446	31,405	38,760	40,761	33,735
Average daily inmate population	714	766	760	715	649 *	477 *	473 *	551 *	635 *	727
Number of inmates admitted	12,065	11,565	14,748	14,304	6,842	5,367	5,580	7,298	7,202	7,834
Number of animals impounded (dogs and cats)	11,085	11,072	10,629	10,440	7,090	5,163	6,338	7,715	7,033	7,293
Number of animal investigations	35,085	31,118	30,868	30,777	20,785	19,914	19,831	19,777	15,897	16,992
Human Services										
Number of health dept. clinical services	45,275	35,643	32,287	33,375	29,350	24,055	26,913	27,673	29,144	32,845
Number of health dept. lab tests processed	47,433	42,513	39,807	37,603	40,322	44,053	39,311	35,679	32,250	34,816
Number of health dept. prescriptions filled	40,689	38,321	29,452	31,316	16,368	26,674	26,375	19,915	119,065	8,300
Amount of health care provided with no compensation	\$3,354,545	\$3,439,278	\$3,503,641	\$3,344,297	\$3,432,148	\$3,548,854	\$3,701,923	\$3,746,475	\$3,942,408	\$4,627,862
Number of WIC Clients	156,032	144,476	141,287	136,305	119,682	148,762	139,542	142,098	125,612	140,604
Avg monthly households receiving Food & Nutrition svcs	33,302	34,625	32,462	32,843	30,878	36,943	41,018	40,849	35,949	38,853
Average monthly active Medicaid cases*	67,199	68,235	71,149	72,122	73,752	81,151	89,167	94,786	102,566	114,186
Average monthly households receiving TANF benefits***	436	317	292	1,459	1,563	1,425	1,427	1,603	1,513	1,544
Average monthly Child Protective services referrals	5,984	5,623	448	418	395	389	433	448	429	391
Average monthly Adult Protective services referrals				932	85	86	97	106	122	136

*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

Continued

COUNTY OF CUMBERLAND, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION

Schedule 16, Concluded

LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Human Services (continued)										
Number of veterans claims processed *	2,309	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of veterans served in office**	9,061	6,787	4,923	6,391	4,306	1,015	4,917	13,577	31,324	42,232
Number of veterans served by telephone*	24,656	12,918	12,825	12,335	15,097	25,000	27,000	29,400	32,870	43,229
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***	5,278	NA	NA	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	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										
Economic and Physical Development										
Number of inspections performed	14,688	14,704	14,266	14,521	16,697	15,894	17,864	18,267	18,305	17,348
Number of building permits issued	786	915	795	888	861	982	1,437	1,058	930	3,951
Culture and Recreation										
Number of library books	472,567	474,701	464,460	450,323	426,284	448,973	415,699	407,622	398,822	394,605
Number of books & audio visual materials circulated	1,689,681	1,538,035	1,423,364	1,382,660	1,150,628	525,206	1,102,661	1,239,676	1,288,979	1,253,921
Number of public visits	1,262,216	1,214,921	1,208,774	1,210,767	681,568	110,195	407,408	272,650	620,215	787,138
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	103,366	170,248
Business Activities										
Number of civic center event days	166	155	143	154	92	32	155	203	176	184
Number in attendance	479,606	416,962	440,413	438,239	295,956	38,158	319,499	413,027	399,155	395,822
Number of solid waste tonnages processed	291,643	310,852	250,962	329,251	221,243	224,257	229,130	250,688	242,446	255,441

Concluded

Source: Information provided by various County departments.

NA: Information not available

COUNTY OF CUMBERLAND, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION

Schedule 17

LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire										
Number of volunteer stations	21	21	21	21	21	21	21	21	21	21
Sheriff										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of patrol vehicles	382	361	371	378	374	377	377	377	264	365
Detention facility beds	884	884	884	884	884	884	884	884	884	884
Culture and Recreation										
Number of libraries	9	9	8	8	8	8	8	8	8	8
Library collections	537,235	540,686	525,333	514,822	498,756	520,319	484,579	466,207	444,125	432,320
E-book collections**	61,095	90,362	106,844	96,654	150,255	206,483	254,969	602,677	712,605	954,612
Number of parks	4	4	4	5	5	5	5	11	11	11
Park acreage	177	177	177	192	192	192	192	246	246	246
Number of ball fields	65	65	65	65	65	65	65	68	68	68
Number of tennis courts	32	32	32	32	32	32	32	34	34	34
*Discarded outdated materials and foreign language collection										
**Includes local ebooks, NC Digital Library ebooks and NC Live ebooks										
Facilities and services not included in primary government										
Education:										
Number of schools	87	87	87	87	87	89	86	86	86	86
Number of students	50,939	50,655	49,641	50,937	50,880	50,870	48,796	50,246	48,434	48,434
Colleges & universities	2	2	2	2	2	2	2	2	2	2
Community colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
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	702

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 the County of Cumberland, North Carolina (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 20, 2026. 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 the 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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
February 26, 2026

**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 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 federal programs for the year ended June 30, 2025. 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, 2025.

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 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 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.

Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited 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 the County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 20, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is 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. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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
February 26, 2026

**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, 2025. 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, 2025.

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 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 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 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 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.

Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited 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 the County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 20, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is 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. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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
February 26, 2026

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) ___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified ___ yes X none reported

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

Unmodified

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

___ yes X no

Identification of major federal programs:

Federal Assistance

Listing Number Names of Federal Program or Cluster

93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.778-CL	Medical Cluster

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section I. Summary of Auditor's Results (continued)

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 2,126,178

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over Major State Programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified
that are not considered to be
material weaknesses? yes X none

Noncompliance material to State awards? yes X 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 X no

Identification of major state programs:

Auditee qualified as low-risk auditee? X yes no

Program Name

DSS Crosscutting
Child Protective Services (Caseload Reduction, CPS State, Child Welfare State In-Home Expansion)
Juvenile Crime Prevention Program
Opioid Settlement Funds
Special Appropriations – Methodist University Stream Restoration Grant

State match on federal programs is included in the list of major federal programs above for Medical Assistance and Temporary Assistance for Needy Families.

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – State Award Findings and Questioned Costs

None noted.

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2025

None noted.

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
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		\$ 101,221	\$ -	\$ -
State Administrative Matching Grants for the Food Stamp Program	10.561		5,827,235	14,967	-
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, & Children (WIC)	10.557		2,236,206	-	-
Total N.C. Department of Health and Human Services			<u>8,164,662</u>	<u>14,967</u>	<u>-</u>
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	9,468	-	-
Total N.C. Department of Agriculture and Consumer Services			<u>9,468</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>8,174,129</u>	<u>14,967</u>	<u>-</u>
<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	14.231		26,364	-	-
Community Development Block Grant					
Grants/Entitlement Grants	14.218		914,473	-	-
CDBG-CV Grant	14.218		45,124	-	-
HOME Investment Partnerships Program	14.239		133,789	-	-
Continuum of Care Program	14.267		161,301	-	-
Total Community Development Block Grant			<u>1,254,686</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,281,050</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>					
Passed-through the N.C. Department of Public Safety,					
Crime Victim Assistance	16.575	PROJ05193	89,512	-	-
State Criminal Alien Assistance Program (SCAAP)	16.606	15PBJA20RR00220SCAA	21,130	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738	BJA21GG01643JAGX	191,874	-	191,874
Edward Byrne Memorial Justice Assistance Grant	16.738	2019DJBX0501	77,271	-	-
Body Worn Camera Policy and Implementation Program to Support Law Enforcement Agencies	16.835	15PBJA21GG0465BWCX	-	-	-
Total U.S. Department. of Justice			<u>379,787</u>	<u>-</u>	<u>191,874</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.S. Department of Transportation Federal Highway Administration Passed-through the N.C. Department of Transportation, Highway Planning and Construction Grants	20.205		\$ 349,920	\$ -	\$ -
Federal Transit Administration Passed-through the N.C. Department of Transportation (5310)					
Passed-through City of Fayetteville, NC - Urban Transportation & Non-Medical Transporta	20.513		202,919	-	-
Federal Transit - Metropolitan Planning Grants	20.505		127,911	15,809	-
Formula Grants for Other Than Urbanized Areas	20.509		138,721	8,855	-
COVID-19 CARES Grant	20.509	2000045345	15,503	-	-
Total Federal Transit			485,053	24,664	-
Federal Transit Administration Passed-through the N.C. Department of Public Safety Hazardous Materials Emergency Preparedness	20.703		9,500	-	-
Total U.S. Department of Transportation			844,473	24,664	-
<u>U.S. Department of the Treasury</u> Direct Program:					
Equitable Sharing	21.016		192,320	-	-
American Rescue Plan Act (ARPA)					
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF),	21.027		16,752		
Public Health	21.027		231,302	-	-
Negative Economic Impacts - "Aid to Others"	21.027		1,075,058	-	-
Negative Economic Impacts - Public Sector Capacity "Gov Unit Payroll"	21.027		21,358,082	-	-
Infrastructure	21.027		2,759,345		
Administration	21.027		397,975	-	-
Total CSLFRF-ARPA			25,838,515	-	-
Total U.S. Department of the Treasury			26,030,834	-	-
<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	32,159	-	-
Total Institute of Museum and Library Services			32,159	-	-

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 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		\$ 5,352,799	\$ -	\$ -
Passed-through Alliance Health TANF - Work First	93.959		99,584	-	-
Total TANF			5,452,384	-	-
Special Children Adoption	93.558		36,572	-	-
N.C. Child Support Enforcement Section	93.563		5,399,195	-	-
Low-Income Home Energy Assistance Block Grant: Administration	93.568		280,462	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Families for Kids	93.645		90,173	-	-
SSBG - Other Services and Training	93.667		1,803,461	-	-
LINKS (formerly Independent Living Grant)	93.674		122,579	30,645	-
Total other Administration for Children and Families			7,732,442	30,645	-
Foster Care and Adoption Cluster (Note 4):					
Title IV-E Foster Care	93.658		1,437,297		-
Title IV-E Foster Care Administration	93.658		2,541,860	734,356	-
Family Reunification	93.556		188,088	-	-
Total Foster Care and Adoption Cluster			4,167,245	734,356	-
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		1,126,561	-	-
Division of Aging:					
Division of Social Services:					
SSBG-Adult Day Care	93.667		65,832	55,233	-
Total Division of Aging, Division of Social Services			65,832	55,233	-
Division of Aging and Adult Services, Home and Community Care Block Grant					
Passed-through Mid-Carolina Council of Governments - AAA Medical Transportation	93.044		254,087	-	-
Total Division of Aging and Adult Services, Home and Community Care Block Grant			254,087	-	-

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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		\$ 10,689,028	\$ 1,104,552	\$ -
DMA Medicaid Reimburse Trans	93.778		2,119,988	-	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - NC Health Choice	93.767		529,163	169,826	-
Passed-through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		49,999	-	-
Project Grants & Cooperative Agreements for Tuberculosis Control Program	93.116		20,260	-	-
Family Planning Services	93.217		189,413	-	-
Immunization Cooperative Agreements	93.268		173,189	-	-
COVID-19 - Immunization Cooperative Agreements	93.268		7,869	-	-
COVID-19 Public Health Emergency Response:					
Cooperative Agreement, Public Health Crisis Response	93.354		296,373	-	-
National and State Tobacco Control Program	93.387		87,244	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)					
Temporary Assistance for Needy Families	93.558		63,562	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organization	93.898		11,050	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		45,884	-	-
Sexually Transmitted Diseases Prevention and Control Grants	93.977		35,533	-	-
Preventive Health and Health Services Block Grant	93.991		34,526	-	-
Maternal and Child Health Services Block Grant	93.994		393,043	50,889	-
Healthy Start Initiative - Eliminating Racial /Ethnic Disparities	93.926		355,803	-	-
Collaboration with Academia to Strengthen Public Health	93.967		504,548	-	-
Total U.S. Department of Health and Human Services			34,405,025	2,145,501	-
<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		19,721	-	-
Total U.S. Department of Homeland Security			19,721	-	-
Total Federal awards			\$ 71,167,180	\$ 2,185,131	\$ 191,874

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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
State Awards:					
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services:					
State Foster Care Benefits Program			\$ -	\$ 3,285,820	\$ -
State CPS Caseload Reduction			-	363,912	-
CPS State			-	170,816	-
Child Welfare State In-Home Expansion			-	207,950	-
Special Links			-	11,719	-
AFDC Incentives			-	438	-
TANF Incentives			-	5,353	-
Smart Start Administration			-	45,809	-
Family Violence Prevention Grant			-	35,121	-
Total Division of Social Services			-	4,126,939	-
Division of Public Health:					
School Nurse Funding Initiative			-	155,216	-
Public Aid to Counties			-	233,260	-
General Communicable Disease Control			-	25,762	-
Food and Lodging Fees			-	26,965	-
Triple P			-	149,500	-
Breast & Cervical Cancer Program			-	11,750	-
Child Fatality Case Reporting			-	7,869	-
Child Health			-	47,573	-
High Risk Maternity Clinics			-	146,438	-
Family Planning - State			-	93,722	-
Communicable Disease Prevention HIV PrEP			-	2,233	-
Communicable Disease Pandemic Recovery - SFRF			-	83,122	-
Healthy Communities			-	18,866	-
State Fiscal Recovery Funds			-	100,000	-
Tobacco Prevention and Control			-	80,895	-
Tuberculosis Control			-	90,091	-
Total Division of Public Health			-	1,273,262	-
Total N.C. Department of Health and Human Services			-	5,400,201	-
<u>N.C. Department of Environment & Natural Resources</u>					
Division of Soil and Water Conservation:					
Agriculture Cost Share Technical Assistance Program			-	25,896	-
Streamflow Rehabilitation Assistance Program (StRAP)		22-080-4017	-	72,813	-
Total N.C. Department of Environment & Natural Resources			-	98,709	-

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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
N.C. Department of Public Instruction					
Public School Building Capital Fund- Lottery-Proceeds			\$ -	\$ 3,912,894	\$ -
Total N.C. Department of Public Instruction			-	3,912,894	-
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Programs			-	784,172	1,372,715
Methodist University Stream Restoration Grant				1,715,420	
Total N.C. Department of Public Safety			-	2,499,592	1,372,715
<u>N.C. Department of Commerce</u>					
Cumberland Industrial Center Sewer			-	157,508	-
Total N.C. Department of Commerce			-	157,508	-
<u>N.C. Department of Cultural Resources</u>					
State Aid to Public Libraries			-	434,850	-
Total N.C. Department of Cultural Resources			-	434,850	-
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
Elderly and Disabled Transportation Assistance Program (EDTAP)			-	185,731	-
Rural General Public Program			-	83,238	-
Employment Transportation Assistance Program			-	82,175	-
Total N.C. Department of Transportation			-	351,144	-
<u>N.C. Administrative Office of the Courts</u>					
Innovative Court Pilot Program (Recovery Court)			-	63,902	-
Human Trafficking Court Pilot Program			-	68,388	-
Total N.C. Administrative Office of the Courts			-	132,290	-
<u>N.C. Department of Administration</u>					
Domestic Violence Program			-	99,128	-
Total N.C. Department of Administration			-	99,128	-
<u>N.C. Office of State Budget and Management</u>					
State Capital Infrastructure Fund (SCIF) for Homeless Shelter		20181	-	135,657	-
State Capital Infrastructure Fund (SCIF) for Linden Park Improvements		20182	-	3,785	-
Total N.C. Office of State Budget and Management			-	139,442	-
<u>N.C. Department of Military and Veteran Affairs</u>					
Division of Veterans Affairs					
Veterans Service Program			-	2,273	-
Total N.C. Department of Military and Veteran Affairs			-	2,273	-
Total State awards			\$ -	\$ 13,228,030	\$ 1,372,715

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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>Other Financial Assistance:</u>					
N.C. Department of Justice					
Opioid Settlement Funds (Note 5)			\$ -	\$ 827,909	\$ -
Total Other Financial Assistance			-	827,909	-
Total Federal and State Awards			\$ 71,167,180	\$ 16,241,071	\$ 1,564,589

COUNTY OF CUMBERLAND, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

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, 2025. 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
