



**CUMBERLAND**  
**COUNTY**  
NORTH CAROLINA

# Annual Comprehensive Financial Report

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Fiscal Year Ended June 30, 2022



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2022

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# INTRODUCTORY SECTION





January 17, 2023

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

We are pleased to present the Annual Comprehensive Financial Report of the County of Cumberland for the fiscal year ended June 30, 2022. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Cherry Bekaert LLP and that firm's unmodified opinion is included in the Financial Section of this report.

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

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

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

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. The County's MD&A can be found immediately following the report of independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County is required to undergo an annual single audit in conformity with the provision of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Implementation Act. Information related to this single audit, including: the independent auditor's internal control and compliance reports on the basic financial statements and major federal and state programs; Schedule of Findings and Questioned Costs; Corrective Action Plan; Schedule of Prior Audit Findings; and Schedule of Expenditures of Federal and State Awards are presented in the compliance section of this report.

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

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

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

1783, Campbellton was renamed Fayetteville in honor of Marquis de La Fayette, the French general who served in the American Revolutionary Army.

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

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 334,776. The City of Fayetteville (the "City" or "Fayetteville") is the sixth largest municipality in the State with a population estimate of 210,244.

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

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

managing daily operations and appointment of subordinate department managers.

**FORT 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 172,000 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. Fort Bragg will soon be renamed Fort Liberty, according to the Naming Commission list. Congress last year established the Naming Commission to rename military installations that bore the names of people tied to the Confederacy.

**ECONOMIC CONDITIONS AND OUTLOOK**

**MILITARY ECONOMIC IMPACT**

Fort Bragg is home to roughly 50,000 troops. Nearly 12,000 Department of Defense civilians work on the installation, along with more than 5,000 contract employees. In all, Fort Bragg supports a population of roughly 270,000, including military families, retirees and others. The total direct and indirect military impact provides approximately \$8.2 billion in local spending, especially from payroll which is illustrated in Tables 1 and 2. In North Carolina, over

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

**MILITARY PERSONNEL AND PAYROLL  
AT FORT BRAGG**

**Table 1**

Year	Military Personnel	Payroll
2021	48,963	\$3,146,559,598
2020	50,351	\$3,012,987,095
2019	51,617	\$2,948,226,511
2018	50,662	\$2,897,230,722
2017	56,062	\$2,834,589,044

*Source: XVIII Airborne Corps and Garrison Public Affairs Office*

**CIVILIAN EMPLOYMENT AND PAYROLL  
AT FORT BRAGG**

**Table 2**

Year	Number of Employees	Payroll
2021	11,973	\$905,724,930
2020	12,080	\$887,149,378
2019	14,121	\$840,091,008
2018	14,036	\$761,209,762
2017	14,036	\$767,329,661

*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 54.5 million square feet. The major construction for fiscal year 2021 totaled \$119 million and the maintenance and repair construction for fiscal year 2021 totaled \$229.9 million.

The final building of the John F. Kennedy Special Warfare Center, a \$156.7 million project that has been ongoing for several years now, is currently under construction. The 90,000-square-foot Human Performance Force Generation facility is expected to cost \$43 million and will serve soldiers honing their skills of “strength, body, and mind”. The facility will house expert trainers, counselors and researchers, enabled by the latest training methods including simulations, augmented and virtual reality, and biometric and neurological sensors. The facility will contain 40,000 square feet of workout space, classrooms for synthetic training, a physical therapy room, a performance nutrition area to prepare meals, clinical space, and areas for family counseling or financial classes. On any given day, the John F. Kennedy Special Warfare Center trains an average of about 3,000 students who are located at Fort Bragg, but includes others who are spread across satellite facilities at other installations. The anticipated completion is within 2023.

A multi-purpose gun range, estimated at \$34 million, was requested for Fort Bragg. The range would be used to train and test crews and dismounted infantry squads on the skills necessary to detect, identify, engage, and defeat stationary infantry and stationary and moving armor targets. The range would include: a downrange site preparation area, an armor range operations control area, a staging and bivouac area, a range control tower, an operations and storage building, a building where leaders would provide assessments after training, a covered bleacher, and an eating area and a field latrine. If approved, construction would tentatively start in April 2023 and be completed by September 2024.

### THE LOCAL ECONOMY

The Fayetteville and Cumberland County Economic Development Corporation (“FCEDC”) is the lead agency on developing strategies and initiatives for economic development in the County. The County’s commitment to expanding and diversifying its economy includes maintaining a strong industrial base. Manufacturing and distribution services are

diverse in the area. The County’s workforce has a median age of 30, far below the national median, and has a much higher than average percentage of workers who have college degrees as compared to the national median. Each year, the County’s workforce increases by thousands of transitioning soldiers, who have high levels of technical skills and personal discipline. Key industries like manufacturing, logistics, defense contracting, and business services, 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 of our successful business climate.

Fayetteville is a strong location for commercial property. Cumberland County has approximately 20 million square feet of retail space with only about 3.5%, or 700,000 square feet, currently available. This is lower than the national average, which is about 4.5%. Fifteen years ago the vacancy rate in Cumberland County was 7.5%. In addition, developers are expected to break ground on more than 1 million square feet of new industrial construction in 2022 in Cumberland County. Robert Van Geons, President and CEO of FCEDC, predicted that in 2022, “the region will enlarge its role as a super-regional logistics hub, with over 2M square feet of projects on the way and more than 2,000 jobs projected.”



*Photo: The Citizen Times*

In February 2022, Amazon, a Fortune 100 company, announced that it's building a second operation in Cumberland County. The 1.3 million-square-foot fulfillment facility will be located across 94 acres in the Military Business Park off Bragg Boulevard and is expected to open in 2023. The company must commit to investing \$100 million in real estate and equipment in Cumberland County over the next 5 years and hire more than 500 full-time workers with an average annual wage of approximately \$33,000, in order to receive an incentive of a total of \$2.5 million from the County and City, should the cost of the infrastructure exceed \$5 million. The facility would generate an annual tax revenue of more than \$800,000 for Cumberland County and create more than 500 full-time jobs and hundreds of part-time jobs. The previously announced 80,000-square-foot delivery station located on Dunn Road is expected to open this year, bringing hundreds of jobs. Robert Van Geons, President and CEO of FCEDC, is hopeful that these facilities, offering the same or better wages and shorter commute times, will keep more Cumberland County residents working in the County.

In August 2022, it was announced that NVR, Inc., a Fortune 500 company and one of the nation's leading homebuilders, will be building a 145,000-square-foot manufacturing factory on a 22-acre site on Dunn Road in Fayetteville. The \$25 million facility will be used to manufacture tresses, wall panel systems, and other essential homebuilding components. The project is expected to create 189 jobs at an average wage of \$45,000. North Carolina was competing against sites in Georgia and Florida for this project. In June, the County and City combined approved an incentive of \$827,000 to entice the company. These incentives will only be provided if the company meets the required job-creation and investment goals.

In February 2022, Fortuna BMC, Inc., a California-based IT and business management consulting company, announced its plans to expand to Cumberland County. The company provides customized information technology solutions, including contact center support, enterprise resource planning (ERP), information security,

project management, business process engineering (BPE) and organizational change management. This expansion will bring 50 call center jobs, which are remote work opportunities. Jack Smith, CEO and founder of Fortuna BMC, stated, "We are eager to select Fayetteville for our expansion on the East Coast due to its proximity and connection to Fort Bragg, the largest military installation in the United States by population." Fortuna BMC's growth strategy includes hiring and training skilled talent, such as separating military service members, veterans, and military spouses.

In June 2022, ChenMed, the largest family-owned and physician-led primary care provider in the United States, chose Fayetteville to open a new medical center. The senior-focused medical center, which offers VIP, concierge-style medical services to invest \$1.2 million in Cumberland County and create more than 30 full-time jobs with an above-average annual wage and benefits. ChenMed was named one of Fortune 2020 "Change the World" companies and a certified Best Place to Work by the Best Place to Work Institute.

In February 2022, Plan C Crypto, a California-based cryptocurrency data mining company, announced plans to open a regional headquarters in Fayetteville later this year. This is expected to create 19 jobs this year in the electrical, security and information technology fields, with additional jobs to follow in future years. Plan C Crypto will be located in an existing industrial facility and is anticipated to pay salaries significantly higher than the country average. The "business-friendly climate, strong existing infrastructure and talented workforce" were listed as Plan C Crypto CEO Antonio Bestard's reasons for choosing Fayetteville. Robert Van Geons says that despite criticisms of the crypto industry, the new facility will be good for the area, bringing jobs and taxable investment, and a benefit for our utility system.

Logistics is one of the fastest growing industries in the area.



*Photo: The Fayetteville Observer*

In terms of transportation, the County's location on 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 I-95 Corridor puts us within an eight-hour drive of two-thirds of the nation's population (170 million customers), and less than half a day from the deep-water ports. Doubling the number of lanes of a 26-mile stretch between Cumberland and Johnston counties on I-95 is currently underway. The project is intended to reduce congestion, plan for traffic growth, improve safety, enhance regional mobility, and make the infrastructure more resilient against future flooding. The first 16-mile stretch is planned to be completed by Fall of 2025, with the last 10-mile stretch having a planned completion date of Summer 2026.

After being under construction since May 2000, I-295 has an expected completion date of 2026. As of September 2021, U.S. 401 Business to U.S. 401 (Raeford Road), and the extension of the Outer Loop south of Raeford Road to near Century Circle have been completed. The loop is improving regional traffic flow and safety and enhancing freight access, in addition to opening up more areas of the County to commercial and residential development, like the

new Amazon distribution facility. I-295 currently runs from I-95 at U.S. 13 north of Fayetteville and Eastover to U.S. 401 (Raeford Road). Two other segments are remaining, which will bring I-295 around Hope Mills south of Fayetteville and back to I-95 south of Fayetteville and north of St. Pauls in Robeson County. U.S. 401 (Raeford Road) to Camden Road had been delayed due to prior funding issues and settlements but was awarded for construction in July 2022. This segment is scheduled to be complete by the summer of 2026. Construction on Camden Road to I-95 is already underway and has an estimated completion date of December 2024. I-295 is expected to boost growth in residential construction as well as commercial construction, allowing residents to live farther from their jobs as it will shorten drive times. It is also expected to make the community more attractive to employers that need highway access.

With the extension of I-295 coming closer to completion, Hope Mills is preparing for the growth that will follow. Some of the recent additions in the town include Starbucks, Jersey Mike's Subs, Sports Clips, and Got Chew Grill. There are also plans for a fulfillment center for the post office, Dunkin' Donuts and a Sheetz, which will also be a truck stop with showers. In addition, the town is currently in the process of procuring a design firm for the first phase of an estimated \$16 million recreational complex at Golfview Greenway. Chancer McLaughlin, Hope Mills Planning and Economic Development Director, states that he is seeing a record number of annexations. Between 2010 and 2020, Hope Mills had a population increase of 17.3%, which was the largest population gain in the County. McLaughlin estimates the population to be around 19,000 now. With the high rate of annexations, the population is expected to climb even more in the next several years. Planned NCDOT projects for Hope Mills include widening Camden Road from Main Street to the I-295 interchange, widening and adding roundabouts to Golfview and Rockfish roads, and

widening South Main Street from Shipman Road to Parkton Road.



*Photo: The Fayetteville Observer*

Changes are coming for the Murchison Road Corridor. \$172 million of the more than \$412 million that was approved in the state budget for Cumberland County is allocated for Murchison Road. This funding will help businesses, restaurants, Fayetteville State University, streetlights, public safety measures, historic buildings, and the Martin Luther King Jr. Park located along Murchison Road. \$2.5 million of the budget will be for improvements for the Martin Luther King Jr. Park. Nearly \$600,000 was allocated for stronger safety measures for pedestrians and more than \$750,000 was allocated for the community’s health centers. Fayetteville State University will receive \$63 million for a new College of Education, \$40 million for two new residence halls, \$38.8 million for repairs and renovations, \$10 million toward a new dorm parking deck, and \$670,000 for COVID-19 sterilization units. In addition to this, the North Carolina Department of Transportation (NCDOT) plans to start widening Murchison Road in May 2025, in order to improve traffic flow and safety and provide better pedestrian access. The \$47.43 million project will stretch from Interstate 295 to the U.S. 401 Bypass and will add a grass median and “reduced conflict intersections”. Andrew Barksdale, a DOT spokesman, said that the opening of the I-295 Outer Loop makes Murchison Road a new gateway into Fayetteville. The state DOT estimates about 25,000 vehicles use this section of the road each day. It is also heavily used by people

walking and using public transit. The state DOT project overview calls the road “an important historical and cultural transportation connection” between downtown and Fort 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. With the inaugural season bringing nearly 250,000 fans to the stadium, there were high hopes for the 2020 season before COVID-19 put a halt to it. Fortunately, baseball was back in full swing at Segra Stadium for 2022. Halted plans for a five-story Hyatt Place hotel and seven-story office complex to be built above the new parking deck located next to the stadium on the other hand, did not fare as well. After COVID-19 devastated the office and hospitality market, plans changed and the Prince Charles Holdings submitted a new plan for a multi-family apartment complex with 212 units. According to Jordan Jones, project manager for Prince Charles Holdings, the apartment complex will be U-shaped, with the open side facing Hay Street, the bottom side facing the baseball stadium, the Western side facing Haymount and the eastern side facing Residents at Prince Charles. The complex will offer studio, one-bedroom, and two-bedroom apartments with a pool, and rent prices will likely mirror that of the Residences at the Prince Charles on Hay Street. Construction was expected to begin in summer of 2022, with an estimated completion date of 2024. Altogether, this series of developments represents the single largest investment in the history of downtown Fayetteville.



*Photo: The Fayetteville Observer*



As shown in Taxable Sales, Table 3, fiscal year 2022 sales experienced a significant percentage growth, showing an increase of 9.65% over the previous fiscal year taxable sales amount.

**TAXABLE SALES**

**Table 3**

Year	Cumberland County	% Change
2022	\$5,743,623,702	9.65%
2021	\$5,238,219,221	20.96%
2020	\$4,330,602,890	0.27%
2019	\$4,318,734,010	6.65%
2018	\$4,049,332,514	0.22%

Source: North Carolina Department of Revenue

As shown in Table 4, Cumberland County’s growth in population is showing small growth, but there is a small decrease projected through 2025. Overall County growth rates are below the state’s estimated and projected growth rates.

As shown in Table 5, between 2018 and 2020, the County’s average unemployment rate increased by 4.5% with the State’s average unemployment rate increasing by 3.5%, spiking in 2020 during the peak of COVID-19. After 2020, both the County and State’s average unemployment have decreased, by 4.0% and 3.6% respectively. The trend of falling unemployment rates for the County mirrors that of the State for comparable periods. The County’s average unemployment rate is nearing its pre-pandemic rate, with the State successfully surpassing its pre-pandemic rate.

**POPULATION**

**Table 4**

	2010		2020 Certified		2021 Estimate		2025 Projected	
	Population	Population	% Change from 2010	Population	% Change from 2020	Population	% Change from 2021	
Cumberland County	327,275	334,776	2.29%	342,082	2.18%	334,788	-2.13%	
North Carolina	9,571,007	10,456,593	9.25%	10,556,299	0.95%	10,963,764	3.86%	

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
2022 (6 mo.)	129,305	121,659	7,646	5.9%	4.1%
2021	127,122	118,300	8,822	6.9%	4.9%
2020	120,366	108,408	11,958	9.9%	7.7%
2019	132,293	124,663	7,630	5.8%	4.4%
2018	129,232	122,191	7,041	5.4%	4.2%

Source: United States Bureau of Labor Statistics

The housing market in Cumberland County that hit record highs through the pandemic is now beginning to cool down. Utilizing statistics provided by Fayetteville Longleaf Pine Realtors, from June 2021 to June 2022, closed sales on all properties decreased by 13.7%. This decrease in home sales can likely be attributed to rising inflation, soaring home prices, and increased mortgage interest rates. Though the number of homes sold has slowed down, sales prices continue to rise. From June 2021 to June 2022, the median sales price on all properties increased by 18.4%. Even with an increased supply of homes available, the demand is still higher than the supply. Buyers are paying over asking and homes are not staying on the market for very long. Comparing June 2021 to June 2022, the homes for sale for all properties increased by a whopping 338.7%. With rising prices, mortgage interest rates, and inflation, many homes are becoming unobtainable for buyers, also contributing to decreased home sales.

Table 6 focuses on permits obtained for *new* construction, which serve as a strong indicator of the economy. Though there is an increase in the number of new residential building permits from 2020 to 2021, the number of new non-residential building permits experienced a slight decrease. New residential values increased by 18.55% and new non-residential values increased by 28.34%.

The first six months of 2022 are showing an increase in the number and value of new residential building permits as well as new non-residential building permits, compared to the first six months of 2021. The increase in the number and value of new residential building permits is high at 48.13% and 34.65% respectively. The increase in the number of new non-residential building permits is only 9.38% with a slight increase in value of 0.90%.

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

Calendar Year	New Residential		New Non-Residential	
	Number	Value	Number	Value
2022 (6 mo.)	594	\$103,573,057	35	\$48,786,226
2021	813	\$155,382,465	97	\$100,365,743
2020	758	\$131,066,794	108	\$78,204,937
2019	690	\$144,627,421	78	\$72,763,440
2018	656	\$126,118,568	98	\$151,458,318
2017	713	\$113,810,321	112	\$105,540,023

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

## **EDUCATION**

### **PUBLIC EDUCATION**

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

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

The current expense total paid for the fiscal year ended June 30, 2022, was \$83,033,918 from General

Fund revenues for school operations. For the fiscal year ending June 30, 2023, the County's original budgeted current expense appropriation is \$84,305,166 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, 2022, those actual sales taxes totaled \$15,985,916. The County received \$3,281,839 in proceeds from the North Carolina Education Lottery for the fiscal year ended June 30, 2022. As of June 30, 2022, the County has received \$68,567,777 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**

<b>School Year</b>	<b>Grades K-5 # Schools</b>	<b>Grades 6-8 # Schools</b>	<b>Grades 9-12 # Schools</b>	<b>Grades 6-12 # Schools</b>	<b>Total Final ADM</b>
<b>2021-2022</b>	53	18	17	1	47,313
<b>2020-2021</b>	53	18	17	1	47,234
<b>2019-2020</b>	52	18	17	0	49,579
<b>2018-2019</b>	52	18	17	0	49,503
<b>2017-2018</b>	52	18	17	0	49,641

*Number of schools excludes special schools and academies.*

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

## NON-PUBLIC SCHOOLS

There are 33 independent private and religious schools in the County. The enrollment for the 2021-2022 school year was 5,327. *Source: 2021-2022 North Carolina Directory of Non-Public Schools, Conventional Schools Edition*

## 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 third largest community college in the State.

FTCC, a two-year public institution, serves more than 27,000 students annually (according to FTCC’s 2022 Fact Book), with more than 280 curriculum programs of study to meet the needs of the community and students. FTCC serves high school juniors and seniors through High School Connections, providing opportunities for high school students to earn college academic credits at no tuition expense to them. Some programs are one hundred percent online, adding convenient, flexible options for students.

FTCC’s commitment to the community was recognized by its #1 rank in the nation for the best Military Friendly large community college for 2022-23 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 Graduation & Career, Military Student Support & Retention, Admissions & Orientation, and Culture & Commitment. 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 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, 2022 totaled \$13,278,659. For the fiscal year ending June 30, 2023, the appropriations from the County to FTCC are \$14,213,903, an increase of \$935,244 or 7.04%.

**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 15 undergraduate majors, an MBA, and four other graduate degree programs. FSU has off-site campuses at Fort Bragg and Seymour Johnson Air Force Base. Total undergraduate enrollment exceeded 5,500 in Fall 2021 with 1,191 enrolled in graduate programs.

Fayetteville State University was ranked #1 for most affordable colleges offering online bachelor’s degree programs for 2022 by Edsmart. These rankings only include fully accredited schools and is based solely on affordability, according to data from the U.S.

Department of Education. This year FSU was designated as the newest NC Promise School, a program that leverages state dollars to cap tuition rates for in- and out-of-state students pursuing bachelor's degrees. 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 will save students nearly \$2,000-\$10,000 per academic year. Additionally, FSU offers free tuition to military and military-affiliated students.

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

**Methodist University:** Chartered on November 1, 1956 as a senior, coeducational liberal arts college, the school was established as a joint venture by the citizens of Fayetteville/Cumberland County and the North Carolina Conference of the United Methodist Church. Methodist College opened to students in the fall of 1960. In the fall of 2006, in conjunction with the institution's 50th anniversary celebration, Methodist College officially became Methodist University. The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate, baccalaureate, and master's degrees.

Total undergraduate enrollment was 1,520 in 2021-2022 with 396 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 six graduate degree programs: Master of Medical Science in physician

assistant studies; Master of Business Administration; Master of Health Administration; Master of Science in nursing; the Doctor of Physical Therapy; and the Doctor of Occupational Therapy. 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 50 buildings, an 18-hole golf course, various athletic facilities, and an amphitheater.

Methodist University was recognized as a gold level ranking Military Friendly school in the category of Private offering Doctorate for 2022-23 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, Methodist University scored highest in Graduation & Career, Admissions & Orientation, and Culture & Commitment. Methodist University also earned a spot on the 2022 "Best for Vets" Colleges List by the Military Times. This ranking heavily relies on student-success metrics such as completion, retention, persistence, and GPA followed by other factors such as the range of military-specific resources, the level of financial assistance offered, admissions and registration policies, and human resources.

## **MAJOR INITIATIVES**

### **CROWN EVENT CENTER**

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

recommended constructing a new multi-purpose event center with a maximum capacity of 2,500 that can accommodate a variety of uses. In the first half of 2022, the Board of Commissioners hired MBP Carolinas as the owner’s representative for the project, established a three-member 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. The request for qualifications (RFQ) for an architect for the project was issued in September with an October due date. In November, committee staff evaluated the responses, conducted interviews with shortlisted firms, and made a final recommendation to the Board of Commissioners. EwingCole was recommended and approved as the project architect. Updating and refining project cost estimates and procurement of a construction team will be forthcoming. The guiding principles of this project include:

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

## **GRAY’S CREEK PUBLIC WATER ACCESS**

In 2017, GenX and other emerging per- and polyfluoroalkyl substances (PFAS) were identified in drinking water wells in Cumberland County near the Chemours facility. In response to the contamination, in 2020, the Board of Commissioners approved appropriating \$10,500,000 for the exploration of public water expansion in the Gray’s Creek area to address contamination issues. It is currently projected to cost about \$130 million to build a water system in the Gray’s Creek area. In the fiscal year 2023 budget, \$258,600 was approved to move forward with Phase 1 of the Gray’s Creek Water Project.

## **HOMELESSNESS**

In fiscal year 2021, OrgCode Consulting, Inc. developed a three-year homelessness strategic plan. The Homelessness Strategic Plan lists the impact areas as: Access to Assistance, Permanent Housing, Wellness and Opportunity, and Community Investment. In August 2021, the Board of Commissioners approved the recommendation by the Community Development department to enter into an agreement with OrgCode Consulting, Inc. to develop an implementation plan. The N.C. General Assembly allocated \$1M to the County for construction of a homeless shelter. The County is currently identifying potential sites for this homeless shelter.

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

In August 2021, the Board of Commissioners approved the selection of Creech and Associates to conduct the General Services Building Space Utilization and Site Analysis Study. This study was to examine current usage within the Judge E. Maurice Braswell Cumberland County Courthouse, the Cumberland County Historic Courthouse, and 109 Bradford Avenue to determine space needs for the departments that are currently housed in these facilities and which departments could be relocated. The study will be used by the Board of Commissioners and County Management to make

determinations about the location and usage of a future General Government Services Building. In October 2021, the Board of Commissioners approved the selection of Creech and Associates to complete a comprehensive space needs analysis and facility master plan. This assessment included the previously mentioned facilities with the addition of the Spainhour Building and the Winding Creek Annex. This analysis and plan was to analyze current utilization, determine current and future needs for space, and generate a master plan to address deficiencies of the 24 departments identified in the study. In September 2022, the final analysis for the first phase in the County's long-term space needs and master planning was presented to the Board of Commissioners for review. If the Board moves forward with the General Government Services Building, the Capital Planning Model includes debt service funds.

#### **CENTRALIZATION OF FLEET MANAGEMENT**

A Fleet Management Review has been ongoing since fiscal year 2020. Though this project is still in process, some changes have already been implemented to improve operations in the Fleet Management division. A new software system was installed in fiscal year 2022 that has replaced a paper system. This has improved the customer experience and provided beneficial data in an electronic format. Previously, vehicle purchases, maintenance and repair, and fuel and insurance were budgeted individually in department budgets. For fiscal year 2023, all budgeted items have been consolidated in the fleet management cost center. In addition, all vehicles will be ordered and procured by fleet management. This will help standardize the fleet and provide better management of the budget for vehicle operations.

#### **MERGER OF COUNTY FUNCTIONS**

For fiscal year 2023, Print, Mail & Design Services (PMD) was merged with Public Information Office (PIO). This consolidation creates cross-training and greater coordination of the graphic design function shared between PMD and PIO.

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

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

#### **EMERGENCY RENTAL ASSISTANCE**

In 2021, Cumberland County was awarded \$3.7 million to provide emergency rental assistance payments to eligible families under the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA). This program provides aid to households that are unable to pay rent or utilities due to economic constraints from the COVID-19 pandemic. The household must be a resident of Fayetteville or Cumberland County. During fiscal year 2022, the County provided an additional \$4.4 million in awarded funds to qualified applicants. Additional funding amounts to be utilized for emergency rental assistance are also expected in fiscal year 2023.

#### **OPIOID SETTLEMENT FUNDS**

In July 2021, Attorney General Josh Stein announced a historic \$26 billion agreement that will help bring desperately needed help to communities harmed by the opioid epidemic. The state of North Carolina and all 100 counties, including Cumberland County, joined the agreement. A Memorandum of Agreement (MOA) between the State and local government directs how opioid settlement funds are distributed in our state. These potential settlements and resolutions could bring as much as \$850 million

to North Carolina over an 18-year period to support state and local efforts to address the epidemic. Cumberland County Government is estimated to receive \$16,984,644 over an 18-year period (2022-2038).

## **FINANCIAL INFORMATION**

### **FINANCIAL POLICIES**

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

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

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

Commissioners. Debt financing is considered in conjunction with the County's CIP and the BOE's facilities plan.

Fiscal year 2019 was the first full year the County utilized the Capital Investment Fund. In fiscal year 2018, the Board of Commissioners adopted a policy which identified a funding mechanism to address future County capital facility needs. The financial model being utilized illustrates by funding source how future potential capital needs can be addressed. The model illustrates that as debt is retired, funds that had been previously budgeted for debt repayment will be re-assigned for use for future capital needs. This concept of the policy and the model create a dedicated revenue stream that can be used for annual payments on future debt. The policy includes: the budget process for establishing capital expenditure priorities; debt affordability elements; debt modes and pay/go debt ratios; and, establishes a minimum fund balance percentage of 25% of annual debt service on outstanding debt or debt projected to be issued as shown in the model.

### **RATINGS**

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

In January 2021, Moody's Investor Service affirmed the Aa1 rating of the County's General Obligation Bond debt and the Aa2 rating of outstanding Limited Obligation Bonds and Certificates of Participation. The Aa2 rating reflects the satisfactory legal structure, the essential nature of the pledged assets, and the long-term credit characteristics of the County. The Aa1 General Obligation rating reflects the County's robust tax base with an average socioeconomic profile, anchored by Fort 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 assure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As part of the County's single audit, tests are made to determine the adequacy of the internal control structure including that portion related to federal and state financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

#### **INDEPENDENT AUDIT**

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

## AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Cumberland for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Renee Paschal  
Interim County Manager



Brian Haney  
Assistant County Manager for General Government  
& Stewardship



Vicki Evans  
Finance Director &  
General Manager of Financial Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Cumberland  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

# Board of County Commissioners

---



**Glenn Adams**  
Chairman  
District 1



**Dr. Toni Stewart**  
Vice Chairwoman  
District 2



**Michael C. Boose**  
Commissioner  
District 2



**Dr. Jeannette M. Council**  
Commissioner  
District 1



**Charles Evans**  
Commissioner  
At-Large



**Jimmy Keefe**  
Commissioner  
District 2



**Larry L. Lancaster**  
Commissioner  
At-Large

## County Officials

**Amy H. Cannon, CPA**  
County Manager

**Rick L. Moorefield**  
County Attorney

**Brian Haney**  
Assistant County Manager

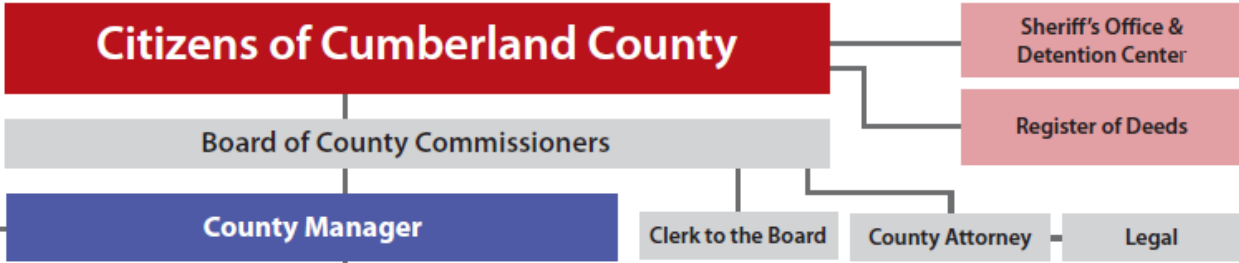
**W. Tracy Jackson**  
Assistant County Manager

**Sally Shutt**  
Assistant County Manager

# Organizational Chart

**Liaison to:**  
 Board of Education  
 Cape Fear Valley Health System  
 Fayetteville Cumberland Economic Development Corporation  
 Mid-Carolina Council of Governments

**Board Member of:**  
 Fayetteville Area Convention & Visitors Bureau, Inc.  
 Tourism Development Authority



**Sheriff's Office & Detention Center**

**Register of Deeds**

**Deputy County Manager**

- Budget
- Child Support
- Community Development
- Health
- Juvenile Crime Prevention
- Pretrial Services
- Senior Employment
- Veterans Services
- Program Liaison Alliance Health

**General Manager**  
Human Services

Department of Social Services

**Liaison to:**  
 Communicare, Inc.  
 Continuum of Care  
 Court Ordered Care  
 Cumberland County Juvenile Crime Prevention Council

**Assistant County Manager**  
Environmental/Community Safety

- Animal Control
- Cooperative Extension
- Emergency Services
- Engineering & Infrastructure (Public Utilities)
- Internal Services (Central Maintenance, Building Maintenance, Landscaping)
- Parks & Recreation
- Planning & Inspections
- Soil & Water
- Workforce Development

**Liaison to:**  
 Cooperative Extension Advisory Board  
 Human Services Transportation System

**Assistant County Manager**  
General Government & Stewardship

- Crown Complex
- Human Resources
- Information Services
- Internal Audit
- Solid Waste
- Tax Administration
- Wellness Services Pharmacy/Clinic

**Liaison to:**  
 Civic Center Commission

**General Manager**  
Financial Services

Finance

Risk

Finance Liaison Alliance Health

**Assistant County Manager**  
Strategic Management/ Governmental Affairs

- Board of Elections
- Broadcast & Video Production
- Intergovernmental Relations/ Military Affairs
- Legislative Services & Advocacy
- Library
- Print, Mail & Design Services
- Public Information
- Strategic Plan & Initiatives

**Liaison to:**  
 Airborne & Special Operations Museum

# AUDITOR'S OPINION



## Report of Independent Auditor

To the Board of Commissioners  
Cumberland County  
Fayetteville, 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 Cumberland County, North Carolina (the “County”) as of and for the year ended June 30, 2022, 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 the 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 Cumberland County, as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Cumberland County ABC Board (the “ABC Board”), which represent 38.7%, 42.5%, and 73.0%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for ABC Board, is based solely on the report of the other auditors.

#### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for one year 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 financial statements and schedules, and other 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. In our opinion, the combining and individual fund financial statements and schedules, and other supplemental financial data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
January 17, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS



# Management's Discussion and Analysis

## INTRODUCTION

As management of the County of Cumberland, North Carolina (the "County"), we are presenting to the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the transmittal letter and the County's financial statements, which follow this narrative.

## FINANCIAL HIGHLIGHTS

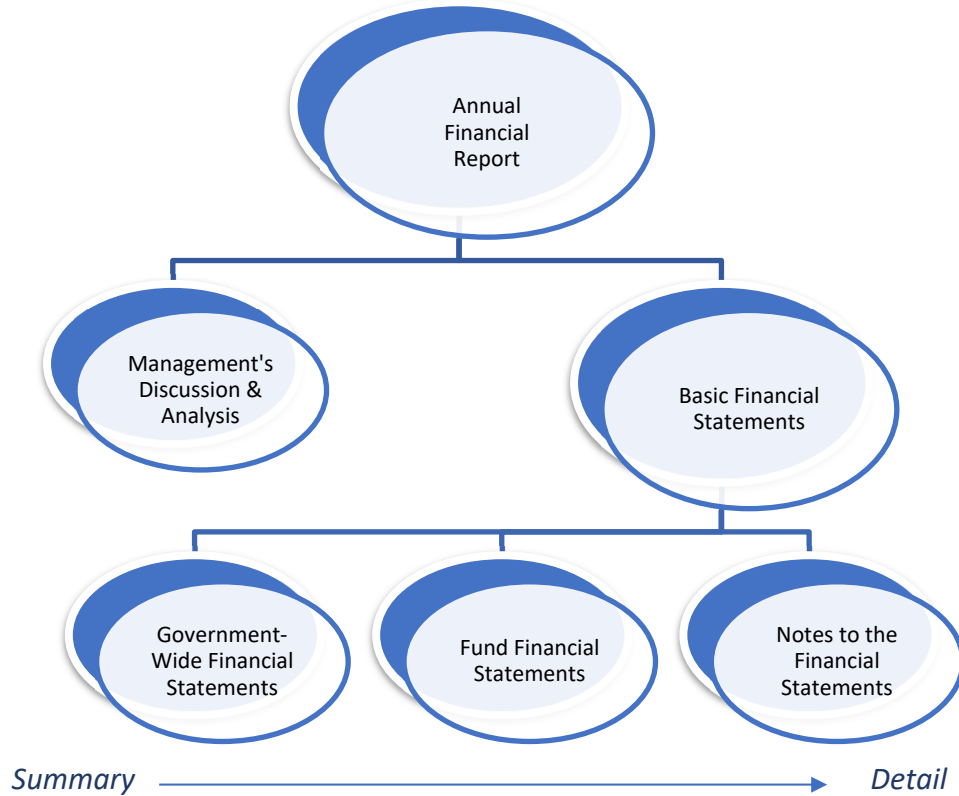
- ❖ Assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$292,928,269 (net position). The County's total net position increased by \$94,835,511 from the prior year. Net position increased \$86,520,277 for governmental activities and increased \$8,315,234 for business-type activities.
- ❖ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$300,762,260, an increase of \$41,140,617 or 15.85% from the prior year.
- ❖ In January 2021, Moody's Investor Service affirmed the Aa1 rating of the County's General Obligation Bond debt and the Aa2 rating of outstanding Limited Obligation Bonds and Certificates of Participation. The Aa2 rating reflects the satisfactory legal structure, the essential nature of the pledged assets, and the long-term credit characteristics of the County. The Aa1 General Obligation rating reflects the County's robust tax base with an average socioeconomic profile, anchored by Fort Bragg. The rating reflects the County's strong financial performance, including the maintenance of General Fund balance levels consistently more than 35% of revenues and adopted financial and debt policies which demonstrate prudent and conservative management.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$75,747,920 or 22.77% of total General Fund expenditures.
- ❖ During the year ended June 30, 2022, the County implemented Governmental Accounting Standards Board Statement No. 87 (GASB 87) – Leases. The purpose of this statement is to improve accounting and financial reporting for leases by governments in order to provide better information to financial statement users. Through implementation of GASB 87, the County made adjustments to leases receivable, capital assets, lease liabilities and deferred inflows of resources. There was no material impact to net position.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

# Management's Discussion and Analysis

## REQUIRED COMPONENTS OF THE ANNUAL FINANCIAL REPORT



### *Basic Financial Statements*

The first two statements (pages D-2 and D-4) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status. The next statements (pages E-1 through E-13) are Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements and 4) the fiduciary fund statements. The next section is the Notes to the Financial Statements. The Notes explain in detail some of the data contained in those statements. Following the notes is the Required Supplementary Information. This section contains funding information about the County's Pension Obligations, Law Enforcement Officers' Special Separation Allowance and Other Post Employment Benefit Retiree Healthcare Plans. After the Required Supplementary Information is detailed financial information about the County's financial position.

### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. Both statements provide data about the County's financial activities as a whole and present a longer-term view of the County's finances. These statements use the accrual basis of accounting,

# Management's Discussion and Analysis

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which is similar to the accounting used by most private-sector businesses. The government-wide financial statements are on pages D-2 through D-5.

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

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

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

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

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

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

# Management's Discussion and Analysis

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## *Fund Financial Statements*

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Most of the County's basic services are accounted for in governmental funds. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

The County adopts an annual budget for its general, special revenue, permanent, enterprise and internal services funds as required by the General Statutes. Multi-year capital project funds are approved via a balanced project ordinance for the life of the project. Multi-year grant project funds have been established for two special revenue funds – the American Rescue Plan Act fund and the Opioid Settlement 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

# Management's Discussion and Analysis

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

## OTHER FINANCIAL INFORMATION

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

(continued on next page)

# Management's Discussion and Analysis

## Government-Wide Financial Analysis

The following summarizes Net Position (Deficit) at June 30, 2022 and 2021.

### NET POSITION

Table 1

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
<b>ASSETS</b>						
Current and other assets	\$ 334,008,814	\$ 411,234,617	\$ 55,068,385	\$ 60,880,559	\$ 389,077,199	\$ 472,115,176
Capital assets	192,757,181	195,337,127	81,212,228	81,896,674	273,969,409	277,233,801
Total Assets	526,765,995	606,571,744	136,280,613	142,777,233	663,046,608	749,348,977
Deferred outflows of resources	47,710,773	47,126,818	1,370,197	1,257,929	49,080,970	48,384,747
<b>LIABILITIES</b>						
Long-term liabilities	351,689,911	262,719,856	39,950,786	34,812,817	391,640,697	297,532,673
Other liabilities	57,034,068	92,965,644	2,415,552	4,433,779	59,449,620	97,399,423
Total Liabilities	408,723,979	355,685,500	42,366,338	39,246,596	451,090,317	394,932,096
Deferred inflows of resources	61,184,136	106,924,132	1,760,367	2,949,227	62,944,503	109,873,359
<b>NET POSITION</b>						
Net investments in capital assets	145,716,170	158,558,572	61,883,882	66,942,102	207,600,052	225,500,674
Restricted	93,130,470	99,565,582	3,383,770	1,681,686	96,514,240	101,247,268
Unrestricted	(134,277,987)	(67,035,224)	28,256,453	33,215,551	(106,021,534)	(33,819,673)
Total Net Position (Deficit)	<u>\$ 104,568,653</u>	<u>\$ 191,088,930</u>	<u>\$ 93,524,105</u>	<u>\$ 101,839,339</u>	<u>\$ 198,092,758</u>	<u>\$ 292,928,269</u>

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 \$292,928,269 as of June 30, 2022. The County's net position increased by \$94,835,511 for the year ending June 30, 2022, compared with the prior year.

The County's implementation of Governmental Accounting Standards Board Statement No. 87 (GASB 87) – Leases, has an impact on the overall increase of total assets and also has effects on the increase to the corresponding long-term liabilities. GASB 87 requires the County as the lessee to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereafter referred to as the lease asset), and a lease receivable and deferred inflow of resources as the lessor.

In fiscal year 2020, the U.S. Congress enacted a series of laws, including the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act; these laws were a direct



# Management's Discussion and Analysis

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response to the economic and societal crises resulting from the COVID-19 pandemic. The CARES Act provided widespread assistance to individuals, corporations, and state and local governments. Funding to the State from the CARES Act was allocated directly through the federal Coronavirus Relief Funds (CRF), new initiative programs and new grants. In response to the CARES Act and requirements set forth for the State's CRF, the N.C. General Assembly passed spending bills that allocated the federal CRF monies to areas impacted by the pandemic. They also established the North Carolina Pandemic Recovery Office (NCPRO) to oversee and coordinate the funds made available under COVID-19 Recovery Legislation. The deadline for expending CRF was December 31, 2021.

In March 2021, the United States Congress enacted the American Rescue Plan Act (ARPA) and established the Coronavirus State and Local Fiscal Recovery Fund. These funds were allocated to each state, local government, and tribal government individually. As of June 30, 2022, Cumberland County had 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 were expended during fiscal year 2022. The unspent amount was recorded as a liability or unearned revenue.

In April 2022, drug manufacturer Johnson & Johnson, and three other drug manufacturing companies finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. The state of North Carolina is expected to receive over \$757 million in funding distributions scheduled to occur between 2022-2038. Cumberland County is expected to receive almost \$17 million of that amount. During fiscal year 2022, the County received over \$650,000 as part of that settlement. No funds were expended during fiscal year 2022, however, the county is actively planning for the funding utilization on authorized opioid abatement or remediation activities. The unspent amount was recorded as a liability or unearned revenue.

As a result, these allocations do not have an impact on the County's net position this year, as the liability was offset by the cash asset. Total assets and deferred inflows increased by \$86,302,369.

Total liabilities decreased by \$56,158,221 which is mainly attributable to an increase in other liabilities of \$37,949,803. This was offset by a decrease in long term liabilities of \$94,108,024 mainly attributable to a reduction in net pension liability (LRS) of \$25,726,321; OPEB Liability of \$55,671,486, among others. The reduction in the OPEB liability is due to changes in assumptions.

Of total net position, one of the largest portions, \$225,500,674 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, \$101,247,268. 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

## Management's Discussion and Analysis

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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 \$21,268,956 of the outstanding debt on the County's financial statements is related to assets included in the school systems' statements. However, a portion of the school system related debt is general obligation debt which is collateralized by the full faith, credit, and taxing power of the County. Accordingly, 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.

**(continued on next page)**

# Management's Discussion and Analysis

## CHANGES IN NET POSITION

Table 2

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 16,335,606	\$ 19,760,821	\$ 5,219,046	\$ 7,285,512	\$ 21,554,652	\$ 27,046,333
Operating grants and contributions	75,477,079	74,854,194	947,877	1,755,983	76,424,956	76,610,177
Capital grants and contributions	4,773,232	3,982,512	-	-	4,773,232	3,982,512
General revenues:						
Property taxes	211,660,075	214,751,718	-	-	211,660,075	214,751,718
Other taxes	81,971,755	90,235,515	7,513,714	7,938,853	89,485,469	98,174,368
Grants and contributions not						
restricted to specific programs	17,617,071	18,816,392	-	-	17,617,071	18,816,392
Unrestricted investment earnings	1,040,674	1,412,761	42,984	81,726	1,083,658	1,494,487
Gain on sale of assets	55,605	1,246,414	311,921	62,941	367,526	1,309,355
Miscellaneous	5,954,718	6,236,307	682,287	27,161	6,637,005	6,263,468
<b>Total revenues</b>	<b>414,885,815</b>	<b>431,296,634</b>	<b>14,717,829</b>	<b>17,152,176</b>	<b>429,603,644</b>	<b>448,448,810</b>
<b>EXPENSES</b>						
General government	37,908,007	41,158,664	-	-	37,908,007	41,158,664
Public safety	66,856,365	61,892,566	-	-	66,856,365	61,892,566
Economic and physical development	17,019,061	10,427,433	-	-	17,019,061	10,427,433
Human services	96,908,446	88,142,692	-	-	96,908,446	88,142,692
Culture and recreation	13,998,599	13,536,709	-	-	13,998,599	13,536,709
Education	102,234,784	114,500,841	-	-	102,234,784	114,500,841
Interest on long-term debt	3,417,789	2,380,021	-	-	3,417,789	2,380,021
Solid Waste	-	-	11,705,481	12,949,904	11,705,481	12,949,904
Crown Center	-	-	6,860,973	7,466,549	6,860,973	7,466,549
Kelly Hills W&S District	-	-	99,996	93,366	99,996	93,366
Norcross W&S District	-	-	655,658	628,641	655,658	628,641
Southpoint W&S District	-	-	21,713	31,421	21,713	31,421
Overhills Park W&S District	-	-	214,108	197,043	214,108	197,043
Bragg Estates WS District	-	-	162,073	-	162,073	-
<b>Total expenses</b>	<b>338,343,051</b>	<b>332,038,926</b>	<b>19,720,002</b>	<b>21,366,924</b>	<b>358,063,053</b>	<b>353,405,850</b>
Increase in net position before transfers	76,542,764	99,257,708	(5,002,173)	(4,214,748)	71,540,591	95,042,960
Transfers	(8,770,824)	(12,529,982)	8,670,824	12,529,982	(100,000)	-
<b>Change in net position</b>	<b>67,771,940</b>	<b>86,727,726</b>	<b>3,668,651</b>	<b>8,315,234</b>	<b>71,440,591</b>	<b>95,042,960</b>
Net position - beginning	36,233,452	104,568,653	89,855,454	93,524,105	126,088,906	198,092,758
Fund Closure	563,261	(207,449)	-	-	563,261	(207,449)
Net position - beginning adfter fund closure	36,796,713	104,361,204	89,855,454	93,524,105	126,652,167	197,885,309
<b>Net postion - ending</b>	<b>\$ 104,568,653</b>	<b>\$ 191,088,930</b>	<b>\$ 93,524,105</b>	<b>\$101,839,339</b>	<b>\$ 198,092,758</b>	<b>\$ 292,928,269</b>

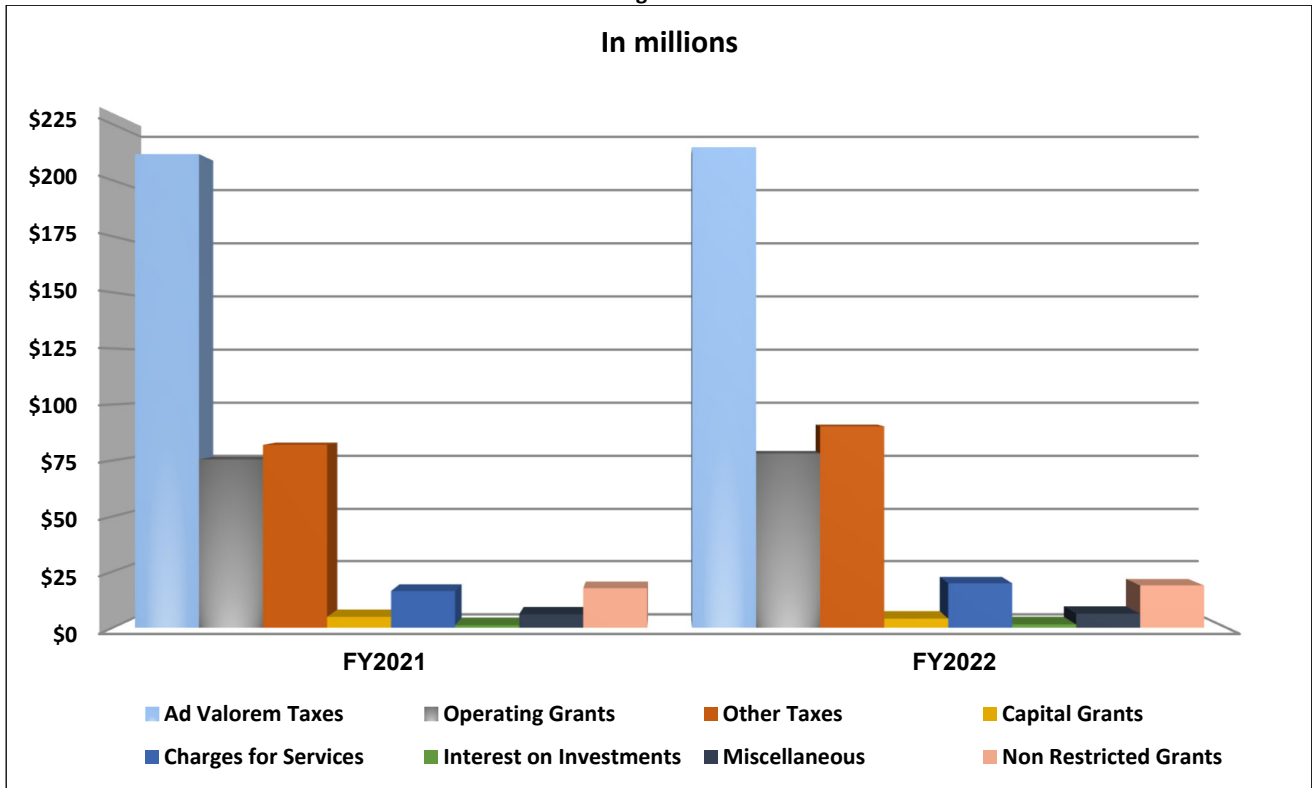
Several particular aspects of the County's financial operations shown in Table 2, influenced total governmental activities net position:

- ❖ The County continues to exercise fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year. The County's unassigned fund balance level provides a financial cushion to accommodate unforeseen expenses that may occur for any reason during the fiscal year.
- ❖ Continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.59% for real and personal property.
- ❖ The growth in revenues is mainly attributable to the increase in charges for services taxes, and other revenues.

# Management's Discussion and Analysis

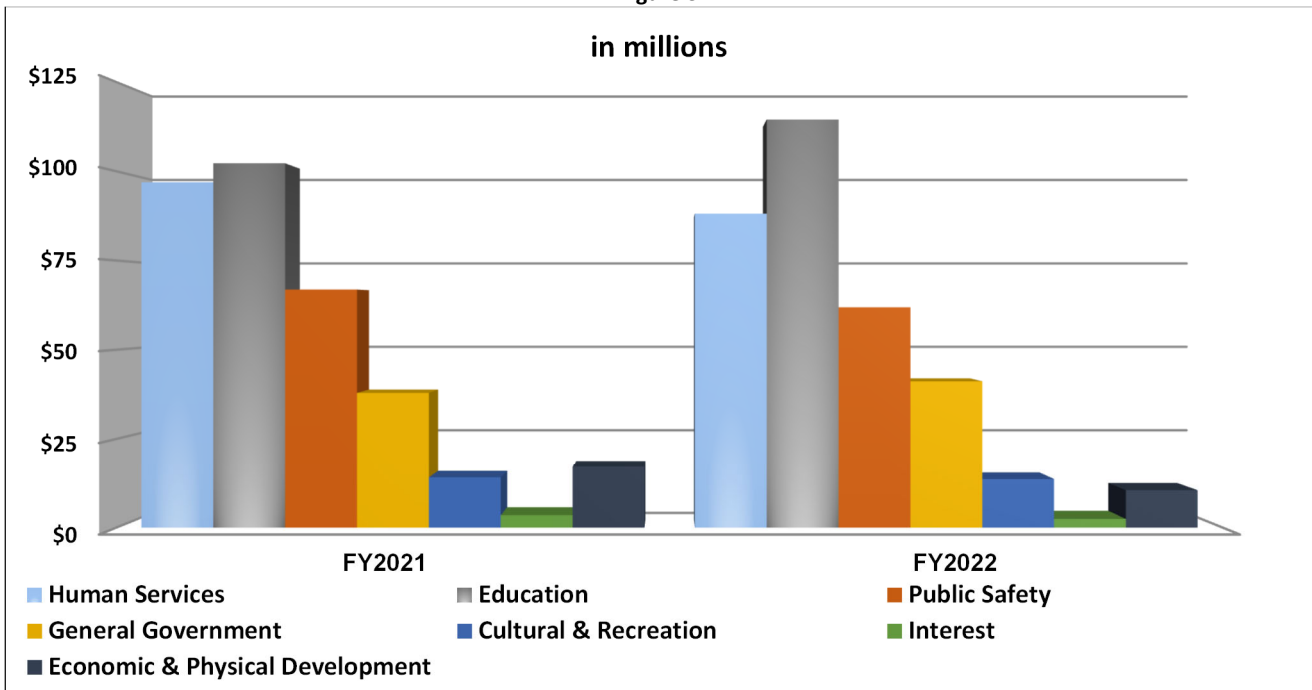
## GOVERNMENTAL ACTIVITIES REVENUE

Figure 2



## GOVERNMENTAL ACTIVITIES EXPENSES

Figure 3



# Management's Discussion and Analysis

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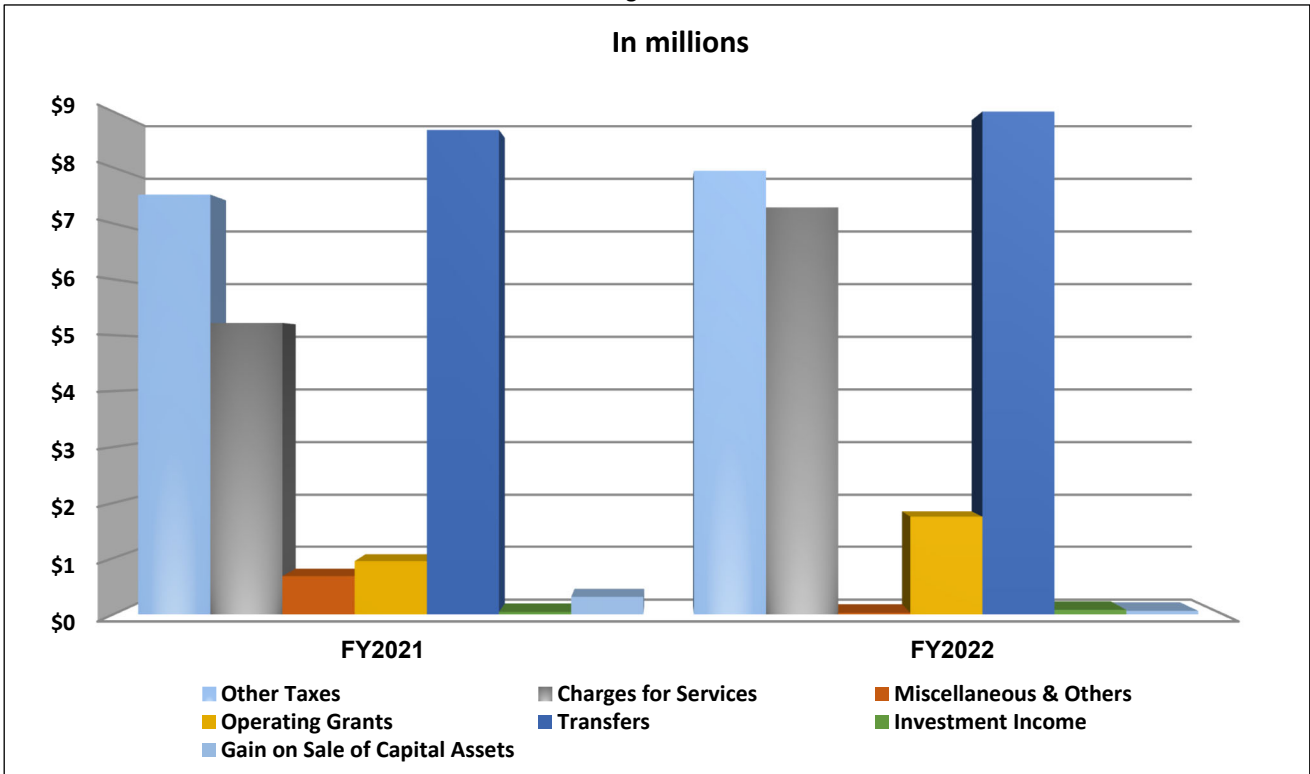
**Governmental Activities** Governmental activities increased the County's net position by \$86,520,277 (See Figures 2 and 3). Key elements of this increase are as follows:

- ❖ Program revenues totaled \$98,597,527, an increase of \$2,011,610 over the previous year.
  - Charges for services in General Government increased by \$3,425,215 primarily because of an increase in Planning and Inspection permit fees.
  - Operating Grants and Contributions decreased by \$622,885. The reduction in revenues is offset by a reduction in expenses.
  - Capital grants and contributions decreased by \$790,720. The reduction in revenues is offset by a reduction in expenses.
- ❖ General revenues increased by \$14,399,209, which is mainly attributable to an increase in property tax and other taxes.
  - Property tax revenue totaled \$214,751,718 an increase of \$3,091,643 from 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 \$8,263,760 or 10.08%. This increase is a result of an increase in general taxable sales as well as the enactment of North Carolina General Statute 105-165.4J. This General Statute became effective 2020 and requires online marketplace facilitators to collect and remit sales tax.
- ❖ Governmental activities expenses decreased by a \$6,304,125.
  - This decrease was mainly related to continued delays from supply chain issues which was a major impact of COVID-19 impacting the functional area of economic and physical development.
  - Staffing shortfalls continue to be an issue within the functional areas of public safety and human services, this led to a lower amount of personnel costs.
  - Funds provided to Fayetteville Technical Community College for construction of a Fire Training Center and other capital improvement projects offset those decreases by an increase of nearly \$12 million.

# Management's Discussion and Analysis

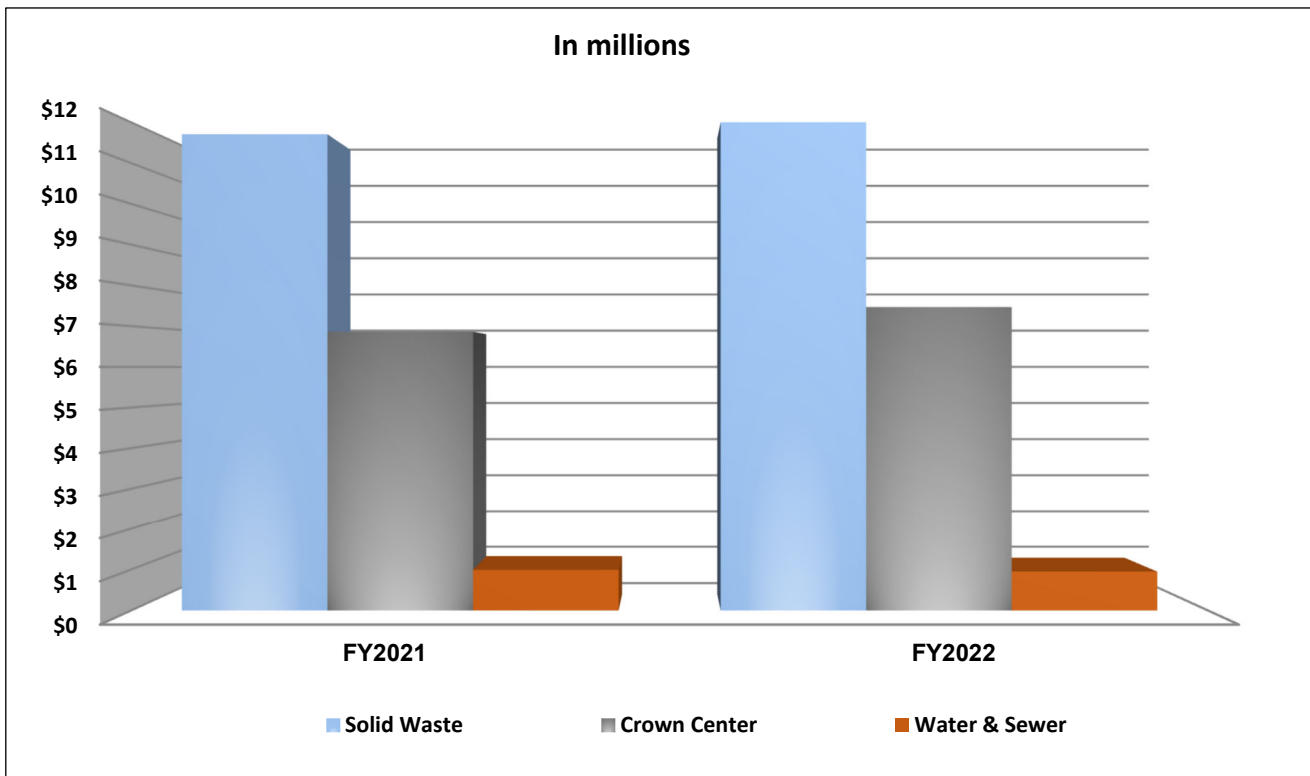
BUSINESS-TYPE REVENUE

Figure 4



BUSINESS-TYPE EXPENSES

Figure 5



# Management's Discussion and Analysis

**Business-type activities:** Business-type activities increased the County's net position by \$8,315,234 (See figures 4 and 5). Key elements of this increase are as follows:

- ❖ The Solid Waste net position decreased by \$356,047 to \$46,414,061. This is primarily due to costs incurred on capital projects.
- ❖ The Crown Center's net position increased by \$8,073,334 or 22.08% to \$44,631,368. This is mainly attributable to an increase in charges for services as activities start to resume after COVID and an increase in motel occupancy tax receipts, as well as a transfer from the food and beverage fund to offset costs of capital improvement projects in process.
- ❖ The Kelly Hills Water and Sewer District had an increase in net position of \$6,629 as a result of an increase in charges of services fees during the fiscal year.
- ❖ The NORCRESS Water and Sewer District had an increase in net position of \$477,673 to \$5,186,773. The primary reason for this was a transfer from capital investment funds assigned to support water and sewer district infrastructure which are being utilized to support lift station and sewer line repairs.
- ❖ The Southpoint Water and Sewer District had an increase in net position of \$39,497 to \$549,087. Operating revenues and expenses have remained consistent.
- ❖ The Overhills Park Water and Sewer District had a decrease in net position of \$49,965 to \$3,041,435. The water and sewer district began operations in fiscal year 2020 and fee increases to support operations are scheduled over the next several years.
- ❖ The Bragg Estates Water and Sewer District fund was closed during fiscal year 2022. The Board of County Commissioners and Bragg Estates Water and Sewer District Boards approved the capital project closeout during fiscal year 2021. All capital project related expenses were transferred to the operating fund and then the fund was closed. The County will no longer continue with this project but will maintain ownership of the assets acquired.

## 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 \$300,762,260, an increase of \$41,140,617 from the previous year. The unassigned fund balance is \$75,287,616 or 25.03% which is not restricted, committed, or assigned for specific purposes. Another \$10,071,721 or 3.35% is assigned for specific purposes: \$8,071,721 for subsequent years' expenditures; \$2,000,000 for economic development incentives. Committed fund balance totals \$ 129,415,567 or 43.03% and includes: \$2,431,671 for tax revaluation per state statute and \$126,983,896 for the capital investment fund. Non-spendable fund balance accounts for another \$223,390 or 0.07% for inventories, pre-paid and leases. The remainder of fund balance, \$85,763,966 or 28.52% is restricted which indicates that it is not available for general purposes because it is legally restricted or has been contractually committed.

# Management's Discussion and Analysis

paid and leases. The remainder of fund balance, \$85,763,966 or 28.52% 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, 2022, the major special revenue fund, ARPA, reported a fund balance of \$47,574. All funds are restricted.

As of June 30, 2022, the non-major governmental funds of the County reported a fund balance of \$20,339,143 a decrease of \$4,358,815 from previous year. The non-major governmental fund balance represents 6.76% of the combined fund balance for the governmental funds.

The General Fund, including the consolidated County School Fund and Capital Investment Fund, is the primary operating fund of Cumberland County (**page E-1**). At the end of the current fiscal year, the General Fund reported a fund balance of \$280,375,543; unassigned fund balance of the General Fund is \$75,747,920; non spendable fund balance is \$223,390; assigned and committed fund balance is \$139,487,288 while restricted fund balance is \$64,916,945.

As a measure of the General Fund's liquidity, it may be useful to compare three different measures of fund balance to total fund expenditures. The Board of Commissioners adopted fund balance policy requires that the County maintains an unassigned fund balance between 12-15% of General Fund annual expenditures. This amount is sufficient to handle immediate unforeseen needs, to meet the cash flow needs of the County and the potential to take advantage of opportunities that might arise. At the end of fiscal year 2022, unassigned fund balance represents 22.77% of total General Fund expenditures adjusted for transfers. Available fund balance which includes unassigned, assigned, and committed fund balance is 64.70% while total fund balance represents 84.27% of that same amount.

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 \$378,263,734 an increase of \$15,068,113 or 4.74% from previous year. Highlights of significant areas of change include:

- ❖ The increase in revenues is primarily due to increased tax revenues and federal COVID-19 relief funds received as well as newly allocated federal and state grants and increases in amounts on long standing federally supported programs.
- ❖ Ad valorem property tax revenues have increased by \$1,394,175 or 0.71% to \$197,040,941.
- ❖ Other taxes increased by \$9,300,360 or 12.93% to \$81,254,636. A major reason for this increase for this was an increase in sales tax revenue driven primarily by an increase in consumer purchases. These upward trends in sales tax revenues are indicative of a continued economic recovery during the pandemic.
- ❖ Unrestricted Intergovernmental revenue increased by \$1,240,145 or 6.84% to \$18,821,216. This increase is primarily due to new funding available to the County during the year which until used is not restricted.
- ❖ Restricted intergovernmental revenues decreased by \$4,306,531 or (7.40%) to \$53,882,617. The use of these funds is restricted by state statute or as established by the grantor.
- ❖ Licenses and permit revenue increased by \$142,575 or 4.33% to \$3,436,063. Planning and Inspection permit fees and an overall increase to the Register of Deeds services account for those increases.



# Management's Discussion and Analysis

- ❖ Sales and services increased by \$1,096,656 or 9.68% to \$12,421,727. All County facilities are open to the public and services have resumed to pre COVID levels.
- ❖ Interest earned on investments for the General Fund increased by \$264,430 or 25.57% to \$1,298,423. This change is based on market conditions and changes in the interest rates as a result of COVID-19 impact on the global economy.

General Fund actual expenditures including a legally budgeted County School Fund and Capital Investment Fund, but excluding other financing uses and transfers were \$332,691,294, an increase of \$15,068,113 or 4.74% from last year. Highlights of significant areas of change include:

- ❖ The General Government expenditures increased by \$2,853,728 or 7.92%, mostly due to an increase in expenditures directly related to mitigating the impact of COVID-19. The expenditures were offset by grants and other contribution revenues.
- ❖ Public Safety had an increase of \$1,085,783, or 1.94%, attributable to capital outlay purchases of body cameras, and additional expenditures that were offset by grant revenues.
- ❖ Economic and Physical development increased by \$2,086,182 or 27.80%, attributable to capital improvement projects being completed.
- ❖ Cultural and recreation expenditures increased by \$570,665 or 5.82% from previous year. This change reflects an increase in expenditures that were offset by grant revenues. Projects that were delayed during fiscal year 2021 were completed during fiscal year 2022.

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 \$127,112,441. During fiscal year 2022 the Reserve / Fund Balance Policy was revised and moving forward, each fiscal year the Board of Commissioners may transfer any general fund unassigned fund balance that exceeds 15% to the Capital Investment Fund to support future capital projects or debt service, authorized through an approved budget ordinance amendment. The amount transferred during fiscal year 2022 was \$62,549,035.

**General Fund Budgetary Highlights:** The General Fund, for budgetary comparisons, excludes the legally budgeted County School Special Revenue Fund and Capital Investment Fund (**page E-5**). During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of four categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State aid; and 4) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund revenues excluding transfers and sale of capital assets increased the adopted budget by \$15,151,191 to a total of \$348,205,105. Actual General Fund revenues excluding transfers were more than final amended budget by \$8,082,260.

- ❖ Budgeting of Fund Balance - A total of \$9,159,873 of fund balance was originally budgeted in fiscal year 2021. During the fiscal year, fund balance reappropriations were requested for contracts and purchase orders in which projects were not completed in fiscal year 2021 and were on-going in fiscal year 2022.

# Management's Discussion and Analysis

- ❖ Other taxes- This group covers the receipt of funds such as sales tax, pet registration, beer and wine taxes and real estate transfer tax. These funds are budgeted based on historical distributions with consideration of current & future projected economic conditions. The revenues received exceed the revised budget by \$9,772,493 or 17.61%. A conservative budgeting approach was used for the fiscal year 2022 budget. Actual tax collections were strong again this year. Sales tax collections for fiscal year 2022 were strong and showed growth.
- ❖ Unrestricted Intergovernmental revenue- These revenues cover those funds that are received from other governmental agencies which are not restricted as to use. At the end of the year, revenues were \$17,271,477, a variance of \$2,392,158 from the revised budget.
- ❖ Restricted intergovernmental revenue - This category which includes federal and state funding fell short of revised budget by \$13,047,207. Most of the shortfall correlated with expenditures below budget in the Human Services functional areas as revenues in those areas are dependent upon incurred expenditures. Unexpended grant funds at year-end were re-appropriated to fiscal year 2023 to allow for project completion and expenditure of these funds. Many of the adjustments from the original budget are caused by timing issues from the State not setting their funding levels until after the County has adopted its budget.
- ❖ Interest earned on investments totaled \$139,648, this is a positive variance of \$64,648 from final budget. This reflects current market conditions.

Total actual revenues for the General Fund, excluding the County School Capital Fund, Capital Investment Fund, and other financing sources, were \$356,287,365. This amount exceeded the final budgeted amount by \$8,082,260 (**page E-5**).

- ❖ Ad Valorem taxes collected exceeded the budget by \$3,669,677 or 1.90%. This was due to conservative budget estimates and higher than expected tax collections for both real property and motor vehicles.
- ❖ Other taxes: Total other taxes exceeded the budget by \$9,772,493 or 17.61%. Sales tax and real estate tax collections as well as ABC Store Profit revenue accounted for most of the increase.
- ❖ Unrestricted intergovernmental revenues were \$2,392,158 or 16.08% above budget due primarily to new sources of revenue related to COVID-19 awarded to the County that was not restricted for use.
- ❖ Restricted intergovernmental revenues fell short of the revised budget by \$13,047,207 as previously mentioned. This is because actual restricted intergovernmental receipts are reflective of the actual expenditures. Therefore, if costs are not incurred no actual receipts are recorded.
- ❖ Licenses and permit fees totaled \$3,436,063, an excess of \$1,137,432 or 49.48% from the final revised budget due to over realization of Register of Deeds and Inspection fees.
- ❖ Sales and services fees exceed the revised budget by \$1,063,268 or 9.36% to \$12,421,727. This overall increase was spread over several different revenue sources from different County departments.
- ❖ Miscellaneous revenue was \$3,029,791 or 42.80% above budget.

Total actual expenditures (**page E-5**), excluding the County School Fund, Capital Investment Fund and other financing uses, were less than the final budgeted amount by \$50,333,348 resulting in an expenditure rate of 85.47% 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

# Management's Discussion and Analysis

budget amounts. Staffing to pre-pandemic levels continues to be an issue as vacant position number continue to increase, resulting in personnel costs being lower than budget.

- ❖ Personnel expenditures including fringe benefits, were \$20,880,706 less than budget. The county continues to struggle with recruitment, turnover, and a high overall position vacancy rate.
- ❖ Basic operating expenditures were less than budget and include the following: travel costs totaling \$328,763, travel restrictions were lifted by the end of the fiscal year; contracted services totaling \$484,770; maintenance and repairs in the amount of \$1,918,610; utilities in the amount of \$456,124, among others.
- ❖ Cultural and recreational expenditures were less than budget by \$816,107.

**Proprietary Funds.** The County's Proprietary Funds (**pages E-7 and E-8**) provide the same type of information found in the government-wide statements but in more detail. They include seven enterprise funds and five internal service funds. The Solid Waste Fund had a net position of \$46,414,061. The Crown Center Fund had a net position of \$44,631,368. The other five enterprise funds, (water and sewer funds), had a combined net position of \$10,793,910. The Solid Waste operating revenues increased by \$587,220 primarily because of an increase in charges for services revenues. The Crown Center's net position before transfers was a loss of \$3,647,535. The facilities are now reopened, and events have resumed. The water and sewer funds had combined operating revenues of \$738,441. The operational expenses for Solid Waste increased by \$1,244,424 from previous year. The increase was primarily related to an increase in depreciation expenses and landfill closure and post closure care costs. The Crown Center fund had an increase in operational expenses of \$671,526 mainly because of repair & maintenance. The internal service funds had a combined net position of \$10,293,308.

**Fiduciary Funds.** The County's fiduciary funds (**pages E12 and E13**) are divided into two separate fund types, the Pension and Other Employee Benefit Trust Funds (OPEB) and the Custodial Funds. The OPEB fund had an increase in net position of \$1,006,397 to \$3,014,295 this primarily because a \$1,000,000 contribution was made to the trust. The custodial funds had a net position of \$124,653.

**CAPITAL ASSETS**  
**Table 3**  
**net of depreciation**

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Capital Assets						
Land	\$ 17,463,119	\$ 16,454,597	\$ 6,892,536	\$ 6,892,536	\$ 24,355,655	\$ 23,347,133
Construction in progress	4,739,506	12,683,833	688,462	2,785,838	5,427,968	15,469,671
Landfill	-	-	11,832,903	11,529,279	11,832,903	11,529,279
Buildings and improvements	160,462,612	154,870,697	41,318,856	39,645,085	201,781,468	194,515,782
Equipment, furniture and fixtures	7,760,345	7,574,554	7,746,172	8,417,276	15,506,517	15,991,830
Vehicles and motorized equipment	2,331,599	3,662,314	747,026	1,060,348	3,078,625	4,722,662
Leased asset - buildings	-	30,484	-	-	-	30,484
Leased asset - equipment	-	60,648	-	-	-	60,648
Plant and distribution system	-	-	11,986,273	11,566,312	11,986,273	11,566,312
Total net assets	\$ 192,757,181	\$ 195,337,127	\$ 81,212,228	\$ 81,896,674	\$ 273,969,409	\$ 277,233,801

# Management's Discussion and Analysis

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## ***Capital Asset and Debt Administration***

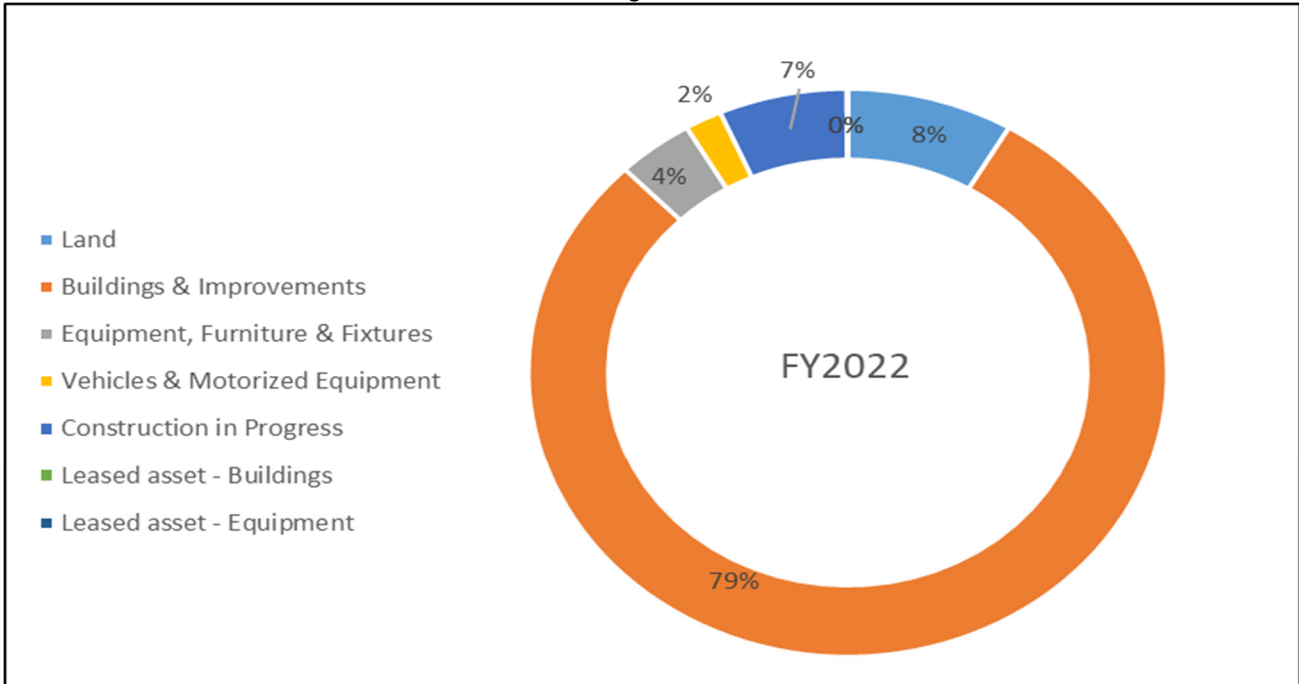
**Capital Assets.** The County's capital assets, shown in Table 3, for its governmental and business-type activities as of June 30, 2022, totals \$277,233,801 (net of accumulated depreciation). Capital assets include land, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, plant and distribution systems, leases and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise fund financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. Major capital transactions during the year include the purchase of vehicles, purchases of various equipment for day-to-day operations. Additional information on the County's capital assets can be found in Note #4 in the Notes to the Financial Statements. (See figure 6 and 7 for current fiscal year distribution). The County's implementation of Governmental Accounting Standards Board Statement No. 87 (GASB 87) – Leases, requires the County as the lessee to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereafter will be referred to as the lease asset). As of June 30, 2022, the lease asset was \$91,132.

As of June 30, 2022, the County has construction contracts in progress in the amount of \$9,855,818 for various capital projects and improvements including construction of additional cells and a scale house at the County landfill.

# Management's Discussion and Analysis

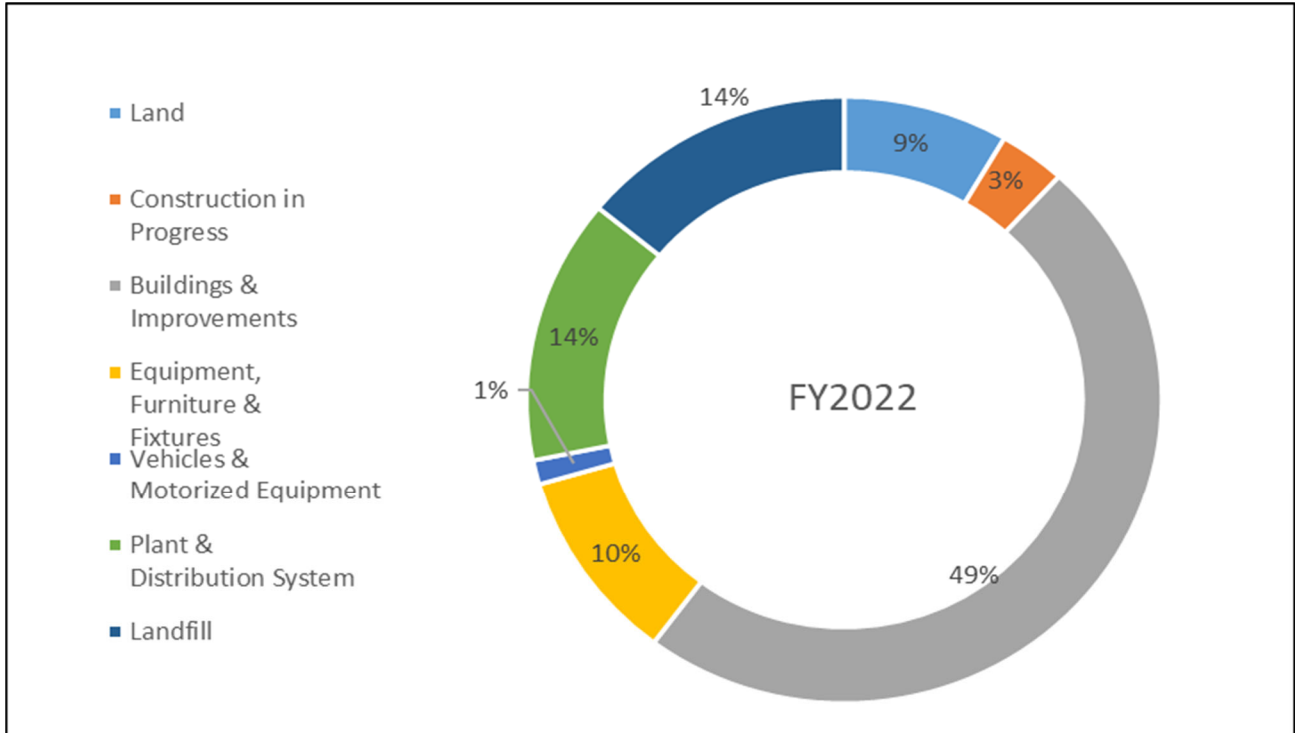
## GOVERNMENTAL ACTIVITIES- CAPITAL ASSETS

Figure 6



## BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS

Figure 7



# Management’s Discussion and Analysis

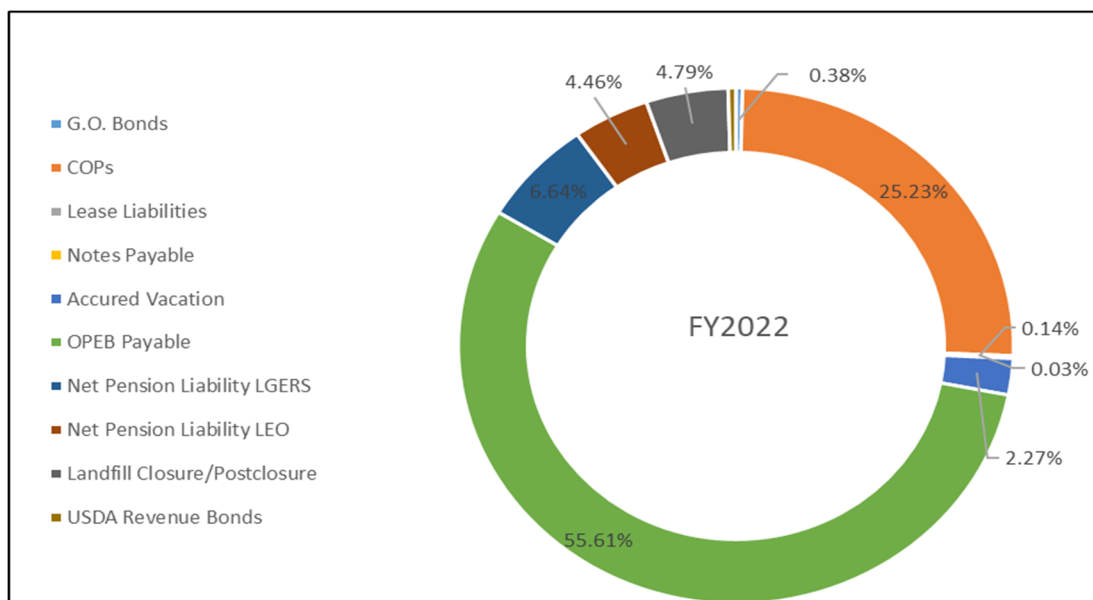
OUTSTANDING DEBT  
Table 4

DESCRIPTION	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
General obligation bonds (net)	\$ 713,102	\$ 168,707	\$ 985,000	\$ 960,000	\$ 1,698,102	\$ 1,128,707
USDA Revenue Bonds (direct)	-	-	1,354,000	1,329,000	1,354,000	1,329,000
Certificates of participation/LOBS (net)	56,289,169	50,354,549	-	-	\$ 56,289,169	50,354,549
Certificates of participation (direct)	15,316,350	11,905,627	16,929,400	12,811,373	32,245,750	24,717,000
Notes Payable (direct)	550,000	366,667	59,946	54,951	\$ 609,946	421,618
Lease Liabilities	-	90,898	-	-	-	90,898
Compensated absences	6,859,778	6,578,105	184,395	190,696	\$ 7,044,173	6,768,801
OPEB liability	214,689,702	160,609,983	6,443,970	4,852,203	221,133,672	165,462,186
Net Pension Liability (LGERS)	44,484,540	19,384,764	999,098	372,553	\$ 45,483,638	19,757,317
Net Pension Liability (LEO)	12,787,270	13,260,556	-	-	12,787,270	13,260,556
Accrued landfill closure and postclosure costs	-	-	12,994,977	14,242,041	12,994,977	14,242,041
<b>Total debt</b>	<b>\$ 351,689,911</b>	<b>\$ 262,719,856</b>	<b>\$ 39,950,786</b>	<b>\$ 34,812,817</b>	<b>\$ 391,640,697</b>	<b>\$ 297,532,673</b>

**Long-Term Obligations.** As of June 30, 2022, Cumberland County had total bonded debt outstanding of \$1,128,707; of this amount \$168,707 is backed by the full faith and credit of the County and \$960,000 is USDA GO Bonds. The implementation of Governmental Accounting Standards Board Statement No. 87– Leases, requires the County as the lessor to recognize a lease liability. At the end of the fiscal year the lease liability was \$90,898. The County’s total debt, Table 4, decreased by \$94,108,024 – primarily attributable to the decrease in net pension liabilities of LGERS and LEO. Additional information regarding the County’s long-term debt can be found in Note #9 in the Notes to the Financial Statements. (Figure 8, current fiscal year distribution).

OUTSTANDING DEBT  
Figure 8

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



# Management's Discussion and Analysis

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

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

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

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

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

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

- ❖ Ad valorem current year tax collections rate for real and personal property slightly increased from 99.13% to 99.59%.
- ❖ The County's average unemployment rate is 5.90%. The rate is now approaching the pre-pandemic rate.
- ❖ Changes in taxable sales for the County over the past five years: fiscal year 2022, 9.65%; fiscal year 2021 20.96%; fiscal year 2020, 0.27%, fiscal year 2019, 6.65% and fiscal year 2018, 0.22%.
- ❖ The County-wide Ad Valorem tax rate and levy will remain at 79.9 cents per \$100 valuation.
- ❖ The Special Recreation tax rate and levy will remain at 5.0 cents per \$100 valuation.
- ❖ The Fire protection district rate will remain at 15.0 cents per \$100 valuation.

These factors, as well as others, were considered when management prepared the County's budget ordinance for fiscal year 2023.

# Management's Discussion and Analysis

## *BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2022*

Our budget for fiscal year 2023 was developed with a very conservative approach.

### **Governmental Activities**

The County approved a \$362,252,695 General Fund budget, including an appropriation of \$8,071,721 of fund balance. This amount excludes the legally adopted County School Fund and the Capital Investment Fund. For fiscal year 2022, this represents a \$14,231,175 or 5.76% increase over the past fiscal year adopted budget.

- ❖ Ad Valorem Taxes for fiscal year 2023 were budgeted at \$170,695,791 an increase of \$1,974,177 or 1.17% over the fiscal year 2022.
- ❖ Motor vehicle tax collections are budgeted at \$23,242,940 under the Tax and Tag Together initiative.
- ❖ Sales Taxes are budgeted at \$61,801,900, an increase of \$8,778,673 or 16.56% from fiscal year 2022.
- ❖ Federal and State Intergovernmental revenue has been budgeted at \$74,393,193 an increase of 13.44% from adopted budget from fiscal year 2022. The increase is due to the inclusion of new grant awards.
- ❖ The budget for fiscal year 2023 includes a cost-of-living adjustment of 4% for all permanent full-time and part-time employees.
- ❖ Charges and Services are projected to experience a decrease of \$264,383 or 1.97% from fiscal year 2022 adopted budget to \$13,142,707.
- ❖ Miscellaneous Revenue has been budgeted at \$4,966,064 which is a decrease of 4.54% from the original fiscal year 2022 budget.

Budgeted expenditures in the General Fund, excluding the legally adopted County School Fund and Capital Investment Fund are \$362,252,695 which represents a 5.76% increase over the past fiscal year adopted budget.

- ❖ Personnel expenditures includes a total of 15 new positions, which represents an annual cost of \$755,657.
- ❖ Public Safety expenditures has been budgeted to increase by \$1,005,528 or 1.47%. This increase is mainly attributable to a \$700,000 body-worn camera purchase for law enforcement; and a Homeland Security grant for the purchase of a rehabilitation trailer, among other grants.
- ❖ Economic & Physical Development is projected to decrease by \$182,172. This decrease is primarily related to economic incentives finalized during fiscal year 2022.
- ❖ Education expenditures for the fiscal year have been budgeted at \$100,482,263.
- ❖ Human Services expenditures were budgeted at \$111,985,135 an increase of 9.15% from fiscal year 2022 primarily because of new positions and an increase in contracted services.
- ❖ Expenditures related to debt service, technology enhancements; facility capital improvements and repairs and maintenance, and future projects approved by the Board of Commissioners are now presented in the Capital Investment Fund (CIF).



# Management's Discussion and Analysis

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## **Business – type Activities**

The County approved a \$15,837,167 Solid Waste Fund budget which includes an appropriation of \$3,567,439 of fund balance. Revenues for White Goods and Solid Waste Disposal Tax are projected to decrease from last year. Charges for services are projected to increase by 78.80% primarily because of an increase to gas extraction revenue.

The Crown Center Fund adopted budget totals \$10,565,037. Within the Water and Sewer District Funds, the water and sewer fees in two of the districts will increase to cover increased costs of operations and infrastructure maintenance. General operating expenses will increase by 2% to cover increased personnel costs, and 2.5% to cover increased costs of material, supplies, and other operating expenses.

## ***REQUESTS FOR INFORMATION***

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Cumberland County, 117 Dick Street, Fayetteville, NC 28301. You can also call 910-678-7754 or visit our website at [www.cumberlandcountync.gov](http://www.cumberlandcountync.gov).

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS





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**Statement of Net Position  
June 30, 2022**

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total Primary Government</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 271,651,449	\$ 55,850,388	\$ 327,501,837
Taxes receivable, net	2,882,195	222,044	3,104,239
Accounts receivable, net	-	-	-
Sales tax receivable	23,934,278	-	23,934,278
Due from other governments	17,093,920	253,932	17,347,852
Other receivables, net	2,290,092	2,737,342	5,027,434
Internal balances	5,500	(5,500)	-
Due from component units	583,377	-	583,377
Inventories	445,447	-	445,447
Prepaid expenses	75,210	140,667	215,877
Restricted cash and cash equivalents	90,950,964	1,681,686	92,632,650
Net pension asset - ROD	570,624	-	570,624
Lease receivable	751,561	-	751,561
Right of use assets - leases, net	91,132	-	91,132
Capital assets:			
Nondepreciable	29,138,430	9,678,374	38,816,804
Depreciable, net	166,107,565	72,218,300	238,325,865
Total capital assets	<u>195,245,995</u>	<u>81,896,674</u>	<u>277,142,669</u>
<b>Total assets</b>	<u>606,571,744</u>	<u>142,777,233</u>	<u>749,348,977</u>
<b>Deferred outflows of resources</b>			
Pension	33,326,708	685,436	34,012,144
OPEB	12,591,090	371,741	12,962,831
Debt	1,209,020	200,752	1,409,772
<b>Total deferred outflows of resources</b>	<u>47,126,818</u>	<u>1,257,929</u>	<u>48,384,747</u>
<b>Liabilities</b>			
Accounts and vouchers payable	24,115,246	2,637,015	26,752,261
Due to other governments	369,304	-	369,304
Accrued payroll	3,928,306	94,238	4,022,544
Accrued interest payable	442,105	22,893	464,998
Other payables	14,731	1,674,833	1,689,564
Due to primary government	-	-	-
Lease liability	90,898	-	90,898
Unearned revenue	64,095,952	4,800	64,100,752
Long-term liabilities:			
Due in less than one year	15,864,026	4,328,456	20,192,482
Due in more than one year	53,509,629	25,259,605	78,769,234
Net pension liability - LGERS	19,384,764	372,553	19,757,317
Total pension liability - LEOSSA	13,260,556	-	13,260,556
OPEB liability	160,609,983	4,852,203	165,462,186
Total long-term liabilities	<u>262,628,958</u>	<u>34,812,817</u>	<u>297,441,775</u>
<b>Total liabilities</b>	<u>355,685,500</u>	<u>39,246,596</u>	<u>394,932,096</u>
<b>Deferred inflows of resources</b>			
Pension	28,478,086	694,767	29,172,853
OPEB	76,563,724	2,254,460	78,818,184
Taxes	1,133,201	-	1,133,201
Leases	749,121	-	749,121
<b>Total deferred inflows of resources</b>	<u>106,924,132</u>	<u>2,949,227</u>	<u>109,873,359</u>
<b>Net position</b>			
Net investment in capital assets	158,558,572	66,942,102	225,500,674
Restricted for:			
Stabilization by State statute	46,550,088	-	46,550,088
Human services	653,497	-	653,497
Register of deeds	1,148,228	-	1,148,228
Inmates	1,168,562	-	1,168,562
Cemetery	59,986	-	59,986
School capital	11,900,413	-	11,900,413
Public health	7,451,692	-	7,451,692
Public safety	3,216,594	-	3,216,594
Economic and physical development	2,847,742	-	2,847,742
Cultural and recreation	7,137,247	-	7,137,247
Debt service	-	1,681,686	1,681,686
Capital	-	-	-
Facility investment fee	-	-	-
Claims	17,431,533	-	17,431,533
Unrestricted	(67,035,224)	33,215,551	(33,819,673)
<b>Total net position</b>	<u>\$ 191,088,930</u>	<u>\$ 101,839,339</u>	<u>\$ 292,928,269</u>

**Statement of Net Position  
June 30, 2022**

(concluded)

**Component Units**

	<b>Cumberland County ABC Board</b>	<b>Eastover Sanitary District</b>	<b>Tourism Development Authority</b>	<b>Fayetteville Area Convention and Visitors Bureau</b>	<b>Fayetteville Cumberland Economic Development Corp</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 5,327,316	\$ 3,217,657	\$ 2,394,655	\$ 2,102,534	\$ 360,398
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	259,057	-	-	-
Sales tax receivable	-	-	-	-	-
Due from other governments	-	-	-	333,309	-
Other receivables, net	-	22	12	-	77,801
Internal balances	-	-	-	-	-
Due from component units	-	-	-	-	-
Inventories	4,620,703	-	-	12,183	-
Prepaid expenses	284,634	3,360	-	13,395	5,465
Restricted cash and cash equivalents	25,747	317,070	-	-	-
Net pension asset - ROD	-	-	-	-	-
Lease receivable	-	-	-	-	-
Right of use assets - leases	1,767,744	-	-	91,251	793,045
Capital assets:					
Nondepreciable	1,981,094	109,799	-	-	-
Depreciable, net	3,155,627	18,361,430	-	232,160	1,138
Total capital assets	6,904,465	18,471,229	-	323,411	794,183
<b>Total assets</b>	<b>17,162,865</b>	<b>22,268,395</b>	<b>2,394,667</b>	<b>2,784,832</b>	<b>1,237,847</b>
<b>Deferred outflows of resources</b>					
Pension	878,322	-	-	-	-
OPEB	68,752	-	-	-	-
Debt	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>947,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
Accounts and vouchers payable	988,502	98,811	918,885	9,549	9,264
Due to other governments	-	-	-	-	-
Accrued payroll	-	6,887	-	-	26,424
Accrued interest payable	-	34,851	-	-	-
Other payables	1,438,917	20,455	-	29,514	-
Due to primary government	569,688	-	-	-	-
Lease liability	-	-	-	90,657	812,615
Unearned revenue	-	-	-	-	-
Long-term liabilities:					
Due in less than one year	216,382	363,369	-	-	-
Due in more than one year	2,634,529	10,738,205	-	-	-
Net pension liability - LGERS	-	-	-	-	-
Total pension liability - LEOSSA	-	-	-	-	-
OPEB liability	-	-	-	-	-
<b>Total long-term liabilities</b>	<b>2,850,911</b>	<b>11,101,574</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>5,848,018</b>	<b>11,262,578</b>	<b>918,885</b>	<b>129,720</b>	<b>848,303</b>
<b>Deferred inflows of resources</b>					
Pension	794,651	-	-	-	-
OPEB	6,883	-	-	-	-
Taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>801,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position</b>					
Net investment in capital assets	5,136,721	7,384,501	-	232,160	794,183
Restricted for:					
Stabilization by State statute	-	-	-	-	-
Human services	-	-	-	-	-
Register of deeds	-	-	-	-	-
Inmates	-	-	-	-	-
Cemetery	-	-	-	-	-
School capital	-	-	-	-	-
Public health	-	-	-	-	-
Public safety	1,697,911	-	-	-	-
Economic and physical development	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Debt service	-	317,070	-	-	-
Capital	-	566,000	-	-	-
Facility investment fee	-	51,354	-	-	-
Claims	-	-	-	-	-
Unrestricted	4,625,755	2,686,892	1,475,782	2,422,952	(404,639)
<b>Total net position</b>	<b>\$ 11,460,387</b>	<b>\$ 11,005,817</b>	<b>\$ 1,475,782</b>	<b>\$ 2,655,112</b>	<b>\$ 389,544</b>

**Statement of Activities**  
**Year Ended June 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 41,158,664	\$ 6,951,361	\$ 10,774,847	\$ 3,281,839	\$ (20,150,617)	\$ -	\$ (20,150,617)
Public safety	61,892,566	4,377,296	284,409	335,221	(56,895,640)	-	(56,895,640)
Economic and physical development	10,427,433	1,978,765	3,447,200	365,452	(4,636,016)	-	(4,636,016)
Human services	88,142,692	6,437,029	59,764,568	-	(21,941,095)	-	(21,941,095)
Cultural and recreational	13,536,709	16,370	583,170	-	(12,937,169)	-	(12,937,169)
Education	114,500,841	-	-	-	(114,500,841)	-	(114,500,841)
Interest on long-term debt	2,380,021	-	-	-	(2,380,021)	-	(2,380,021)
<b>Total governmental activities</b>	<b>332,038,926</b>	<b>19,760,821</b>	<b>74,854,194</b>	<b>3,982,512</b>	<b>(233,441,399)</b>	<b>-</b>	<b>(233,441,399)</b>
Business-type activities:							
Solid Waste	12,949,904	4,749,838	1,755,983	-	-	(6,444,083)	(6,444,083)
Crown Center	7,466,549	1,797,233	-	-	-	(5,669,316)	(5,669,316)
Kelly Hills Water and Sewer District	93,366	99,592	-	-	-	6,226	6,226
NORCRESS Water and Sewer District	628,641	421,305	-	-	-	(207,336)	(207,336)
Southpoint Water and Sewer District	31,421	70,672	-	-	-	39,251	39,251
Overhills Water and Sewer District	197,043	146,872	-	-	-	(50,171)	(50,171)
<b>Total business-type activities</b>	<b>21,366,924</b>	<b>7,285,512</b>	<b>1,755,983</b>	<b>-</b>	<b>-</b>	<b>(12,325,429)</b>	<b>(12,325,429)</b>
<b>Total primary government</b>	<b>\$ 353,405,850</b>	<b>\$ 27,046,333</b>	<b>\$ 76,610,177</b>	<b>\$ 3,982,512</b>	<b>(233,441,399)</b>	<b>(12,325,429)</b>	<b>(245,766,828)</b>
Component units:							
ABC Board	\$ 42,391,407	\$ 43,476,268	\$ -	\$ -	-	-	-
Eastover Sanitary District	2,516,310	2,551,816	-	438,540	-	-	-
Tourism Development Authority	8,043,026	8,230,736	-	-	-	-	-
Fayetteville Area Convention and Visitors Bureau	2,749,600	3,714,615	-	-	-	-	-
Fayetteville Cumberland Economic Development Corporation	1,032,300	-	-	1,093,229	-	-	-
<b>Total component units</b>	<b>\$ 56,732,643</b>	<b>\$ 57,973,435</b>	<b>\$ -</b>	<b>\$ 1,531,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
General revenues:							
Property taxes					214,751,718	-	214,751,718
Other taxes:							
Sales tax					77,595,264	-	77,595,264
Animal registration					14	-	14
Real estate transfer					3,299,733	-	3,299,733
Beer and wine					359,625	-	359,625
Solid waste					-	5,924,823	5,924,823
Food and beverage					8,980,879	-	8,980,879
Room and occupancy					-	2,014,030	2,014,030
Grants and contributions not restricted to specific programs					18,816,392	-	18,816,392
Unrestricted investment earnings					1,412,761	81,726	1,494,487
Gain (loss) on sale of capital assets					1,246,414	62,941	1,309,355
Miscellaneous					6,236,307	27,161	6,263,468
Transfers					(12,529,982)	12,529,982	-
<b>Total general revenues and transfers</b>					<b>320,169,125</b>	<b>20,640,663</b>	<b>340,809,788</b>
Change in net position					86,727,726	8,315,234	95,042,960
Net position - beginning					104,568,653	93,524,105	198,092,758
Fund closure					(207,449)	-	(207,449)
Net position - beginning, after fund closure					<b>104,361,204</b>	<b>93,524,105</b>	<b>197,885,309</b>
Net position - ending					<b>\$ 191,088,930</b>	<b>\$ 101,839,339</b>	<b>\$ 292,928,269</b>

**Statement of Activities**  
**Year Ended June 30, 2022**

(concluded)

<u>Functions/Programs</u>	Net (Expense) Revenue and Changes in Net Position				
	Component Units				
	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corp
Governmental activities:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Education	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
<b>Total governmental activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:					
Solid Waste	-	-	-	-	-
Crown Center	-	-	-	-	-
Kelly Hills Water and Sewer District	-	-	-	-	-
NORCRESS Water and Sewer District	-	-	-	-	-
Southpoint Water and Sewer District	-	-	-	-	-
Overhills Park Water and Sewer District	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Component units:					
ABC Board	1,084,861	-	-	-	-
Eastover Sanitary District	-	474,046	-	-	-
Tourism Development Authority	-	-	187,710	-	-
Fayetteville Area Convention and Visitors Bureau	-	-	-	965,015	-
Fayetteville Cumberland Economic Development Corporation	-	-	-	-	60,929
<b>Total component units</b>	<b>1,084,861</b>	<b>474,046</b>	<b>187,710</b>	<b>965,015</b>	<b>60,929</b>
General revenues:					
Property taxes	-	-	-	-	-
Other taxes:					
Sales tax	-	-	-	-	-
Animal registration	-	-	-	-	-
Real estate transfer	-	-	-	-	-
Beer and wine	-	-	-	-	-
Solid waste	-	-	-	-	-
Food and beverage	-	-	-	-	-
Room and occupancy	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-
Unrestricted investment earnings	-	3,990	1,969	934	328
Gain (loss) on sale of capital assets	(28,540)	-	-	(6,069)	-
Miscellaneous	45,414	42,632	-	-	-
Transfers	-	-	-	-	-
<b>Total general revenues and transfers</b>	<b>16,874</b>	<b>46,622</b>	<b>1,969</b>	<b>(5,135)</b>	<b>328</b>
Change in net position	1,101,735	520,668	189,679	959,880	61,257
Net position - beginning	10,358,652	10,485,149	1,286,103	1,695,232	328,287
Fund closure	-	-	-	-	-
Net position - beginning, after fund closure	10,358,652	10,485,149	1,286,103	1,695,232	328,287
Net position - ending	<b>\$ 11,460,387</b>	<b>\$ 11,005,817</b>	<b>\$ 1,475,782</b>	<b>\$ 2,655,112</b>	<b>\$ 389,544</b>

# FUND FINANCIAL STATEMENTS





**Balance Sheet  
Governmental Funds  
June 30, 2022**

	Major		Non-Major	Total	
	General	American	Other		Governmental
		Rescue Plan Act Fund	Governmental Funds		
<b>Assets</b>					
Cash and cash equivalents	\$ 248,829,870	\$ -	\$ 22,821,579	\$ 271,651,449	
Taxes receivable, net	1,852,129	-	300,804	2,152,933	
Sales tax receivable	22,155,727	-	-	22,155,727	
Due from other governments	16,868,859	-	1,987,807	18,856,666	
Other receivables, net	2,040,558	309	15,829	2,056,696	
Due from other funds	450,310	-	-	450,310	
Due from component units	583,377	-	-	583,377	
Inventories	220,740	-	-	220,740	
Prepays	210	-	-	210	
Lease receivable	751,561	-	-	751,561	
Restricted assets:					
Cash and cash equivalents	4,881,034	60,118,072	8,520,325	73,519,431	
<b>Total assets</b>	<u>\$ 298,634,375</u>	<u>\$ 60,118,381</u>	<u>\$ 33,646,344</u>	<u>\$ 392,399,100</u>	
<b>Liabilities</b>					
Accounts and vouchers payable	\$ 10,147,554	\$ 834	\$ 7,493,773	\$ 17,642,161	
Due to other governments	361,045	-	8,259	369,304	
Accrued payroll	3,843,708	3,890	56,935	3,904,533	
Other payables	14,531	-	200	14,731	
Due to other funds	-	-	388,757	388,757	
Unearned revenue	-	60,066,083	4,029,869	64,095,952	
<b>Total liabilities</b>	<u>14,366,838</u>	<u>60,070,807</u>	<u>11,977,793</u>	<u>86,415,438</u>	
<b>Deferred inflows of resources</b>					
Taxes	3,142,873	-	1,329,408	4,472,281	
Leases	749,121	-	-	749,121	
<b>Total deferred inflows of resources</b>	<u>3,891,994</u>	<u>-</u>	<u>1,329,408</u>	<u>5,221,402</u>	
<b>Fund balances</b>					
Nonspendable:					
Inventories	220,740	-	-	220,740	
Prepays	210	-	-	210	
Leases	2,440	-	-	2,440	
Restricted:					
Stabilization by State Statute	44,546,143	309	2,003,636	46,550,088	
Register of Deeds	1,018,697	-	129,531	1,148,228	
Public health	7,451,692	-	-	7,451,692	
Inmates	-	-	1,168,562	1,168,562	
Cemetery	-	-	59,986	59,986	
County School	11,900,413	-	-	11,900,413	
Fire protection	-	-	2,024,066	2,024,066	
Public safety	-	-	4,822,445	4,822,445	
Economic and physical development	-	47,574	2,800,168	2,847,742	
Human services	-	-	653,497	653,497	
Cultural and recreational	-	-	7,137,247	7,137,247	
Committed:					
Tax revaluation	2,431,671	-	-	2,431,671	
Capital investment fund	126,983,896	-	-	126,983,896	
Assigned:					
Subsequent year's expenditures	8,071,721	-	-	8,071,721	
Economic development incentives	2,000,000	-	-	2,000,000	
Unassigned:	75,747,920	(309)	(459,995)	75,287,616	
<b>Total fund balances</b>	<u>280,375,543</u>	<u>47,574</u>	<u>20,339,143</u>	<u>300,762,260</u>	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 298,634,375</u>	<u>\$ 60,118,381</u>	<u>\$ 33,646,344</u>	<u>\$ 392,399,100</u>	

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

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

**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2022**

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

Ending fund balance - governmental funds		\$ 300,762,260
Capital assets are not financial resources, and therefore, are not reported in the funds (see note 4).		195,245,995
Right to use assets are not financial resources, and therefore, are not reported in the funds (see note 4).		91,132
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 33,185,466	
Deferred outflows of resources related to OPEB	12,550,548	
Defeasance of long-term debt	<u>1,209,020</u>	46,945,034
Deferred inflows of resources for taxes and special assessments receivable.		
Unearned Revenue	3,588,130	
Accrued Tax Penalties	<u>729,262</u>	4,317,392
Deferred inflows of resources related to pensions are not reported in the funds.		(28,281,403)
Deferred inflows of resources related to OPEB are not reported in the funds.		(76,369,515)
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.		10,293,308
Net pension asset-ROD		570,624
Net pension liability-LGERS		(19,350,681)
Total OPEB liability		(160,006,158)
Total pension liability-LEOSSA		(13,260,556)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term liabilities	(69,335,499)	
Leases liability	(90,898)	
Accrued interest payable	<u>(442,105)</u>	(69,868,502)
Net position of governmental activities		<u>\$ 191,088,930</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

	<b>Major</b>		<b>Non-Major</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>American Rescue Plan Act Fund</b>	<b>Other Governmental Funds</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 197,040,941	\$ -	\$ 16,096,170	\$ 213,137,111
Other taxes	81,254,636	-	12,280,612	93,535,248
Unrestricted intergovernmental revenue	18,821,216	-	-	18,821,216
Restricted intergovernmental revenue	53,882,617	5,102,607	14,735,175	73,720,399
Sales and services	12,421,727	-	1,273,900	13,695,627
Licenses and permits	3,436,063	-	109,305	3,545,368
Interest earned on investments	1,298,423	46,580	51,751	1,396,754
Miscellaneous	10,108,111	-	629,113	10,737,224
<b>Total revenues</b>	<b>378,263,734</b>	<b>5,149,187</b>	<b>45,176,026</b>	<b>428,588,947</b>
<b>Expenditures:</b>				
Current:				
General government	38,900,221	5,102,607	3,846,666	47,849,494
Public safety	57,003,443	-	17,927,477	74,930,920
Economic and physical development	9,590,648	-	11,599,518	21,190,166
Human services	89,812,648	-	2,894,550	92,707,198
Cultural and recreational	10,369,601	-	4,575,831	14,945,432
Education	114,500,841	-	-	114,500,841
Debt service:				
Principal payments	9,396,056	-	-	9,396,056
Interest and fees	3,117,836	-	-	3,117,836
<b>Total expenditures</b>	<b>332,691,294</b>	<b>5,102,607</b>	<b>40,844,042</b>	<b>378,637,943</b>
<b>Excess of revenues over expenditures</b>	<b>45,572,440</b>	<b>46,580</b>	<b>4,331,984</b>	<b>49,951,004</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	3,883,011	-	8,062	3,891,073
Lease issuance proceeds	135,971	-	-	135,971
Transfers out	(4,138,570)	-	(8,491,412)	(12,629,982)
<b>Total other financing sources (uses)</b>	<b>(119,588)</b>	<b>-</b>	<b>(8,483,350)</b>	<b>(8,602,938)</b>
<b>Net change in fund balances</b>	<b>45,452,852</b>	<b>46,580</b>	<b>(4,151,366)</b>	<b>41,348,066</b>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	<b>234,922,691</b>	<b>994</b>	<b>24,697,958</b>	<b>259,621,643</b>
<b>Fund closure</b>			<b>(207,449)</b>	<b>(207,449)</b>
<b>Fund balance - ending</b>	<b>\$ 280,375,543</b>	<b>\$ 47,574</b>	<b>\$ 20,339,143</b>	<b>\$ 300,762,260</b>

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

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

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended June 30, 2022**

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

Net change in fund balances - total governmental funds		\$ 41,348,066
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital Outlay	\$ 13,495,769	
Depreciation	(9,894,788)	
Other asset activity	<u>(1,112,167)</u>	
		2,488,814
Leased asset - right of use		91,132
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in accrued tax penalties	729,262	
Change in unavailable revenue for taxes	<u>183,329</u>	
		912,591
<p>Contributions to the pension plan subsequent to the measurement date:</p>		
LGERS		10,880,836
ROD		36,933
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities.		463,975
OPEB benefit payments paid and administrative expense are not included on the Statement of Activities.		8,150,728
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal payments	9,396,056	
Lease liability	(90,898)	
Changes in premium	677,016	
Accrued interest payable	<u>259,911</u>	
		10,242,085
<p>Some expenses reported in the statement of activities does not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued vacation payable	280,844	
LEOSSA expense	(937,261)	
OPEB plan	23,255,387	
Pension expense	<u>(8,420,558)</u>	
		14,178,412
The net revenue of certain activities of the internal service fund is reported with governmental activities.		(1,866,734)
Change in deferred outflows of resources for deferred charge on refunding		<u>(199,112)</u>
Change in net position of governmental activities		<u><u>\$ 86,727,726</u></u>

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2022**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 193,371,264	\$ 193,371,264	\$ 197,040,941	\$ 3,669,677
Other taxes	55,496,227	55,496,227	65,268,720	9,772,493
Unrestricted intergovernmental revenue	14,874,567	14,879,319	17,271,477	2,392,158
Restricted intergovernmental revenue	50,412,822	63,647,985	50,600,778	(13,047,207)
Licenses and permits	2,298,631	2,298,631	3,436,063	1,137,432
Sales and services	11,358,459	11,358,459	12,421,727	1,063,268
Interest earned on investments	75,000	75,000	139,648	64,648
Miscellaneous	5,166,944	7,078,220	10,108,011	3,029,791
<b>Total revenues</b>	<u>333,053,914</u>	<u>348,205,105</u>	<u>356,287,365</u>	<u>8,082,260</u>
<b>Expenditures:</b>				
Current:				
General government	35,116,983	42,783,179	34,739,285	8,043,894
Public safety	68,300,432	71,408,381	57,003,443	14,404,938
Economic and physical development	8,639,985	9,983,928	5,999,470	3,984,458
Human services	101,638,660	112,977,754	89,812,648	23,165,106
Cultural and recreational	10,755,752	11,185,708	10,369,601	816,107
Education	98,053,453	98,053,453	98,134,608	(81,155)
<b>Total expenditures</b>	<u>322,505,265</u>	<u>346,392,403</u>	<u>296,059,055</u>	<u>50,333,348</u>
<b>Revenues over (under) expenditures</b>	<u>10,548,649</u>	<u>1,812,702</u>	<u>60,228,310</u>	<u>58,415,608</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	(765,998)	(765,998)
Lease issuance proceeds	-	-	135,971	(135,971)
Transfers in	315,520	380,851	380,851	-
Transfers out	(20,024,042)	(86,046,730)	(85,187,817)	858,913
Fund balance appropriated	9,159,873	83,853,177	-	(83,853,177)
<b>Total other financing sources (uses)</b>	<u>(10,548,649)</u>	<u>(1,812,702)</u>	<u>(85,436,993)</u>	<u>(83,896,233)</u>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(25,208,683)</u>	<u>\$ (25,480,625)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>			<u>162,208,015</u>	
<b>Fund balance - ending</b>			<u>\$ 136,999,332</u>	

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2022**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
A legally budgeted County School Fund (not included on previous page) is consolidated into the General Fund for Reporting Purposes.				
Other taxes	\$ 10,900,000	\$ 13,900,000	\$ 15,985,916	\$ 2,085,916
Unrestricted intergovernmental revenue	930,000	930,000	1,549,739	619,739
Restricted intergovernmental revenue	3,281,839	3,281,839	3,281,839	-
Interest earned on investments	-	-	11,793	11,793
Miscellaneous	74,999	74,999	-	(74,999)
Education	(10,258,305)	(13,258,305)	(10,972,027)	2,286,278
Transfers out	(4,928,533)	(4,928,533)	(4,928,533)	-
Proceeds from sale of capital assets	-	-	5,584	5,584
	-	-	4,934,311	4,934,311
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	-	-	11,329,459	-
<b>Fund balance - ending</b>	\$ -	\$ -	16,263,770	\$ 4,934,311

A legally budgeted Capital Investment Fund (not included on previous page) is consolidated into the General Fund for Reporting Purposes.				
Interest earned on investments	\$ 1,023,947	\$ 1,023,947	\$ 1,146,982	\$ 123,035
Miscellaneous	-	-	100	100
Insurance proceeds	-	74,051	-	(74,051)
General government	(4,428,286)	(6,690,681)	(4,160,936)	2,529,745
Economic and physical development	(5,045,000)	(83,001,240)	(3,591,178)	79,410,062
Education - community college capital outlay	(11,100,000)	(12,245,747)	(5,394,206)	6,851,541
Debt service - principal	(9,396,058)	(9,396,058)	(9,396,056)	2
Debt service - interest	(3,117,838)	(3,117,838)	(3,117,836)	2
Issuance of debt	-	-	-	-
Transfers in	23,634,889	89,197,483	89,197,483	-
Transfers out	(911,109)	(3,600,554)	(3,600,554)	-
Proceeds from sale of capital assets	-	-	4,643,425	4,643,425
Fund balance appropriated	9,339,455	27,756,637	-	(27,756,637)
	-	-	65,727,224	65,727,224
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	-	-	61,385,217	-
<b>Fund balance - ending</b>	\$ -	\$ -	127,112,441	\$ 65,727,224
<b>Fund Balance - end of year</b>			\$ 280,375,543	

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

**Statement of Net Position  
Proprietary Funds  
June 30, 2022**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Assets</b>									
Current assets:									
Cash and cash equivalents:	\$ 38,600,148	\$ 15,983,141	\$ 384,167	\$ 647,362	\$ 235,570	\$ -	\$ -	\$ 55,850,388	\$ -
Taxes receivable, net	222,044	-	-	-	-	-	-	222,044	-
Due from other governments	173,542	80,390	-	-	-	-	-	253,932	-
Other receivables, net	569,258	2,015,234	32,707	74,228	9,559	36,356	-	2,737,342	249,201
Inventories	-	-	-	-	-	-	-	-	224,707
Prepays	-	140,667	-	-	-	-	-	140,667	75,000
<b>Total current assets</b>	<b>39,564,992</b>	<b>18,219,432</b>	<b>416,874</b>	<b>721,590</b>	<b>245,129</b>	<b>36,356</b>	<b>-</b>	<b>59,204,373</b>	<b>548,908</b>
Noncurrent assets:									
Restricted:									
Cash and cash equivalents	-	1,505,052	-	-	-	176,634	-	1,681,686	17,431,533
Capital assets, net of accumulated depreciation	29,640,446	40,643,706	1,594,286	5,464,935	365,593	4,175,668	12,040	81,896,674	-
<b>Total noncurrent assets</b>	<b>29,640,446</b>	<b>42,148,758</b>	<b>1,594,286</b>	<b>5,464,935</b>	<b>365,593</b>	<b>4,352,302</b>	<b>12,040</b>	<b>83,578,360</b>	<b>17,431,533</b>
<b>Total assets</b>	<b>69,205,438</b>	<b>60,368,190</b>	<b>2,011,160</b>	<b>6,186,525</b>	<b>610,722</b>	<b>4,388,658</b>	<b>12,040</b>	<b>142,782,733</b>	<b>17,980,441</b>
<b>Deferred outflows of resources:</b>									
Pension	685,436	-	-	-	-	-	-	685,436	141,242
OPEB	371,741	-	-	-	-	-	-	371,741	40,542
Debt	-	200,752	-	-	-	-	-	200,752	-
	<b>1,057,177</b>	<b>200,752</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,257,929</b>	<b>181,784</b>
<b>Liabilities</b>									
Current liabilities:									
Accounts and vouchers payable	1,143,040	1,444,276	4,336	36,452	782	8,129	-	2,637,015	285,338
Accrued payroll	94,238	-	-	-	-	-	-	94,238	23,773
Accrued interest payable	-	17,299	-	3,300	-	2,294	-	22,893	-
Other payables	4,556	1,654,326	2,249	-	5,902	7,800	-	1,674,833	249,050
Incurred but not reported	-	-	-	-	-	-	-	-	6,243,800
Unearned revenue	-	4,800	-	-	-	-	-	4,800	-
Current portion of long-term debt and compensated absences	181,161	4,091,299	-	26,000	4,996	25,000	-	4,328,456	36,249
Due to other funds	-	5,500	-	-	-	-	-	5,500	-
<b>Total current liabilities</b>	<b>1,422,995</b>	<b>7,217,500</b>	<b>6,585</b>	<b>65,752</b>	<b>11,680</b>	<b>43,223</b>	<b>-</b>	<b>8,767,735</b>	<b>6,838,210</b>

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

**Statement of Net Position  
Proprietary Funds  
June 30, 2022**

(concluded)

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Noncurrent liabilities:</b>									
Post closing liability	\$ 14,242,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,242,041	\$ -
Net pension liability	372,553	-	-	-	-	-	-	372,553	34,083
Long-term debt	-	8,720,074	-	934,000	49,955	1,304,000	-	11,008,029	-
Compensated absences	9,535	-	-	-	-	-	-	9,535	1,907
Other postemployment benefits liability	4,852,203	-	-	-	-	-	-	4,852,203	603,825
<b>Total noncurrent liabilities</b>	<b>19,476,332</b>	<b>8,720,074</b>	<b>-</b>	<b>934,000</b>	<b>49,955</b>	<b>1,304,000</b>	<b>-</b>	<b>30,484,361</b>	<b>639,815</b>
<b>Total liabilities</b>	<b>20,899,327</b>	<b>15,937,574</b>	<b>6,585</b>	<b>999,752</b>	<b>61,635</b>	<b>1,347,223</b>	<b>-</b>	<b>39,252,096</b>	<b>7,478,025</b>
<b>Deferred inflows of resources - pension:</b>									
Pension	694,767	-	-	-	-	-	-	694,767	196,683
OPEB	2,254,460	-	-	-	-	-	-	2,254,460	194,209
	2,949,227	-	-	-	-	-	-	2,949,227	390,892
<b>Net position:</b>									
Net investment in capital assets	29,640,446	28,033,085	1,594,286	4,504,935	310,642	2,846,668	12,040	66,942,102	-
Restricted net position - debt service	-	1,505,052	-	-	-	176,634	-	1,681,686	-
Restricted net position - claims	-	-	-	-	-	-	-	-	17,431,533
Unrestricted	16,773,615	15,093,231	410,289	681,838	238,445	18,133	-	33,215,551	(7,138,225)
<b>Total net position</b>	<b>\$ 46,414,061</b>	<b>\$ 44,631,368</b>	<b>\$ 2,004,575</b>	<b>\$ 5,186,773</b>	<b>\$ 549,087</b>	<b>\$ 3,041,435</b>	<b>\$ 12,040</b>	<b>\$ 101,839,339</b>	<b>\$ 10,293,308</b>

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



**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2022**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Operating revenues:</b>									
Charges for services	\$ 4,200,455	\$ 1,797,233	\$ 99,592	\$ 421,305	\$ 70,672	\$ 146,872	\$ -	\$ 6,736,129	\$ -
Contributions	-	-	-	-	-	-	-	-	3,502,430
Other operating revenue	549,383	-	-	-	-	-	-	549,383	-
Contributions - Group health insurance	-	-	-	-	-	-	-	-	23,781,354
Solid waste fees	5,924,823	-	-	-	-	-	-	5,924,823	-
Pharmacy services	-	-	-	-	-	-	-	-	2,813,751
<b>Total operating revenues</b>	<b>10,674,661</b>	<b>1,797,233</b>	<b>99,592</b>	<b>421,305</b>	<b>70,672</b>	<b>146,872</b>	<b>-</b>	<b>13,210,335</b>	<b>30,097,535</b>
<b>Operating expenses:</b>									
Salaries and employee benefits	2,555,703	-	-	-	-	-	-	2,555,703	533,304
Repairs and maintenance	1,318,084	195,747	22,602	157,324	1,889	-	-	1,695,646	-
Utilities	223,323	-	-	193,133	-	47,820	-	464,276	-
Administrative costs	5,666,449	133,835	4,335	6,799	10,749	10,326	-	5,832,493	928,767
Workers' compensation claims	-	-	-	-	-	-	-	-	896,016
Global Spectrum, LP	-	4,631,059	-	-	-	-	-	4,631,059	-
Miscellaneous	-	-	-	-	6,990	-	-	6,990	-
Depreciation	1,939,281	2,193,037	66,429	230,840	11,793	110,900	-	4,552,280	-
Landfill closure and postclosure care costs	1,247,064	-	-	-	-	-	-	1,247,064	-
Group health insurance	-	-	-	-	-	-	-	-	26,368,660
Employee pharmacy	-	-	-	-	-	-	-	-	3,354,498
Employee clinic	-	-	-	-	-	-	-	-	396,961
Employee wellness program	-	-	-	-	-	-	-	-	204,635
<b>Total operating expenses</b>	<b>12,949,904</b>	<b>7,153,678</b>	<b>93,366</b>	<b>588,096</b>	<b>31,421</b>	<b>169,046</b>	<b>-</b>	<b>20,985,511</b>	<b>32,682,841</b>
<b>Operating income (loss)</b>	<b>(2,275,243)</b>	<b>(5,356,445)</b>	<b>6,226</b>	<b>(166,791)</b>	<b>39,251</b>	<b>(22,174)</b>	<b>-</b>	<b>(7,775,176)</b>	<b>(2,585,306)</b>
<b>Nonoperating revenue (expense):</b>									
Interest earned on investments	75,136	5,726	403	9	246	206	-	81,726	16,007
Room and occupancy tax	-	2,014,030	-	-	-	-	-	2,014,030	-
Gain (loss) on disposal of capital assets	60,916	2,025	-	-	-	-	-	62,941	-
Miscellaneous	27,161	-	-	-	-	-	-	27,161	602,565
Grant revenue	1,755,983	-	-	-	-	-	-	1,755,983	-
Interest expense	-	(312,871)	-	(40,545)	-	(27,997)	-	(381,413)	-
<b>Total nonoperating revenue (expense)</b>	<b>1,919,196</b>	<b>1,708,910</b>	<b>403</b>	<b>(40,536)</b>	<b>246</b>	<b>(27,791)</b>	<b>-</b>	<b>3,560,428</b>	<b>618,572</b>
<b>Income (loss) before transfers</b>	<b>(356,047)</b>	<b>(3,647,535)</b>	<b>6,629</b>	<b>(207,327)</b>	<b>39,497</b>	<b>(49,965)</b>	<b>-</b>	<b>(4,214,748)</b>	<b>(1,966,734)</b>
Transfers in	-	11,720,869	-	685,000	-	-	124,113	12,529,982	125,000
Transfers out	-	-	-	-	-	-	-	-	(25,000)
<b>Change in net position</b>	<b>(356,047)</b>	<b>8,073,334</b>	<b>6,629</b>	<b>477,673</b>	<b>39,497</b>	<b>(49,965)</b>	<b>124,113</b>	<b>8,315,234</b>	<b>(1,866,734)</b>
<b>Total net position - beginning</b>	<b>46,770,108</b>	<b>36,558,034</b>	<b>1,997,946</b>	<b>4,709,100</b>	<b>509,590</b>	<b>3,091,400</b>	<b>(112,073)</b>	<b>93,524,105</b>	<b>12,160,042</b>
<b>Total net position - ending</b>	<b>\$ 46,414,061</b>	<b>\$ 44,631,368</b>	<b>\$ 2,004,575</b>	<b>\$ 5,186,773</b>	<b>\$ 549,087</b>	<b>\$ 3,041,435</b>	<b>\$ 12,040</b>	<b>\$ 101,839,339</b>	<b>\$ 10,293,308</b>

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

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Operating activities:</b>									
Cash received from customers	\$ 10,125,129	\$ (165,507)	\$ 99,592	\$ 421,305	\$ 70,672	\$ 141,155	\$ -	\$ 10,692,346	\$ -
Cash received from other operating revenue	984,866	-	-	-	-	-	-	984,866	-
Cash received from contributions	-	-	-	-	-	-	-	-	27,283,786
Cash paid to employees	(3,549,822)	-	-	-	-	-	-	(3,549,822)	(694,010)
Cash paid for goods and services	(7,086,915)	(1,973,136)	(28,759)	(368,411)	(18,245)	(53,111)	-	(9,528,577)	(934,351)
Cash received for goods and services	-	-	-	-	-	-	-	-	2,919,347
Cash paid for claims	-	-	-	-	-	-	-	-	(29,276,496)
Cash received from other miscellaneous transactions	27,161	-	-	-	-	-	-	27,161	-
<b>Net cash from operating activities</b>	<b>500,419</b>	<b>(2,138,643)</b>	<b>70,833</b>	<b>52,894</b>	<b>52,427</b>	<b>88,044</b>	<b>-</b>	<b>(1,374,026)</b>	<b>(701,724)</b>
<b>Noncapital financing activities:</b>									
Transfers in	-	11,720,869	-	685,000	-	-	124,113	12,529,982	125,000
Transfers out	-	-	-	-	-	-	-	-	(25,000)
Cash received from operating grants	1,755,983	-	-	-	-	-	-	1,755,983	-
<b>Net cash from noncapital financing activities</b>	<b>1,755,983</b>	<b>11,720,869</b>	<b>-</b>	<b>685,000</b>	<b>-</b>	<b>-</b>	<b>124,113</b>	<b>14,285,965</b>	<b>100,000</b>
<b>Capital and related financing activities:</b>									
Acquisition and construction of capital assets	(3,010,603)	(330,746)	-	-	-	-	-	(3,341,349)	-
Cash received (paid on) other financing transactions	-	2,025	-	(17,247)	-	-	(124,113)	(139,335)	-
Proceeds from sales of capital assets	(1,817,213)	-	-	-	-	-	-	(1,817,213)	-
Proceeds from issuance of long-term debt	-	3,098,202	-	-	-	-	-	3,098,202	-
Principal paid on long-term debt	-	(7,079,268)	-	(32,663)	(4,995)	(25,000)	-	(7,141,926)	-
Interest paid on bonds	-	(455,315)	-	(40,631)	-	(28,040)	-	(523,986)	-
Cash received from room and occupancy tax	-	2,014,030	-	-	-	-	-	2,014,030	-
<b>Net cash from capital and related financing activities</b>	<b>(4,827,816)</b>	<b>(2,751,072)</b>	<b>-</b>	<b>(90,541)</b>	<b>(4,995)</b>	<b>(53,040)</b>	<b>(124,113)</b>	<b>(7,851,577)</b>	<b>-</b>
<b>Investing activities:</b>									
Investment earnings	75,136	5,726	403	9	246	206	-	81,726	16,007
<b>Net cash from investing activities</b>	<b>75,136</b>	<b>5,726</b>	<b>403</b>	<b>9</b>	<b>246</b>	<b>206</b>	<b>-</b>	<b>81,726</b>	<b>16,007</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,496,278)</b>	<b>6,836,880</b>	<b>71,236</b>	<b>647,362</b>	<b>47,678</b>	<b>35,210</b>	<b>-</b>	<b>5,142,088</b>	<b>(585,717)</b>
<b>Cash and cash equivalents:</b>									
<b>Beginning of year</b>	<b>41,096,426</b>	<b>10,651,313</b>	<b>312,931</b>	<b>-</b>	<b>187,892</b>	<b>141,424</b>	<b>-</b>	<b>52,389,986</b>	<b>18,017,250</b>
<b>End of year</b>	<b>\$ 38,600,148</b>	<b>\$ 17,488,193</b>	<b>\$ 384,167</b>	<b>\$ 647,362</b>	<b>\$ 235,570</b>	<b>\$ 176,634</b>	<b>\$ -</b>	<b>\$ 57,532,074</b>	<b>\$ 17,431,533</b>

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

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2022**

(concluded)

	Enterprise Funds							Total	Internal Service Funds
	Cumberland County Solid Waste Fund	Cumberland County Crown Center Fund	Kelly Hills Water and Sewer District Fund	NORCRESS Water and Sewer District Fund	Southpoint Water and Sewer District Fund	Overhills Park Water and Sewer District Fund	Bragg Estates Water and Sewer District Fund		
<b>Reconciliation of operating income (loss)</b>									
<b>to net cash from operating activities:</b>									
Operating income (loss)	\$ (2,275,243)	\$ (5,356,445)	\$ 6,226	\$ (166,791)	\$ 39,251	\$ (22,174)	\$ -	\$ (7,775,176)	\$ (2,585,306)
Adjustments to reconcile operating income (loss) to net cash from operating activities:									
Depreciation	1,939,281	2,193,037	66,429	230,840	11,793	110,900	-	4,552,280	-
Landfill closure and post closure care costs	1,247,064	-	-	-	-	-	-	1,247,064	-
Changes in assets, deferred outflows, liabilities, and deferred inflows:									
Accounts receivable	27,012	-	-	-	-	-	-	27,012	-
Other receivables	435,483	(947,176)	(4,241)	-	1,196	(5,717)	-	(520,455)	(34,749)
Inventories	-	-	-	(21,124)	-	-	-	(21,124)	(71,453)
Prepays	-	3,417	-	-	-	-	-	3,417	75,000
Accounts payable and accrued liabilities	115,571	2,471,552	2,419	9,969	187	5,035	-	2,604,733	2,053,942
Compensated absences payable	6,301	-	-	-	-	-	-	6,301	2,182
Net pension liability	(626,545)	-	-	-	-	-	-	(626,545)	(134,548)
Deferred outflows -pensions	(112,957)	-	-	-	-	-	-	(112,957)	(27,402)
Deferred inflows - pensions	676,680	-	-	-	-	-	-	676,680	145,310
OPEB liability	(1,591,767)	-	-	-	-	-	-	(1,591,767)	(212,927)
Deferred outflows - OPEB	147,359	-	-	-	-	-	-	147,359	19,712
Deferred inflows - OPEB	512,180	-	-	-	-	-	-	512,180	68,515
Deferred outflows - debt	-	77,866	-	-	-	-	-	77,866	-
Unearned revenue	-	(580,894)	-	-	-	-	-	(580,894)	-
<b>Total adjustments</b>	<u>2,775,662</u>	<u>3,217,802</u>	<u>64,607</u>	<u>219,685</u>	<u>13,176</u>	<u>110,218</u>	<u>-</u>	<u>6,401,150</u>	<u>1,883,582</u>
<b>Net cash from operating activities</b>	<u>\$ 500,419</u>	<u>\$ (2,138,643)</u>	<u>\$ 70,833</u>	<u>\$ 52,894</u>	<u>\$ 52,427</u>	<u>\$ 88,044</u>	<u>\$ -</u>	<u>\$ (1,374,026)</u>	<u>\$ (701,724)</u>
Cash and cash equivalents:									
Unrestricted	\$ 38,600,148	\$ 15,983,141	\$ 384,167	\$ 647,362	\$ 235,570	\$ -	\$ -	\$ 55,850,388	\$ -
Restricted	-	1,505,052	-	-	-	176,634	-	1,681,686	17,431,533
<b>Total</b>	<u>\$ 38,600,148</u>	<u>\$ 17,488,193</u>	<u>\$ 384,167</u>	<u>\$ 647,362</u>	<u>\$ 235,570</u>	<u>\$ 176,634</u>	<u>\$ -</u>	<u>\$ 57,532,074</u>	<u>\$ 17,431,533</u>

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

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	<b>OPEB Irrevocable Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Taxes receivable	\$ -	\$ 2,464,119
Due from other governments	-	950,633
Restricted cash and cash equivalents	3,014,295	279,162
<b>Total assets</b>	<b>\$ 3,014,295</b>	<b>\$ 3,693,914</b>
<b>Liabilities</b>		
Accounts and vouchers payable	\$ -	\$ 1,055,386
Due to other governments	-	3,196
Reserve for taxes receivable	-	2,510,679
Deferred revenue	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 3,569,261</b>
<b>Net Position</b>		
Restricted for:		
Postemployment benefits other than pensions	\$ 3,014,295	\$ -
Individuals, organizations, and other governments	-	139,564
Unassigned	-	(14,911)
<b>Total net position</b>	<b>\$ 3,014,295</b>	<b>\$ 124,653</b>

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

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2022**

	<b>OPEB Irrevocable Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions:</b>		
Employer Contributions	\$ 1,000,000	\$ -
Investment income	6,397	-
Ad valorem taxes for other governments	-	113,954,959
Collections on behalf of inmates and other governments	-	1,229,010
<b>Total additions</b>	<b>\$ 1,006,397</b>	<b>\$ 115,183,969</b>
<b>Deductions:</b>		
Tax distributions to other governments	\$ -	\$ 114,016,485
Payments on behalf of inmates	-	1,273,614
<b>Total deductions</b>	<b>\$ -</b>	<b>\$ 115,290,099</b>
<b>Net increases (decreases) to fiduciary net position</b>	<b>\$ 1,006,397</b>	<b>\$ (106,130)</b>
<b>Net position - beginning</b>	<b>2,007,898</b>	<b>230,783</b>
<b>Net position - ending</b>	<b>\$ 3,014,295</b>	<b>\$ 124,653</b>

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

# NOTES TO THE FINANCIAL STATEMENTS



# Notes to the Financial Statements

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# Notes to the Financial Statements

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### **A – REPORTING ENTITY**

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

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

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

#### Blended Component Units

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

#### Discretely Presented Component Units

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

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

The Fayetteville Area Convention and Visitors Bureau, Inc. (the “Bureau”), which has a June 30 year-end, is a non-profit organization.

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

## Notes to the Financial Statements

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

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

# Notes to the Financial Statements

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Cumberland County Board of Alcoholic Beverage Control	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Cumberland County ABC Board 1705 Owen Drive Fayetteville, NC 28304
Eastover Sanitary District	Discrete	The District is considered to be fiscally dependent upon the County such that excluding the entity would cause the County's statements to be incomplete.	Included in the County's financial statements.
Fayetteville Area Convention and Visitors Bureau, Inc.	Discrete	A voting majority of the Bureau's 11 member Board of Directors is appointed by the County. In addition, the County levies the occupancy tax which is the major source of revenue for the Bureau.	Fayetteville Area Convention and Visitors Bureau 245 Person Street Fayetteville, NC 28301
Cumberland County Tourism Development Authority	Discrete	The Cumberland County Board of Commissioners provides for membership of the 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 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 Corporation, including members' terms of office and for the filling of vacancies. Both entities contribute to the funding of the Corporation equally. Cumberland County is the fiscal agent for the Corporation and does so by an in-kind contribution.	Fayetteville Cumberland County Economic Development Corp. 201 Hay Street Fayetteville, NC 28301

## B – BASIS OF PRESENTATION – BASIS OF ACCOUNTING

### Basis of Presentation

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government net position (the "County") and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

## Notes to the Financial Statements

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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 in accordance with Government Accounting Standards Board ("GASB") Statement No. 54, both are consolidated into the General Fund.

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

The County reports the following non-major governmental funds:

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

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

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

# Notes to the Financial Statements

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The County reports the following major enterprise funds:

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

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

*Kelly Hills Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district.

*NORCRESS Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district.

*Southpoint Water and Sewer District Fund:* This fund accounts for the water and sewer operations for the district.

*Overhills Park Water and Sewer District Fund:* This fund accounts for the sewer operations for the district.

*Bragg Estates Water and Sewer District Fund:* This fund accounts for the sewer operations for the district. During the fiscal year, the Board determined this project was not viable and the capital project was closed.

The County reports the following fund types:

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

The County reports the following fiduciary fund types:

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

*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.

# Notes to the Financial Statements

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

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

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases 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. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position 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.

# Notes to the Financial Statements

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## C – BUDGETARY DATA

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

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# Notes to the Financial Statements

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

### 1. Deposits and Investments

All deposits of the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The North Carolina Capital Management Trust (NCCMT), which consists of one SEC-registered fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by Standard and Poor's and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

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

Ownership of the STIF is determined on a fair valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which 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. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of 0.9 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

### 2. Cash and Cash Equivalents

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



# Notes to the Financial Statements

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## 3. Restricted Assets

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

## 4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021.

## 5. Allowance for Doubtful Accounts

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

## 6. Lease Receivable

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

## 7. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are accounted for using the purchases method.

(continued on next page)

# Notes to the Financial Statements

## 8. Capital Assets

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

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

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

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

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

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

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

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

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

## 9. Right-to-Use Assets

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

# Notes to the Financial Statements

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## 10. Deferred Outflows/Inflows of Resources

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

## 11. Long-term Obligations

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

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

## 12. Compensated Absences

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

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

## 13. Net Position/Fund Balances

### Net Position

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

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# Notes to the Financial Statements

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## Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

*Inventories and Prepaids* – 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.

*Leases* – 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.

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

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

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

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

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

*Restricted for Cemetery* – Portion of fund balance restricted to maintain the cemetery.

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

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

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

# Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

## Spending and Fund Balance Policies

Cumberland County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, Federal funds, State funds, local non-County funds, and then County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

The County required all open purchase orders as of June 30, 2022 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 2023 budget. Therefore, the balance of encumbrances as of June 30, 2022 is zero for all funds.

# Notes to the Financial Statements

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## 14. Defined Benefit Pension Plans and OPEB Plans

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

## 15. Accounting Estimates

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

## NOTE 2 – CASH AND CASH EQUIVALENTS

### A – DEPOSITS

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

The County has a Board-approved policy to address custodial credit risk of deposits collateralized under the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, the District, the Bureau, the TDA, the FCEDC, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the ABC Board, the District, the Bureau, the TDA, and the FCEDC, under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

## Notes to the Financial Statements

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the ABC Board, the District, the Bureau, the TDA and the FCEDC rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022 the County's deposits had a carrying amount of \$267,039,766 and a bank balance of \$270,481,573. Included in the County's deposits is cash of \$3,534,727 for the District, \$2,394,655 for the TDA, and \$360,398 for FCEDC. Of the bank balance, \$1,585,046 was covered by federal depository insurance and \$268,896,527 was covered by collateral under the Pooling Method. The County had \$10,770 in the petty cash and change funds. The District, the TDA, and FCEDC had \$0 of petty cash.

At June 30, 2022, the ABC Board's deposits had a carrying amount of \$5,322,663 and a bank balance of \$5,308,804. Of the bank balance, \$250,000 was covered by federal depository insurance and \$5,058,804 was covered by collateral under the Pooling Method. The ABC Board cash on hand total \$30,400.

At June 30, 2022, the Bureau's deposits had a carrying amount of \$2,102,534. As of June 30, 2022, the Bureau had \$1,374,800, which exceed the federal depository insurance amount.

### B – INVESTMENTS – COUNTY

As of June 30, 2022, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less than		
			6 Months	6 - 12 Months	1 - 2 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 159,652,893	\$ 159,652,893	\$ -	\$ -
<b>Total</b>		<b>\$ 159,652,893</b>	<b>\$ 159,652,893</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

*Credit Risk:* The County has a Board-adopted investment policy which places greater restrictions than required under G.S. 159-30(c). This policy seeks to assure investment quality and to mitigate credit risks. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2022, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2022. The County's investments in U.S. Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investor Service.

# Notes to the Financial Statements

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Cumberland County has adopted a formal investment policy. Cumberland County uses Wells Fargo Securities to provide third-party safekeeping service for the County. The securities are held in a separate entity with the bank and are held in the name of County of Cumberland. Cumberland County uses the Pooling Method of collateralization when purchasing Certificates of Deposits.

**Concentration of Credit Risk:** It is the County's policy that no more than 20% of the total investment portfolio may be invested in commercial paper and banker's acceptances. In addition, no more than \$4 million of the total investment portfolio will be invested in any one company's commercial paper or \$7 million in financial institution's bankers' acceptances. Federal Agencies/Securities investment represents 6.99% of total County's investment portfolio held entirely in Federal Home Loan Banks (FHLB). More than 50% of the County's investment are in the North Carolina Capital Management Trust (NCCMT).

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

At June 30, 2022, the Cumberland County OPEB Trust Fund had \$3,014,295 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the AGPIP was invested 100% in the State Treasurer's STIF.

**Interest Rate Risk:** The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 0.9 years at June 30, 2022.

**Credit Risk:** The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments.

## C – RECONCILIATION TO CASH AND CASH EQUIVALENTS

	County	ABC Board	Eastover Sanitary District	TDA	Bureau	FCEDC
Cash and cash equivalents - Unrestricted	\$ 327,501,837	\$ 5,327,316	\$ 3,217,657	\$ 2,394,655	\$ 2,102,534	\$ 360,398
Cash and cash equivalents - Restricted	92,632,650	25,747	317,070	-	-	-
Cash and cash equivalent - Restricted:						
Fiduciary funds	3,293,457	-	-	-	-	-
Total cash and cash equivalents	<u>\$ 423,427,944</u>	<u>\$ 5,353,063</u>	<u>\$ 3,534,727</u>	<u>\$ 2,394,655</u>	<u>\$ 2,102,534</u>	<u>\$ 360,398</u>

(continued on next page)



# Notes to the Financial Statements

## NOTE 3 – RECEIVABLES

### A – LEASES

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

At the end of June 30, 2022, the County had nine lease agreements, six for buildings, two for land and one for equipment. The terms of the leases range from 14 months to 60 months. The interest rates range from 0.316% to 1.090%. From these leases, the entities pay the County \$450,818 over the fiscal year. In fiscal year 2022, the County recognized \$444,709 of lease revenue and \$6,109 of interest revenue from the leases.

### B – ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts at the government-wide level at June 30, 2022 are as follows:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
Taxes receivable	\$ 2,996,247	\$ -
Other receivables	17,373	-
	<u>\$ 3,013,620</u>	<u>\$ -</u>

The allowance for doubtful accounts for Eastover Sanitary District at June 30, 2022 is \$201,708.

(continued on next page)

# Notes to the Financial Statements

## NOTE 4 – CAPITAL ASSETS

### Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases and Adjustments</u>	<u>Decreases and Adjustments</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,463,119	\$ 43,098	\$ 1,051,620	\$ 16,454,597
Construction in progress	4,739,506	7,944,327	-	12,683,833
Total capital assets not being depreciated	<u>22,202,625</u>	<u>7,987,425</u>	<u>1,051,620</u>	<u>29,138,430</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	290,475,280	1,603,463	-	292,078,743
Equipment, furniture, and fixtures	28,856,650	1,449,195	7,679	30,298,166
Vehicles	13,443,457	2,395,139	479,591	15,359,005
Leased asset - buildings	-	50,806	-	50,806
Leased asset - equipment	-	85,165	-	85,165
Total capital assets being depreciated/amortized	<u>332,775,387</u>	<u>5,583,768</u>	<u>487,270</u>	<u>337,871,885</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	130,012,668	7,195,378	-	137,208,046
Equipment, furniture, and fixtures	21,096,305	1,634,986	7,679	22,723,612
Vehicles	11,111,858	1,064,424	479,591	11,696,691
Leased asset - buildings	-	20,322	-	20,322
Leased asset - equipment	-	24,517	-	24,517
Total accumulated depreciation/amortization	<u>162,220,831</u>	<u>9,939,627</u>	<u>487,270</u>	<u>171,673,188</u>
Total capital assets being depreciated/amortized, net	<u>170,554,556</u>			<u>166,198,697</u>
Governmental activity capital assets, net	<u>\$ 192,757,181</u>			<u>\$ 195,337,127</u>

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

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

General government	\$ 3,402,991
Public safety	3,196,530
Human services	2,076,468
Economic and physical development	192,888
Cultural and recreational	1,025,911
Total depreciation expense	<u>\$ 9,894,788</u>

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

Amortization expense for right-to-use assets totaling \$44,839 was charged to Economic and physical development expense.

# Notes to the Financial Statements

Capital asset activity for the business-type activities for the year ended June 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>Business-type activities:</b>				
<b>Cumberland County Solid Waste</b>				
Capital assets not being depreciated:				
Land	\$ 3,360,411	\$ -	\$ -	\$ 3,360,411
Construction in progress	683,100	1,913,900	-	2,597,000
Total capital assets not being depreciated	4,043,511	1,913,900	-	5,957,411
Capital assets being depreciated:				
Landfill	23,477,295	-	-	23,477,295
Buildings and building improvements	8,625,120	474,969	-	9,100,089
Furniture, fixtures, and equipment	15,925,544	1,808,744	1,010,194	16,724,094
Vehicles	3,886,193	691,119	254,038	4,323,274
Total capital assets being depreciated	51,914,152	2,974,832	1,264,232	53,624,752
Less accumulated depreciation for:				
Landfill	11,644,392	303,624	-	11,948,016
Building and building improvements	5,451,144	92,096	-	5,543,240
Furniture, fixtures, and equipment	9,031,965	1,165,764	1,010,194	9,187,535
Vehicles	3,139,167	377,797	254,038	3,262,926
Total accumulated depreciation	29,266,668	\$ 1,939,281	\$ 1,264,232	29,941,717
Total capital assets being depreciated, net	22,647,484			23,683,035
Cumberland County Solid Waste capital assets, net	26,690,995			29,640,446
<b>Cumberland County Crown Center</b>				
Capital assets not being depreciated:				
Land	3,503,162	\$ -	\$ -	3,503,162
Construction in progress	5,362	166,229	-	171,591
Total capital assets not being depreciated	3,508,524	166,229	-	3,674,753
Capital assets being depreciated:				
Buildings and building improvements	83,108,495	23,000	-	83,131,495
Furniture, fixtures, and equipment	4,760,142	141,517	16,440	4,885,219
Vehicles	26,619	-	-	26,619
Total capital assets being depreciated	87,895,256	164,517	16,440	88,043,333
Less accumulated depreciation for:				
Building and building improvements	44,963,615	2,079,644	-	47,043,259
Furniture, fixtures, and equipment	3,907,549	113,393	16,440	4,004,502
Vehicles	26,619	-	-	26,619
Total accumulated depreciation	48,897,783	\$ 2,193,037	\$ 16,440	51,074,380
Total capital assets being depreciated, net	38,997,473			36,968,953
Cumberland County Crown Center capital assets, net	42,505,997			40,643,706
<b>Kelly Hills Water and Sewer District</b>				
Capital assets being depreciated:				
Plant and distribution system	2,676,498	\$ -	\$ -	2,676,498
Total capital assets being depreciated	2,676,498	-	-	2,676,498
Less accumulated depreciation for:				
Plant and distribution system	1,015,784	66,429	1	1,082,212
Total accumulated depreciation	1,015,784	\$ 66,429	\$ 1	1,082,212
Total capital assets being depreciated, net	1,660,714			1,594,286
Kelly Hills Water and Sewer District capital assets, net	1,660,714			1,594,286

# Notes to the Financial Statements

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balances</u>
<b>Business-type activities: (continued)</b>				
<b><i>Norcross Water and Sewer District</i></b>				
Capital assets being depreciated:				
Plant and distribution system	\$ 9,628,123	\$ -	\$ -	\$ 9,628,123
Construction in progress	-	17,247	-	17,247
Total capital assets being depreciated	<u>9,628,123</u>	<u>17,247</u>	<u>-</u>	<u>9,645,370</u>
Less accumulated depreciation for:				
Plant and distribution system	3,949,595	230,840	-	4,180,435
Total accumulated depreciation	<u>3,949,595</u>	<u>\$ 230,840</u>	<u>\$ -</u>	<u>4,180,435</u>
Total capital assets being depreciated, net	<u>5,678,528</u>			<u>5,464,935</u>
Norcross Water and Sewer District capital assets, net	<u>5,678,528</u>			<u>5,464,935</u>
<b><i>Southpoint Water and Sewer District</i></b>				
Capital assets being depreciated:				
Plant and distribution system	471,733	\$ -	\$ -	471,733
Total capital assets being depreciated	<u>471,733</u>	<u>-</u>	<u>-</u>	<u>471,733</u>
Less accumulated depreciation for:				
Plant and distribution system	94,347	11,793	-	106,140
Total accumulated depreciation	<u>94,347</u>	<u>\$ 11,793</u>	<u>\$ -</u>	<u>106,140</u>
Total capital assets being depreciated, net	<u>377,386</u>			<u>365,593</u>
Southpoint Water and Sewer District capital assets, net	<u>377,386</u>			<u>365,593</u>
<b><i>Overhills Park Water and Sewer District</i></b>				
Capital assets not being depreciated:				
Land	16,923	\$ -	\$ -	16,923
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>16,923</u>	<u>-</u>	<u>-</u>	<u>16,923</u>
Capital assets being depreciated:				
Plant and distribution system	4,435,995	-	-	4,435,995
Total capital assets being depreciated	<u>4,435,995</u>	<u>-</u>	<u>-</u>	<u>4,435,995</u>
Less accumulated depreciation for:				
Plant and distribution system	166,350	110,900	-	277,250
Total accumulated depreciation	<u>166,350</u>	<u>\$ 110,900</u>	<u>\$ -</u>	<u>277,250</u>
Total capital assets being depreciated, net	<u>4,269,645</u>			<u>4,158,745</u>
Overhills Parks Water and Sewer District capital assets, net	<u>4,286,568</u>			<u>4,175,668</u>
<b><i>Bragg Estates Water and Sewer District</i></b>				
Capital assets not being depreciated:				
Land	12,040	\$ -	\$ -	12,040
Total capital assets not being depreciated	<u>12,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,040</u>
Bragg Estates Water and Sewer District capital assets, net	<u>12,040</u>			<u>12,040</u>
<b>Total Business-type activities capital assets, net</b>	<u>\$ 81,212,228</u>			<u>\$ 81,896,674</u>

At June 30, 2022, the County has construction contracts in progress in the amount of \$9,855,818 for various capital projects and improvements including construction of additional cells and a scale house at the County landfill. The remaining commitment on these contracts is \$3,338,314.

# Notes to the Financial Statements

## Discretely Presented Component Units

The following is a summary of proprietary fund-type capital assets for the ABC Board at June 30, 2022:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>ABC Board</b>				
Capital assets not being depreciated:				
Land	\$ 2,207,306	\$ -	\$ 226,212	\$ 1,981,094
Capital assets being depreciated/amortized:				
Buildings and building improvements	4,437,936	-	678,500	3,759,436
Leasehold improvements	1,350,324	551,198	17,419	1,884,103
Furniture and equipment	1,550,087	168,236	283,065	1,435,258
Vehicles	472,003	25,200	47,003	450,200
Leased asset - buildings	-	2,003,772	-	2,003,772
Leased asset - equipment	-	5,164	-	5,164
Total capital assets being depreciated/amortized	7,810,350	2,753,570	1,025,987	9,537,933
Less accumulated depreciation/amortization	4,716,037	648,664	750,139	4,614,562
Total capital assets being depreciated, net	3,094,313	\$ 2,104,906	\$ 275,848	4,923,371
ABC capital assets, net	<u>\$ 5,301,619</u>			<u>\$ 6,904,465</u>

The following is a summary of proprietary fund-type capital assets for the Eastover Sanitary District at June 30, 2022:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>Eastover Sanitary District</b>				
Capital assets not being depreciated:				
Land	\$ 109,799	\$ -	\$ -	\$ 109,799
Construction in progress	1,128,380	-	1,128,380	-
Total capital assets not being depreciated	1,238,179	-	1,128,380	109,799
Capital assets being depreciated:				
Buildings	-	1,399,281	-	1,399,281
Water lines	24,580,426	582,790	72,113	25,091,103
Furniture, fixtures, and equipment	23,874	-	-	23,874
Total capital assets being depreciated	24,604,300	1,982,071	72,113	26,514,258
Less accumulated depreciation	7,534,146	623,039	4,357	8,152,828
Total capital assets being depreciated, net	17,070,154	\$ 1,359,032	\$ 67,756	18,361,430
Eastover Sanitary District capital assets, net	<u>\$ 18,308,333</u>			<u>\$ 18,471,229</u>

(continued on next page)

## Notes to the Financial Statements

The following is a summary of proprietary fund-type capital assets for the Fayetteville Area Visitors and Convention Bureau at June 30, 2022:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b><i>Fayetteville Area Visitors and Convention Bureau</i></b>				
Capital assets being depreciated:				
Furniture and fixtures	\$ 50,612	\$ 24,096	\$ 9,253	\$ 65,455
Equipment	150,566	53,430	20,035	183,961
Software	1,406	-	-	1,406
Capital improvements	163,340	9,100	-	172,440
Total capital assets being depreciated	365,924	86,626	29,288	423,262
Less accumulated depreciation	195,723	18,598	23,219	191,102
Total capital assets being depreciated, net	170,201	\$ 68,028	\$ 6,069	232,160
FAVCB capital assets, net	<u>\$ 170,201</u>			<u>\$ 232,160</u>

The following is a summary of proprietary fund-type right-to-use assets for the Fayetteville Area Visitors and Convention Bureau at June 30, 2022:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b><i>Fayetteville Area Visitors and Convention Bureau</i></b>				
Right to use assets				
Leased space - office	\$ 102,621	\$ -	\$ -	\$ 102,621
Leased space - train depot	71,246	-	-	71,246
Total right to use assets	173,867	-	-	173,867
Less accumulated amortization for:				
Leased space - office	-	72,438	-	72,438
Leased space - train depot	-	10,178	-	10,178
Total accumulated amortization	-	\$ 82,616	\$ -	82,616
Right-to-use assets, net	<u>\$ 173,867</u>			<u>\$ 91,251</u>

(continued on next page)

# Notes to the Financial Statements

The following is a summary of proprietary fund-type capital assets for the Fayetteville Economic Development Corporation at June 30, 2022:

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
<b>Fayetteville Cumberland Economic Development Corporation</b>				
Capital assets being depreciated/amortized:				
Furniture and fixtures	\$ 11,944	\$ -	\$ -	\$ 11,944
Leased asset - buildings	-	948,471	-	948,471
Total capital assets being depreciated/amortized	11,944	948,471	-	960,415
Less accumulated depreciation/amortization				
Furniture and fixtures	9,100	1,706	-	10,806
Leased asset - buildings	-	155,426	-	155,426
Total accumulated depreciation/amortization	9,100	157,132	-	166,232
Total capital assets being depreciated/amortized, net	2,844	791,339	-	794,183
Fayetteville Cumberland Economic Development Corporation capital assets, net	<u>\$ 2,844</u>			<u>\$ 794,183</u>

## NOTE 5 – PENSION PLAN AND OTHER POSTEMPLOYMENT OBLIGATIONS

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

#### Plan Description

The County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020 (Valuation Date) the Separation Allowance’s membership consisted of:

Retirees receiving benefits	41
Active plan members	<u>271</u>
Total	<u>312</u>

#### Summary of Significant Accounting Policies

**Basis of Accounting:** The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB 73.

# Notes to the Financial Statements

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## Actuarial Assumptions

The “Entry Age Normal” (EAN) actuarial cost method was used in the December 31, 2020 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	2.25%

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, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees’ Retirement System for the five-year period ending December 31, 2019.

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

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

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

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

## Contributions

The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits. The amounts necessary to cover the cost of the benefits are budgeted each fiscal year and are funded on a pay-as-you-go basis. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$730,180 as benefits came due for the reporting period.

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

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## Notes to the Financial Statements

At June 30, 2022, the County reported a total pension liability of \$13,260,556. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$1,747,781.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 806,569	\$ -
Changes of assumptions and other inputs	2,407,377	344,941
County benefit payments and plan admin expense made subsequent to the measurement date	463,975	-
Total	<b>\$ 3,677,921</b>	<b>\$ 344,941</b>

The County paid \$463,975 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension benefits will be recognized in pension expense as follows:

<b><u>Years Ended June 30:</u></b>	
2023	\$ 791,098
2024	758,006
2025	740,794
2026	548,822
2027	30,285
	<b>\$ 2,869,005</b>

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 (2.25%), 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 (1.25%) or one percentage point higher (3.25%) than the current rate:

	<b>1% Decrease (1.25%)</b>	<b>Discount Rate (2.25%)</b>	<b>1% Increase (3.25%)</b>
Total pension liability	\$ 14,297,727	\$ 13,260,556	\$ 12,304,657

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# Notes to the Financial Statements

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

	<u>2022</u>
Beginning balance	\$ 12,787,270
Service Cost	676,788
Interest on the total pension liability	239,748
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	609,803
Changes of assumptions or other inputs	(322,873)
Benefit payments	(730,180)
Other changes	-
Ending balance of the total pension liability	<u>\$ 13,260,556</u>

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93% at the December 31, 2020 Measurement Date (MD) to 2.25% at December 31, 2021 MD.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, and health status (i.e., disabled and healthy). The current mortality rates are based on the Society of Actuaries ("SOA") RP-2010 Mortality Tables Report'. The SOA has updated the mortality rates with the Mortality Improvement Scale MP-2019.

### ABC Board

In regard to the Law Enforcement Officers Special Separation Allowance System ("LEO"), the ABC board is governed by the same laws as the County and has also established a Separation Allowance for its law enforcement officers. At December 31, 2020, membership of the Board's Separation Allowance consisted of three retirees receiving benefits and four active plan members. The Board has chosen to pay benefits and administration costs on a pay as you go basis. The Board paid \$61,414 as benefits came due for the reporting period. No contributions were made to the plan by employees. The ABC Board's Actuarial Valuation for the LEO Retirement plan is reported in the ABC Board's Annual Independent Audit. This report may be obtained by writing the Cumberland County ABC Board; 1705 Owen Drive, Fayetteville, North Carolina 28303; or calling (910) 484-8167.

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# Notes to the Financial Statements

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## B – LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

**Plan Description.** The County and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs") of participating local governmental entities. The County's Crown Coliseum is classified as a separate entity from the County for LGERS reporting purposes. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.40% 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 \$11,206,539 for the year ended June 30, 2022.

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

# Notes to the Financial Statements

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

At June 30, 2022, the County reported a liability of \$19,757,317 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022 (measured as of June 30, 2021), the County's proportion was 1.288%, which was a decrease of 0.015% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$8,323,389. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,285,513	\$ -
Changes of assumptions	12,412,642	-
Net difference between projected and actual earnings on pension plan investments	-	28,227,271
Changes in proportion and differences between County contributions and proportionate share of contributions	316,873	572,844
County contributions subsequent to the measurement date	11,206,539	-
Total	<b>\$ 30,221,567</b>	<b>\$ 28,800,115</b>

\$11,206,539 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Years Ended June 30:</u></b>	
2023	\$ 1,517,496
2024	(629,389)
2025	(2,035,478)
2026	(8,637,716)
	<b>\$ (9,785,087)</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 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 7.75%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

## Notes to the Financial Statements

The plan actuary uses mortality rates based on the *Pub 2010 Public Plan Mortality Tables* that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

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

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

The information above is based on 30-year expectations developed with the consulting actuary for the 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 2.50%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Notes to the Financial Statements

*Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (6.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Total pension liability	\$ 76,696,261	\$ 19,757,317	\$ (27,100,125)

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

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

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

*Funding Policy.* Article 12E of G. S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$1,151,982 which consisted of \$809,495 from the County and \$342,487 from the law enforcement officers.

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

For the year ended June 30, 2022, contributions for law enforcement officers were \$14,382 which consisted of \$10,312 from the ABC Board and \$4,070 from the law enforcement officers. Total contributions for employees not engaged in law enforcement for the year ended June 30, 2022 were \$153,452 which consisted of \$110,394 from the ABC Board and \$43,058 from the employees.

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# Notes to the Financial Statements

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## D – REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

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

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$36,933 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$570,624 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension asset was then rolled forward to the measurement date of June 30, 2021 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, 2021, the County's proportion was 2.969%, which was an decrease of 0.159% from its proportion measured as of June 30, 2020.

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## Notes to the Financial Statements

For the year ended June 30, 2022, the County recognized pension expense of \$32,542. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,088	\$ 6,920
Changes of Assumptions	41,610	-
Net difference between projected and actual earnings on pension plan investments	-	1,752
Changes in proportion and differences between County contributions and proportionate share of contributions	28,025	19,125
County contributions subsequent to the measurement date	36,933	-
Total	\$ 112,656	\$ 27,797

\$36,933 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Years Ended June 30:</u></b>	
2023	\$ 14,157
2024	21,800
2025	(1,336)
2026	13,305
	\$ 47,926

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.25% including inflation and productivity factors
Investment rate of return	3.00%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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



# Notes to the Financial Statements

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.00%. 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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ (453,250)	\$ (570,624)	\$ (669,258)

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

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# Notes to the Financial Statements

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

The net pension liability/asset for LGERS and ROD was measured as of June 30, 2021. The total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability/asset was then rolled forward to the measurement date of June 30, 2021 utilizing updated procedures incorporating the actuarial assumptions. The total pension liability for LEOSSA liability was measured as June 30, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 19,757,317	\$ (570,624)	n/a	\$ 19,186,693
Proportion of the Net Pension Liability (Asset)	1.288%	2.970%	n/a	
Total Pension Liability	n/a	n/a	\$ 13,260,556	\$ 13,260,556
Pension Expense	\$ 8,323,389	\$ 32,542	\$ 1,747,781	\$ 10,103,712

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 6,285,513	\$ 6,088	\$ 806,569	\$ 7,098,170
Changes of assumptions	12,412,642	41,610	2,407,377	14,861,629
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	316,873	28,025	-	344,898
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	11,206,539	36,933	463,975	11,707,447
<b>Total Deferred Outflows</b>	<b>\$ 30,221,567</b>	<b>\$ 112,656</b>	<b>\$ 3,677,921</b>	<b>\$ 34,012,144</b>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 6,920	\$ -	\$ 6,920
Net difference between projected and actual earnings on pension plan investments	28,227,271	1,752	-	28,229,023
Changes of assumptions	-	-	344,941	344,941
Changes in proportion and differences between County contributions and proportionate share of contributions	572,844	19,125	-	591,969
<b>Total Deferred Inflows</b>	<b>\$ 28,800,115</b>	<b>\$ 27,797</b>	<b>\$ 344,941</b>	<b>\$ 29,172,853</b>

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# Notes to the Financial Statements

## F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

*Plan Description.* Under the terms of a County resolution, the County administers a single-employer defined benefit Health Care Benefits Plan (the “HCB Plan”). The County has discontinued offering retiree health insurance for employees hired after June 30, 2016. For employees hired between July 1, 2008 and June 30, 2016, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees Retirement System and have at least 25 years of consecutive years of creditable service with the County. Prior to July 1, 2008, employees qualified for a similar level of benefits after 10 years of creditable service with the County. The plan, which has a June 30, 2022 year-end, does not issue a stand-alone report. Management of the HCB Plan is vested in the County Board of Commissioners.

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

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

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

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

During fiscal year 2022, a \$1,000,000 contribution was paid into the Cumberland County OPEB Trust. This irrevocable trust was established for the purpose of paying future postemployment benefits (“OPEB”) for which the County is liable. The Fiscal Year 2023 Budget includes an additional \$1,000,000 contribution to be deposited into the OPEB Trust.

(continued on next page)

# Notes to the Financial Statements

**Investments**

*Investment Policy.* The HCB Plan does not have a formal investment policy. The allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Investments are valued at fair value. The HCB Plan's Trust had \$3,014,295 invested in the State Treasurer's Local Government Other Postemployment Benefits (OPEB) Trust at June 30, 2022. 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, 2022:

<u>Asset Class</u>	<u>Target Allocation 2022</u>	<u>Long-Term Expected Real Rate of Return 2022</u>
Bond Index Fund	0.0%	N/A
Equity Index Fund	0.0%	N/A
Short-Term Investment Fund	100.0%	2.92%
Total	100.0%	

*Rate of Return.* For the year ended June 30, 2022, the annual money weighted rate of return on investments, net of investment expense, was 2.94%. 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, 2022 were as follows:

Total OPEB liability	\$ 168,476,481
Plan fiduciary net position	3,014,295
County's net OPEB liability	165,462,186
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

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

Inflation	2.50%
Real wage growth	0.75%
Wage Inflation	3.25%
Salary increases, including wage inflation:	
General Employees	3.25% to 8.41%
Law Enforcement Officers	3.25% to 7.90%
Municipal Bond Index:	
Prior Measurement Date	2.18%
Measurement Date	3.54%
Healthcare cost trend rates:	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024

# Notes to the Financial Statements

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

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

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

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

*Discount Rate.* The discount rate used to measure the total OPEB liability at June 30, 2022 was 3.54% which was a change from the discount rate of 2.16% at June 30, 2021. Because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate was based off of the municipal bond rate which was 3.54% at June 30, 2022 per the Standard & Poor's Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2021, the Standard & Poor's Municipal Bond 20 Year High Grade rate was 2.16%.

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

The following presents the NOL of the County reported at June 30, 2022, as well as what the County's NOL would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	<b>1% Decrease (2.54%)</b>	<b>Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Net OPEB liability (asset)	\$ 192,972,525	\$ 165,462,186	\$ 143,556,636

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

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

	<b>1% Decrease (5.50%)</b>	<b>Current (6.50%)</b>	<b>1% Increase (7.50%)</b>
Net OPEB liability (asset)	\$ 140,613,708	\$ 165,462,186	\$ 197,057,984

*Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2022, the County Reported a net OPEB liability of \$165,462,186. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing updated procedures incorporating the actuarial assumptions.

**(continued on next page)**

# Notes to the Financial Statements

At June 30, 2022, the components of the Net OPEB Liability of the County, measured as of June 30, 2022 were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Total OPEB Liability as of June 30, 2021</b>	\$ 223,141,924	\$ 2,008,252	\$ 221,133,672
<b>Changes for the year</b>			
Service cost	6,761,551	-	6,761,551
Interest	4,740,286	-	4,740,286
Change in benefit terms	1,247,343	-	1,247,343
Differences between expected and actual experience	(27,088,507)	-	(27,088,507)
Changes in assumptions or other inputs	(32,918,027)	-	(32,918,027)
Contributions - employer	-	8,408,089	(8,408,089)
Net Investment Income	-	6,043	(6,043)
Benefit payments	(7,408,089)	(7,408,089)	-
<b>Net changes</b>	<b>(54,665,443)</b>	<b>1,006,043</b>	<b>(55,671,486)</b>
<b>Balance at June 30, 2022</b>	<b>\$ 168,476,481</b>	<b>\$ 3,014,295</b>	<b>\$ 165,462,186</b>

*Changes in Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54% in 2022. Medical claims cost and rates were changed based on the most recent experience and changed to the current schedule. The Excise Tax of 40% on healthcare plans that are above the thresholds set by the Affordable Care Act are effective in 2022 and have been reflected.

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$(24,180,486). At June 30, 2022, 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	\$ -	\$ 50,203,460
Changes of assumptions	12,885,518	28,614,724
Net difference between projected and actual earnings on plan investments	77,313	-
Total	<b>\$ 12,962,831</b>	<b>\$ 78,818,184</b>

(continued on next page)

# Notes to the Financial Statements

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

**Measurement Period Ended June 30:**

2023	\$ (32,892,570)
2024	(14,708,681)
2025	(11,636,874)
2026	(6,617,228)
	<u>\$ (65,855,353)</u>

**ABC Board**

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

## G – OTHER EMPLOYMENT BENEFITS

The County and ABC Board have elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees’ Retirement System (“LGERS”), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee’s 12 highest months’ salary in a row during the 24 months prior to employees’ death, but the benefit may not be less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants.

(continued on next page)

# Notes to the Financial Statements

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

State and federal laws and regulations require the County to place a final cover on its Ann Street Sanitary Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$14,242,041 reported as landfill closure and post-closure care liability at June 30, 2022 represents a closed landfill with estimated costs of \$168,278, a Construction & Demolition (C & D) landfill with estimated costs of \$2,370,665 and the subtitle D landfill with estimated costs of \$11,703,097. 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 58.65% and 74.73%, respectively, of the total estimated capacity. The County will recognize the remaining estimated post-closure costs of \$419,206 for the old unlined landfill and the cost of closure and post-closure care of \$1,671,163 and \$3,958,274 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 2022. The life expectancy of the C & D landfill is estimated at 8.5 years and the subtitle D landfill at 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.

## NOTE 7 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

### Primary Government

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Deferred charge of refunding of debt	\$ 1,409,772	\$ -
(Pensions, OPEB) - difference between expected and actual experiences	7,098,170	50,210,380
(Pensions, OPEB) - Changes of Assumptions	27,747,147	28,959,665
(Pensions, OPEB) - difference between projected and actual earnings on plan investments	77,313	28,229,023
(Pensions, OPEB) - Change in proportion and difference between employer (County) contributions and proportionate share of contributions	344,898	591,969
Pensions, OPEB) - Employer (County) contributions (subsequent to the measurement date)	11,707,447	-
Prepaid Taxes not yet earned (General)	-	1,133,201
Leases	-	749,121
<b>Total</b>	<b>\$ 48,384,747</b>	<b>\$ 109,873,359</b>

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# Notes to the Financial Statements

## NOTE 8 – RISK MANAGEMENT

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

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

The claims liability of each insurance fund at June 30, 2022 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported, if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Changes in the balances of claim liabilities for the County during the years ended June 30, 2021 and 2022 were as follows:

	<b>Beginning-of- Fiscal-Year Liability</b>	<b>Current-Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year-End</b>
2021-2022	\$ 4,847,051	\$ 21,652,624	\$ (20,249,908)	\$ 6,249,767
2020-2021	\$ 5,077,241	\$ 18,972,472	\$ (19,202,662)	\$ 4,847,051

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

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 G.S. 159-29, the County Finance Officer and Tax Administrator are each individually bonded for \$100,000 and \$200,000, respectively. The County Finance Officer, as Finance Officer for the Cumberland County Tourism Development Authority, each of the County's five Water & Sewer District Authorities, and the Eastover Sanitary District, is individually bonded for \$50,000 for each entity. 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. Alcohol Beverage Control Board ("ABC") – The ABC Board is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i) each Board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate entity.

# Notes to the Financial Statements

## NOTE 9 – LONG-TERM OBLIGATIONS

### A – SUMMARY OF LONG-TERM OBLIGATIONS

The following is a summary of the County's long-term debt obligations (principal) at June 30, 2022:

Name of Debt Issue	Issue Date	Purpose of Debt Issue	Interest Rate	Issue Amount	Principal 6/30/22
<b>General Obligation Bonds</b>					
Refunding Series 2011	7/12/2011	Refund School Debt	2.0 - 5.0%	\$ 12,735,000	\$ 165,000
<b>General Obligation Bonds - Direct Borrowings and Direct Placements</b>					
Sanitary Sewer Series 2005 (USDA)	8/22/2005	NORCRESS Sewer	4.125%	\$ 1,250,000	\$ 960,000
<b>Revenue Bonds - Direct Borrowings and Direct Placements</b>					
2018A USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	2.375%	\$ 819,000	\$ 791,000
2018B USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer Project	1.625%	560,000	538,000
				<u>\$ 1,379,000</u>	<u>\$ 1,329,000</u>
<b>Certificates of Participation &amp; Limited Obligation Bonds</b>					
LOBS Series 2011A (QSCB) (Regions Bank) (1)	1/26/2011	New Century Middle School	6.1%	\$ 14,805,000	\$ 3,948,000
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	7,585,000
				<u>13,190,000</u>	<u>13,190,000</u>
				<u>23,005,000</u>	<u>20,775,000</u>
LOBS Series 2021	2/24/2021	Emergency Operations Center FTCC Fire Training Center	1.0 - 4.0%	11,095,000	10,540,070
				<u>10,000,000</u>	<u>9,499,930</u>
				<u>21,095,000</u>	<u>20,040,000</u>
				<u>\$ 58,905,000</u>	<u>\$ 44,763,000</u>
<b>Certificates of Participation - Direct Borrowings and Direct Placements</b>					
COPS Tax Credit Series 2009 (QSCB) (Wachovia)	12/1/2009	Various School Projects	1.25%	\$ 15,900,000	\$ 3,975,000
LOBS Refunding Series 2019A	10/15/2019	Refund PNC Bank CIP Draw Program	1.73%	11,300,000	8,070,000
LOBS Refunding Series 2019B	10/15/2019	Partial Refund of COPS Ref 2009B	1.56%	22,550,000	12,672,000
				<u>33,850,000</u>	<u>20,742,000</u>
				<u>\$ 49,750,000</u>	<u>\$ 24,717,000</u>
<b>Installment Financing Notes - Direct Borrowings and Direct Placements</b>					
NC Clean Drinking Water Loan	11/1/2013	Southpoint Water Project	0.00%	\$ 100,323	\$ 54,951
Governmental Capital Improvements (PNC Bank)	6/15/2016	Governmental Capital Projects	1.84%	1,100,000	366,667
				<u>\$ 1,200,323</u>	<u>\$ 421,618</u>
<b>Total</b>				<u>\$ 125,219,323</u>	<u>\$ 72,355,618</u>

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

(continued on next page)

# Notes to the Financial Statements

## B – GENERAL OBLIGATION BONDS

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. The County's general obligation bonds payable at June 30, 2022 are comprised of the following individual issues:

*Governmental Activities (public offering):*

**\$12,735,000 General Obligation Refunding Bonds, Series 2011**

Serial bonds payable annually from February 1, 2012 through August 1, 2022 in amounts ranging from \$130,000 to \$2,405,000; interest ranges from 2.0% to 5.0%.

Bond premium

\$	165,000
	<u>3,707</u>
\$	<u>168,707</u>

*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%.

\$	<u>960,000</u>
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At June 30, 2022, the County had no bonds authorized but unissued and a legal debt margin of \$2,275,325,000.

## C – REVENUE BONDS

USDA Revenue bonds were issued on June 11, 2018 to retire bond anticipation notes used to fund construction of infrastructure for Overhills Park Water and Sewer District. These bonds are payable solely from revenues generated through the operations of Overhills Park Water and Sewer District. No County funds have been pledged for repayment of the obligation. Revenue bonds payable at June 30, 2022 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%.

\$	791,000
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**\$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%.

	<u>538,000</u>
\$	<u>1,329,000</u>

(continued on next page)

# Notes to the Financial Statements

## D – CERTIFICATES OF PARTICIPATION AND LIMITED OBLIGATION BONDS

Certificates of participation and other limited obligation bonds outstanding for the year ended June 30, 2022 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%.

\$ 3,948,000

**\$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%.

20,775,000

**\$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%.

20,040,000

44,763,000

Premium

5,591,549

\$ 50,354,549

*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%.

\$ 3,975,000

**\$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%.

3,519,591

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

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

4,411,036

\$ 11,905,627

(continued on next page)

# Notes to the Financial Statements

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

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

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

\$ 4,550,409

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

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

8,260,964

\$ 12,811,373

## E – INSTALLMENT FINANCING OBLIGATIONS

Installment financing notes payable at June 30, 2022 are comprised of the following:

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

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

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

\$ 366,667

*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.

\$ 54,951

## F – LONG-TERM OBLIGATION ACTIVITY

The following is a summary of changes in the County's long-term obligations as of June 30, 2022:

	Balance June 30, 2021	Additions	Refundings	Decreases	Balance June 30, 2022	Current Portion of Long-Term Liabilities
<b>Governmental activities:</b>						
General obligation bonds	\$ 665,000	\$ -	\$ -	\$ 500,000	\$ 165,000	\$ 165,000
Premium	48,102	-	-	44,395	3,707	3,707
COPS & limited obligation bonds	50,065,000	-	-	5,302,000	44,763,000	5,312,000
Premium	6,224,169	-	-	632,620	5,591,549	554,336
COPS from direct borrowings and placements	15,316,350	-	-	3,410,723	11,905,627	3,396,450
Notes from direct borrowings and placements	550,000	-	-	183,333	366,667	183,333
Lease Liabilities	-	135,971	-	45,073	90,898	90,898
Compensated absences	6,859,778	6,235,116	-	6,516,789	6,578,105	6,249,200
Total OPEB liability	214,689,702	-	-	54,079,719	160,609,983	-
Net pension liability (LGERS)	44,484,540	-	-	25,099,776	19,384,764	-
Total pension liability (LEO)	12,787,270	473,286	-	-	13,260,556	-
<b>Total governmental activities</b>	<u>\$ 351,689,911</u>	<u>\$ 6,844,373</u>	<u>\$ -</u>	<u>\$ 95,814,428</u>	<u>\$ 262,719,856</u>	<u>\$ 15,954,924</u>

# Notes to the Financial Statements

Unspent debt proceeds related to governmental activities shown on the previous page is \$14,665,298.

The Board of Education holds title to certain schools even though the related debt is held by the County. At June 30, 2022, the County owes \$21,268,956 for projects for which the Board of Education holds title.

	Balance June 30, 2021	Additions	Refundings	Decreases	Balance June 30, 2022	Current Portion of Long-Term Liabilities
<b>Business-type activities:</b>						
GO bonds from direct borrowings and placements	\$ 985,000	\$ -	\$ -	\$ 25,000	\$ 960,000	\$ 26,000
USDA Revenue bonds from direct borrowings and placements	1,354,000	-	-	25,000	1,329,000	25,000
COPS & limited obligation bonds from direct borrowings and placements	16,929,400	-	-	4,118,027	12,811,373	4,091,299
Notes from direct borrowings and placements	59,946	-	-	4,995	54,951	4,996
Accrued landfill closure and postclosure costs	12,994,977	1,247,064	-	-	14,242,041	-
Compensated absences	184,395	181,477	-	175,176	190,696	181,161
Total OPEB liability	6,443,970	-	-	1,591,767	4,852,203	-
Net pension liability (LGRS)	999,098	-	-	626,545	372,553	-
<b>Total business-type activities</b>	<b>\$ 39,950,786</b>	<b>\$ 1,428,541</b>	<b>\$ -</b>	<b>\$ 6,566,510</b>	<b>\$ 34,812,817</b>	<b>\$ 4,328,456</b>

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

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

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

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# Notes to the Financial Statements

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

	General Obligation Bonds		General Obligation Bonds from Direct Borrowings and Direct Placements		Certificates of Participation and Limited Obligation Bonds		Certificates of Participation from Direct Borrowings and Direct Placements		Revenue Bonds from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<b>Governmental Activities:</b>														
2023	\$ 165,000	\$ 3,300	\$ -	\$ -	\$ 8,708,451	\$ 2,731,441	\$ -	\$ -	\$ -	\$ -	\$ 183,334	\$ 6,747	\$ 9,056,785	\$ 2,741,488
2024	-	-	-	-	8,704,179	2,492,198	-	-	-	-	183,333	3,373	8,887,512	2,495,571
2025	-	-	-	-	8,003,720	2,302,304	-	-	-	-	-	-	8,003,720	2,302,304
2026	-	-	-	-	6,930,104	1,576,868	-	-	-	-	-	-	6,930,104	1,576,868
2027	-	-	-	-	4,942,173	812,199	-	-	-	-	-	-	4,942,173	812,199
2028-2032	-	-	-	-	9,890,000	2,032,625	-	-	-	-	-	-	9,890,000	2,032,625
2033-2037	-	-	-	-	5,275,000	954,275	-	-	-	-	-	-	5,275,000	954,275
2038-2042	-	-	-	-	4,215,000	189,550	-	-	-	-	-	-	4,215,000	189,550
2043-2047	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>165,000</u>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>56,668,627</u>	<u>13,091,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,667</u>	<u>10,120</u>	<u>57,200,294</u>	<u>13,104,880</u>
Premium	3,707	-	-	-	5,591,549	-	-	-	-	-	-	-	5,595,256	-
(Total net of amortization)	<u>\$ 168,707</u>	<u>\$ 3,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,260,176</u>	<u>\$ 13,091,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,667</u>	<u>\$ 10,120</u>	<u>\$ 62,795,550</u>	<u>\$ 13,104,880</u>
<b>Business-type Activities:</b>														
2023	\$ -	\$ -	\$ 26,000	\$ 39,600	\$ -	\$ -	\$ 4,091,299	\$ 174,907	\$ 25,000	\$ 27,529	\$ 4,996	\$ -	\$ 4,147,295	\$ 242,036
2024	-	-	27,000	38,528	-	-	4,064,571	109,743	26,000	27,018	4,995	-	4,122,566	175,289
2025	-	-	29,000	37,414	-	-	2,837,030	54,362	26,000	26,483	4,996	-	2,897,026	118,259
2026	-	-	30,000	36,218	-	-	910,646	23,583	27,000	25,947	4,995	-	972,641	85,748
2027	-	-	31,000	34,980	-	-	907,826	7,853	28,000	25,396	4,996	-	971,822	68,229
2028-2032	-	-	175,000	154,646	-	-	-	-	146,000	118,268	24,977	-	345,977	272,914
2033-2037	-	-	214,000	115,500	-	-	-	-	161,000	102,619	4,996	-	379,996	218,119
2038-2042	-	-	260,000	67,650	-	-	-	-	179,000	85,247	-	-	439,000	152,897
2043-2047	-	-	168,000	13,860	-	-	-	-	198,000	65,901	-	-	366,000	79,761
2048-2052	-	-	-	-	-	-	-	-	220,000	44,410	-	-	220,000	44,410
2053-2057	-	-	-	-	-	-	-	-	244,000	20,563	-	-	244,000	20,563
2058-2062	-	-	-	-	-	-	-	-	49,000	1,006	-	-	49,000	1,006
	<u>-</u>	<u>-</u>	<u>960,000</u>	<u>538,396</u>	<u>-</u>	<u>-</u>	<u>12,811,372</u>	<u>370,448</u>	<u>1,329,000</u>	<u>570,387</u>	<u>54,951</u>	<u>-</u>	<u>15,155,323</u>	<u>1,479,231</u>
Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Total net of amortization)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960,000</u>	<u>\$ 538,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,811,372</u>	<u>\$ 370,448</u>	<u>\$ 1,329,000</u>	<u>\$ 570,387</u>	<u>\$ 54,951</u>	<u>\$ -</u>	<u>\$ 15,155,323</u>	<u>\$ 1,479,231</u>

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# Notes to the Financial Statements

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## G – LEASES

The County has entered into agreements to lease certain land, buildings, and equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The County has five lease agreements starting July 2021. There are no variable payment components of the lease. The terms of the leases range from 24 months to 51 months. The interest rates range from 0.316% to 0.893%. As a result of the leases, the County has recorded a right-to-use asset with a net book value of \$90,898 at June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	
<b>June 30</b>	<b>Payments</b>	<b>Payments</b>	<b>Total</b>
2023	\$ 45,163	\$ 493	\$ 45,656
2024	26,436	269	26,705
2025	15,423	120	15,543
2026	3,876	9	3,885
	<u>\$ 90,898</u>	<u>\$ 891</u>	<u>\$ 91,789</u>

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# Notes to the Financial Statements

## H – ASSETS PLEDGED AS COLLATERAL FOR DEBT

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

# Notes to the Financial Statements

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

On March 13, 2013, the County entered an agreement with the North Carolina Department of Environment and Natural Resources (“DENR”) for a loan from the Drinking Water State Revolving Fund for the Southpoint Water Project. DENR agreed to provide funding in an amount up to \$540,802 in the form of a loan from the Drinking Water State Revolving Fund with 80% of the loan immediately forgiven and the 20% loan balance to be repaid in annual installments over 20 years without interest. At June 30, 2016, the final total funding received under this agreement amounted to \$501,615, of which \$401,292 (80%) was immediately forgiven. The 20% remaining balance of \$100,323 is the final loan amount payable to the State of North Carolina without interest. This loan is included in the two tables shown above in Note F (Long-term Obligation Activity). The first principal payment of \$5,408 was made on May 1, 2014. At June 30, 2022, the outstanding loan balance is \$54,951. Annual loan payments are \$4,996 ending May 1, 2033.

## J – CONDUIT DEBT OBLIGATIONS

The County’s Industrial Facility and Pollution Control Financing Authority has at various times issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any other political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds, if any, are not reported as liabilities in the accompanying financial statements. As of June 30, 2022, there were no industrial revenue bonds outstanding.

## K – DEFEASANCE OF DEBT

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

There were no defeasances of debt during the fiscal year ended June 30, 2022.

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

In prior years, the County defeased various bond issues by creating separate irrevocable trust funds. New debt was issued, and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the call or maturity date. During 2022, the balance of defeased debt which was called or matured is \$13,530,000 for Limited Obligation Refunding Bonds Series 2011B. For financial reporting purposes, the debt is considered defeased and, therefore, removed from the County’s liabilities.

Gains and losses from debt refundings must be deferred and amortized over the lesser of the original remaining life of the old debt or the life of the new debt. At June 30, 2022, the County has unamortized net losses on defeasances totaling \$374,966 related to prior year refundings. Unamortized net losses on defeasance related to governmental activities debt consists of \$25,549 for general obligation bonds and \$148,665 for certificates of participation and other limited obligation bonds. Unamortized losses on defeasance related to business-type activities debt consist of \$200,752 for limited obligation bonds. Deferred amounts are reported as deferred outflows of resources in the government wide financial statements. In addition, unamortized premium increases the carrying value of the debt. At June 30, 2022, the County has unamortized premium totaling \$5,595,256. The carrying value of prior years’ governmental activities general obligation refunding bonds has been adjusted for unamortized premium of \$3,707. The carrying value of prior years’ governmental activities certificates of participation and other limited obligation bonds has been adjusted for unamortized premium of \$5,591,549. At June 30, 2022, the County has no unamortized premium related to business-type activities debt.

# Notes to the Financial Statements

## L – ABC BOARD LONG-TERM OBLIGATIONS

The following is a summary of changes in the ABC Board’s long-term obligations as of June 30, 2022:

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance June 30, 2022</b>	<b>Current Portion of Long-Term Liabilities</b>
Net Pension Liability (LGERS)	\$ 1,300,370	\$ -	\$ 780,174	\$ 520,196	\$ -
Net Pension Liability (LEO)	280,879	-	17,209	263,670	-
OPEB liability	254,864	11,783	-	266,647	-
Lease Liabilities	-	2,008,936	208,538	1,800,398	216,382
	<u>\$ 1,836,113</u>	<u>\$ 2,020,719</u>	<u>\$ 1,005,921</u>	<u>\$ 2,850,911</u>	<u>\$ 216,382</u>

## M– EASTOVER SANITARY DISTRICT – GENERAL OBLIGATION BONDS

The general obligation bonds of the District, used for the acquisition and construction of a major sanitary system capital improvement, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due. There were no issuances of general obligation debt in fiscal year 2022. Principal payments amounted to \$89,000 during fiscal year 2022.

The District’s general obligation bonds payable at June 30, 2022 are comprised of the following individual issues (direct borrowings and direct placements):

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

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

\$ 1,987,000

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

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

785,000

Total 2,772,000

Less current portion (93,000)

Noncurrent portion \$ 2,679,000

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

<b>Fiscal Years</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 93,000	\$ 124,219
2024	97,000	120,051
2025	101,500	115,702
2026	106,000	111,151
2027	111,000	106,399
2028-2032	633,000	452,857
2033-2037	780,500	297,764
2038-2042	850,000	114,148
	<u>\$ 2,772,000</u>	<u>\$ 1,442,291</u>

# Notes to the Financial Statements

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

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

The District's revenue bonds payable at June 30, 2022 are comprised of the following individual issues (direct borrowings and direct placements):

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

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

\$ 4,387,000

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

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

1,036,000

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

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

1,289,109

Total	6,712,109
Less current portion	(126,000)
Noncurrent portion	<u>\$ 6,586,109</u>

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

The District's installment financing note payable at June 30, 2022 is as follows (direct borrowing):

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

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

Total	\$ 1,602,619
Less current portion	(130,266)
Noncurrent portion	<u>\$ 1,472,353</u>

## Notes to the Financial Statements

In November 2020, the Eastover Sanitary District issued bond anticipation notes in the amount of \$1,400,000 to finance construction of a new administration building. Upon completion of the project during 2022, the bonds were satisfied from the proceeds of a 40-year low interest rate USDA loan.

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

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 256,266	\$ 307,652
2024	266,573	297,779
2025	276,097	287,512
2026	286,845	276,860
2027	297,828	265,785
2028-2032	1,673,770	1,146,531
2033-2037	1,002,240	888,639
2038-2042	1,165,000	693,872
2043-2047	1,403,000	457,614
2048-2052	1,365,000	170,800
2053-2057	220,000	30,281
2058-2062	102,109	8,925
	<u>\$ 8,314,728</u>	<u>\$ 4,832,250</u>

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

The following is a summary of changes in the District's long-term obligations as of June 30, 2022:

	<u>Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance</u>	<u>Current</u>
	<u>June 30, 2021</u>			<u>June 30, 2022</u>	<u>Portion</u>
					<u>of Long-Term</u>
					<u>Liabilities</u>
USDA general obligation bonds	\$ 2,861,000	\$ -	\$ 89,000	\$ 2,772,000	\$ 93,000
USDA revenue bonds	5,520,000	1,400,000	207,891	6,712,109	126,000
Bond anticipation note	1,400,000	-	1,400,000	-	-
Installment notes	1,727,786	-	125,167	1,602,619	130,266
Accrued Vacation	15,305	10,261	10,720	14,846	14,103
Total	<u>\$ 11,524,091</u>	<u>\$ 1,410,261</u>	<u>\$ 1,832,778</u>	<u>\$ 11,101,574</u>	<u>\$ 363,369</u>

(continued on next page)

# Notes to the Financial Statements

## NOTE 10 – INTERFUND BALANCES AND ACTIVITY

### Due From/To Other Funds

The composition of interfund balances included in the fund financial statements as of June 30, 2022 is as follows:

	Payable Fund		
	Nonmajor	Crown	Total
	Governmental	Center	
<b>Receivable Fund</b>			
General Fund	\$ 444,810	\$ 5,500	\$ 450,310
<b>Total</b>	<b>\$ 444,810</b>	<b>\$ 5,500</b>	<b>\$ 450,310</b>

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

### Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2022 are summarized below:

	Transfers in				Total
	General	Nonmajor Governmental	Cumberland County Crown Center	Internal Service	
<b>Transfers out:</b>					
General	\$ -	\$ 3,318,868	\$ 809,113	\$ 100,000	\$ 4,227,981
Nonmajor governmental	89,411	-	11,720,869	-	11,810,280
Internal service	-	-	-	25,000	25,000
Total transfers	<b>\$ 89,411</b>	<b>\$ 3,318,868</b>	<b>\$ 12,529,982</b>	<b>\$ 125,000</b>	<b>\$ 16,063,261</b>

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

\$65,411 was transferred from the Prepared Food & Beverage Fund to the General Fund for personnel costs of the Tax Assistant who accounts for Food & Beverage taxes for Cumberland County.

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

\$818,868 was transferred from the General Fund to multiple Special Revenue funds to satisfy grant matching requirements for operations.

\$2,500,000 was transferred from the General Fund (Capital Investment Fund) to the Capital Project Fund to provide support for the construction of an African American Museum.

\$685,000 was transferred from the General Fund (Capital Investment Fund) to the Norcross Water & Sewer District to provide funding for infrastructure.

\$124,113 was transferred from the General Fund (Capital Investment Fund) to the Bragg Estates Water & Sewer District Fund to cover initial engineering costs of the project before it was decided to abandon the project due to easement ownership of the federal government.

\$9,220,869 was transferred from the Prepared Food & Beverage Fund to the Crown Center Fund to provide funding for operations, debt service, and several capital improvement projects.

# Notes to the Financial Statements

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\$2,500,000 was transferred from the Prepared Food & Beverage Fund to the Crown Event Center Capital Project Fund for the owner's agent contract. These funds will later be reimbursed by funds obtained through a debt issuance.

\$100,000 was transferred from the General Fund to the General Litigation Fund to fund miscellaneous legal matters that come up during the year.

\$25,000 was transferred from the Group Insurance Fund to the Employee Flexible Benefit Fund to assist in maintaining a positive cash balance in the fund.

## NOTE 11 – JOINT VENTURE

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

The County has an ongoing financial responsibility for the community college because of the statutory requirements to provide funding for the community college's facilities. In February of 2021, the County issued Limited Obligation Bonds Series 2021 which included \$10,000,000 for the new Fire Training Center at the community college. The County will pay debt service on the Fire Training Center beginning in FY 2022 and ending in FY 2041.

The County contributed \$13,278,659 and \$5,394,206 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. Fiscal year 2022 budgeted, but unspent capital funds in the amount of \$6,851,541 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, 2022. Complete financial statements for the community college may be obtained from the Fayetteville Technical Community College's administrative offices at 2201 Hull Road, Fayetteville, North Carolina 28303.

## NOTE 12 – CONTINGENT LIABILITIES

### Federal and State Assisted Programs

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

### Claims and Judgments

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

# Notes to the Financial Statements

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## 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, 2022, 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.

## NOTE 13 – DEFERRED COMPENSATION PLAN

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

## NOTE 14 – LAW ENFORCEMENT AND ALCOHOLIC EDUCATION EXPENSES

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

## NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Negative Fund Balance in Special Revenue Fund

The CDBG Disaster Recovery Fund has a fund balance on June 30, 2022 totaling (\$24,968). The fund is supported by federal and/or state funds on a reimbursement basis. For fiscal year 2022 expenditures were incurred, but a reimbursement request for those expenditures was not completed in a timely enough manner to be able to record that revenue to fiscal year 2022. The negative fund balance is a result. In the future, staff will work to ensure reimbursement requests are submitted in a timely manner to better match current year expenditures with current year revenues.

### Negative Fund Balances in Custodial Funds

The City Tax Fund and the Vehicle Interest Fund have negative fund balances on June 30, 2022 totaling (\$14,746) and (\$165), respectively. The City Tax Fund accounts for funds that are billed and collected by the County for various municipalities and special districts within the County. The Vehicle Interest Fund consists of the 3% penalty interest fee collected by the County for delinquent motor vehicle taxes of prior years, that will be distributed to various municipalities within the County. The negative fund balances are a result of the timing of payments and receipts. In the future, staff will work to ensure the timing of receipts and payments are matched in the current year.



# Notes to the Financial Statements

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## NOTE 16 – OPIOID SETTLEMENT FUNDS

In April 2022, 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 \$650,000 as part of this settlement in Fiscal Year 2022. 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. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

## NOTE 17 – REIMBURSEMENTS FOR PANDEMIC-RELATED EXPENDITURES

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. Cumberland County was allocated \$65,168,690 of fiscal recovery funds to be paid in two equal installments. The first installment of \$32,584,345 was received in May 2021. The second installment was received in June 2022. 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 and nonprofit agencies); **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. Through June 30, 2022, Cumberland County incurred and reported \$5,102,607 total expenditures within the Revenue Replacement and Administrative Expenses expenditure categories combined.

## NOTE 18 – SUBSEQUENT EVENTS

The County, Board, and District have evaluated subsequent events for potential recognition and disclosure through January 17, 2023, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

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

**Last Six Fiscal Years**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970	\$ 7,819,888
Service Cost	676,788	400,153	384,671	412,469	365,895	392,574
Interest on the total pension liability	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	609,803	326,375	165,417	3,481	194,482	-
Changes of assumptions or other inputs	(322,873)	3,444,073	248,522	(303,123)	528,706	(172,562)
Benefit payments	(730,180)	(638,884)	(603,201)	(559,449)	(530,301)	(498,207)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 13,260,556</u>	<u>\$ 12,787,270</u>	<u>\$ 8,973,433</u>	<u>\$ 8,480,319</u>	<u>\$ 8,662,059</u>	<u>\$ 7,811,970</u>

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

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

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

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

**Last Six Fiscal Years**

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	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 13,260,556	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970
Covered-employee payroll	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	79.80%	80.71%	53.64%	52.05%	52.60%	47.80%

Notes to the schedules:

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

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

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

**Last Nine Fiscal Years \***

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

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

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

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

**Last Nine Fiscal Years**

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

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

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

**Last Nine Fiscal Years\***

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

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

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

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

**Last Nine Fiscal Years**

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

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



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

**Last Nine Fiscal Years \***

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

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

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

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

**Last Nine Fiscal Years**

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

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

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

**Last Five Fiscal Years**

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

**Notes to the Schedule:**

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

<b>Fiscal Year</b>	<b>Rate</b>
2018	3.56%
2019	3.89%
2020	2.21%
2021	2.16%
2022	3.54%

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

## MAJOR FUNDS



**Comparative Balance Sheets  
General Fund  
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 248,829,870	\$ 209,118,537
Taxes receivable, net	1,852,129	2,666,132
Sales tax receivable	22,155,727	19,798,858
Due from other governments	16,868,859	11,717,904
Other receivables, net	2,040,558	1,351,132
Due from other funds	450,310	3,401,734
Due from component units	583,377	1,424,145
Inventories	220,740	200,505
Prepays	210	210
Lease receivable	751,561	-
Restricted:		
Cash and cash equivalents	4,881,034	-
<b>Total assets</b>	<u><u>\$ 298,634,375</u></u>	<u><u>\$ 249,679,157</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts and vouchers payable	\$ 10,147,554	\$ 5,717,669
Due to other governments	361,045	361,045
Accrued payroll	3,843,708	4,917,160
Other payables	14,531	44,653
<b>Total liabilities</b>	<u>14,366,838</u>	<u>11,040,527</u>
<b>Deferred inflows of resources</b>		
Taxes	3,142,873	3,715,939
Leases	749,121	-
<b>Total deferred inflows of resources</b>	<u>3,891,994</u>	<u>3,715,939</u>
<b>Fund balance</b>		
Nonspendable:		
Inventories	220,740	200,505
Prepays	210	210
Leases	2,440	-
Restricted:		
Stabilization by State statute	44,546,143	36,417,479
Register of Deeds	1,018,697	987,528
Public health	7,451,692	6,052,823
County school	11,900,413	5,982,196
Committed:		
Tax revaluation	2,431,671	2,296,335
Capital investment fund	126,983,896	61,459,283
Assigned:		
Subsequent year's expenditures	8,071,721	9,159,873
Economic development incentives	2,000,000	2,000,000
Unassigned	75,747,920	110,366,459
<b>Total fund balance</b>	<u>280,375,543</u>	<u>234,922,691</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u><u>\$ 298,634,375</u></u>	<u><u>\$ 249,679,157</u></u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year	\$ 168,721,614	\$ 169,937,874	\$ 1,216,260	\$ 169,200,461
Prior years	828,000	1,437,083	609,083	1,629,364
Penalties and interest	644,959	864,165	219,206	788,466
Motor vehicle - current	22,292,691	23,716,490	1,423,799	23,041,995
Motor vehicle - prior	56,000	30,546	(25,454)	59,701
Other	828,000	1,054,783	226,783	926,779
<b>Total ad valorem taxes</b>	<b>193,371,264</b>	<b>197,040,941</b>	<b>3,669,677</b>	<b>195,646,766</b>
<b>Other taxes:</b>				
Pet registration fees	41,000	14	(40,986)	39,052
Real estate transfer	1,600,000	3,299,733	1,699,733	2,215,078
Beer and wine	383,000	359,625	(23,375)	370,305
Sales	53,023,227	61,168,963	8,145,736	55,084,708
Other	449,000	440,385	(8,615)	438,477
<b>Total other taxes</b>	<b>55,496,227</b>	<b>65,268,720</b>	<b>9,772,493</b>	<b>58,147,620</b>
<b>Unrestricted intergovernmental revenues:</b>				
Federal	35,000	24,000	(11,000)	42,760
State government	541,200	117,219	(423,981)	504,324
Fayetteville	9,026,988	9,539,815	512,827	9,036,881
Municipalities	1,290,817	1,382,065	91,248	1,277,739
Other governmental	3,985,314	6,208,378	2,223,064	5,202,674
<b>Total unrestricted intergovernmental revenues</b>	<b>14,879,319</b>	<b>17,271,477</b>	<b>2,392,158</b>	<b>16,064,378</b>
<b>Restricted intergovernmental revenues:</b>				
Federal	1,299,481	346,996	(952,485)	8,364,511
NC health programs	12,957,403	6,458,063	(6,499,340)	7,655,520
NC mental health programs	514,215	596,909	82,694	558,013
NC social services programs	39,524,832	37,293,374	(2,231,458)	31,907,288
NC library programs	628,559	553,627	(74,932)	429,401
NC other restricted revenue	8,087,190	4,762,228	(3,324,962)	5,367,062
Other restricted revenue	636,305	589,581	(46,724)	663,250
<b>Total restricted intergovernmental revenues</b>	<b>63,647,985</b>	<b>50,600,778</b>	<b>(13,047,207)</b>	<b>54,945,045</b>
<b>Licenses and permits:</b>				
Inspection department permits	990,331	1,327,821	337,490	1,155,047
Marriage licenses	75,623	78,075	2,452	66,725
Register of Deeds fees	1,232,677	2,030,167	797,490	1,973,273
<b>Total licenses and permits</b>	<b>2,298,631</b>	<b>3,436,063</b>	<b>1,137,432</b>	<b>3,195,045</b>
<b>Sales and services:</b>				
Health department fees	4,138,171	6,008,298	1,870,127	5,230,131
Library fees	113,125	16,370	(96,755)	14,674
Sheriff department fees	4,981,500	4,216,452	(765,048)	4,193,222
Social services fees	230,066	206,043	(24,023)	21,300
Other department fees	1,895,597	1,974,564	78,967	1,858,993
<b>Total sales and services</b>	<b>11,358,459</b>	<b>12,421,727</b>	<b>1,063,268</b>	<b>11,318,320</b>
<b>Interest earned on investments</b>	<b>75,000</b>	<b>139,648</b>	<b>64,648</b>	<b>29,534</b>
<b>Miscellaneous:</b>				
Miscellaneous	2,240,501	5,396,872	3,156,371	563,805
Rent, land, and buildings	4,837,719	4,711,139	(126,580)	4,842,872
<b>Total miscellaneous</b>	<b>7,078,220</b>	<b>10,108,011</b>	<b>3,029,791</b>	<b>5,406,677</b>
<b>Total revenues</b>	<b>348,205,105</b>	<b>356,287,365</b>	<b>8,082,260</b>	<b>344,753,385</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund (continued)**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Governing body	\$ 682,250	\$ 643,556	\$ 38,694	\$ 612,166
Administration	2,062,103	1,545,377	516,726	1,678,887
Public information	846,900	810,924	35,976	755,571
Court facilities	144,920	109,890	35,030	111,108
Human resources	1,071,556	866,284	205,272	948,963
Innovation and technology services	7,234,066	5,810,123	1,423,943	4,941,565
Board of elections	1,556,013	1,129,321	426,692	1,924,356
Financial services	1,406,949	1,376,589	30,360	1,366,775
Legal	1,087,181	883,476	203,705	738,495
Register of Deeds	2,922,082	2,224,802	697,280	2,219,717
Register of Deeds Automation	377,331	250,949	126,382	146,365
Tax Administration	6,079,278	5,548,182	531,096	5,423,658
Print, mail & design services	780,535	604,615	175,920	732,642
Facilities Maintenance	1,109,032	994,256	114,776	1,209,766
Carpentry shop	217,753	194,157	23,596	218,864
Facilities Management	1,556,056	1,422,683	133,373	1,471,010
Public buildings - janitorial	965,301	924,415	40,886	878,654
Central maintenance	747,510	679,908	67,602	704,021
Landscaping and grounds	800,763	701,454	99,309	703,267
Property revaluation	472,489	337,154	135,335	345,171
General government - other	10,663,111	7,681,170	2,981,941	7,508,484
<b>Total general government</b>	<b>42,783,179</b>	<b>34,739,285</b>	<b>8,043,894</b>	<b>34,639,505</b>
<b>Public safety:</b>				
Emergency services	4,112,879	3,840,587	272,292	3,859,559
Emergency services grants	214,789	58,198	156,591	120,144
Sheriff	32,708,120	26,446,249	6,261,871	25,257,628
Jail	20,769,918	15,277,087	5,492,831	16,424,482
School law enforcement-local	5,215,383	4,782,208	433,175	4,323,264
Sheriff's grants	1,150,141	206,486	943,655	86,548
Animal services	3,844,426	3,324,166	520,260	3,296,041
Public safety other	1,833,707	1,705,453	128,254	1,303,113
LEO Separation Allowance	831,116	822,385	36,687	678,739
Criminal justice unit	691,215	508,043	183,172	537,704
Misdemeanor program	36,687	32,581	4,106	30,438
<b>Total public safety</b>	<b>71,408,381</b>	<b>57,003,443</b>	<b>14,432,894</b>	<b>55,917,660</b>
<b>Economic and physical development:</b>				
Planning and inspections department	3,564,370	3,199,929	364,441	2,968,616
Engineering	610,207	599,820	10,387	409,892
NC cooperative extension service	763,559	620,936	142,623	611,193
NC cooperative extension program	79,000	9,601	69,399	10,887
Soil conservation district	2,575,797	421,595	2,154,202	132,457
Soil conservation cost share	93,984	78,027	15,957	75,745
Economic physical development - other	957,600	153,531	804,069	20,000
Industrial park	4,332	3,893	439	17,535
Location services	202,162	148,999	53,163	204,386
Economic incentives	767,447	613,541	153,906	632,132
Water & sewer industrial expansion	268,570	56,223	212,347	179,456
Public utilities	96,900	93,375	3,525	91,456
<b>Total economic and physical development</b>	<b>9,983,928</b>	<b>5,999,470</b>	<b>3,984,458</b>	<b>5,353,755</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General Fund (continued)  
Year Ended June 30, 2022  
(With Comparative Totals for June 30, 2021)**

	2022		Variance	2021
	Budget	Actual	Positive (Negative)	
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Human services:</b>				
<b>Mental Health:</b>				
Mental health other	\$ 5,245,547	\$ 5,039,693	\$ 205,854	\$ 5,038,133
Court ordered evaluations	318,840	318,840	-	321,367
Sobriety court	129,780	81,879	47,901	70,103
<b>Subtotal - mental health</b>	<b>5,694,167</b>	<b>5,440,412</b>	<b>253,755</b>	<b>5,429,603</b>
<b>Health:</b>				
Health - administration	2,241,855	2,249,071	(7,216)	1,969,524
Laboratory	429,257	416,831	12,426	411,479
Pharmacy	581,913	398,050	183,863	446,528
C. C. Jail health program	3,505,425	3,020,156	485,269	3,049,985
Management support	230,229	239,941	(9,712)	171,148
NC environmental health	1,862,231	1,649,317	212,914	1,560,854
Immunization clinic	752,844	670,800	82,044	622,725
School health program	1,999,115	1,679,016	320,099	1,692,074
Child health clinic	985,300	779,234	206,066	807,620
Dental clinic	-	503	(503)	381
Health promotion	417,848	325,893	91,955	265,508
Maternal health clinic	927,657	930,724	(3,067)	731,559
Medical records	270,493	253,952	16,541	247,278
Breast/cervical cancer	128,655	122,169	6,486	106,903
Child service coordination	934,029	682,691	251,338	693,159
Child fatality prevention	12,589	5,887	6,702	5,761
Chest TB clinic	190,552	199,055	(8,503)	143,771
Family planning clinic	1,038,001	942,406	95,595	838,162
NC general communicable disease	313,042	201,944	111,098	107,878
NC AIDS	74,434	66,836	7,598	60,420
Adult health clinic	320,553	307,539	13,014	248,288
School health	965,731	652,249	313,482	505,376
WIC - clinic services	2,558,738	2,220,021	338,717	2,291,867
Health - other	83,771	79,623	4,148	80,322
Bioterrorism preparedness and response	72,500	50,178	22,322	41,806
STD clinic	1,679,276	1,308,931	370,345	1,194,906
Maternal care coordination	1,284,814	1,108,089	176,725	1,120,937
Community transformation grant	126,155	118,072	8,083	122,155
Claims processing	247,855	199,839	48,016	211,509
Teen Pregnancy Preventive Initiative	81,099	69,019	12,080	62,524
Triple P Program	275,260	260,081	15,179	300,898
Comprehensive opioid abuse	313,883	173,142	140,741	102,483
American Public Health Association	76,259	49,403	26,856	23,740
NC Partnership for the Children	220,928	98,017	122,911	7,362
COVID-19 response	6,650,148	1,173,785	5,476,363	2,783,669
Health Outcomes	32,000	31,792	208	-
<b>Subtotal - health</b>	<b>31,884,439</b>	<b>22,734,256</b>	<b>9,150,183</b>	<b>23,030,559</b>
<b>Welfare:</b>				
Social services department	54,734,566	44,588,703	10,145,863	42,928,678
Social services - other	13,413,348	10,968,914	2,444,434	11,404,733
Grant - FV care center	591,467	456,200	135,267	464,166
Welfare - other	380,064	334,626	45,438	301,052
<b>Subtotal - welfare</b>	<b>69,119,445</b>	<b>56,348,443</b>	<b>12,771,002</b>	<b>55,098,629</b>



**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund (concluded)**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Human services (continued):</b>				
<b>Other human services:</b>				
Veterans' services	\$ 547,167	\$ 499,932	\$ 47,235	\$ 437,822
Spring Lake Resource Center	39,074	32,962	6,112	28,155
Child support enforcement	5,693,462	4,756,643	936,819	5,110,079
<b>Subtotal - other human services</b>	<u>6,279,703</u>	<u>5,289,537</u>	<u>990,166</u>	<u>5,576,056</u>
<b>Total human services</b>	<u>112,977,754</u>	<u>89,812,648</u>	<u>23,165,106</u>	<u>89,134,847</u>
<b>Cultural and recreational:</b>				
Library	10,467,173	9,957,751	509,422	9,500,400
Culture recreation other	260,569	260,569	-	260,569
Library - grants	457,966	151,281	306,685	37,967
<b>Total cultural and recreational</b>	<u>11,185,708</u>	<u>10,369,601</u>	<u>816,107</u>	<u>9,798,936</u>
<b>Education:</b>				
Public schools - current	83,033,918	83,033,918	-	80,711,700
Public schools - other contractual	1,740,876	1,822,031	(81,155)	1,856,579
Community colleges - current	13,278,659	13,278,659	-	12,283,629
Community colleges -other contractual	-	-	-	24,524
<b>Total education</b>	<u>98,053,453</u>	<u>98,134,608</u>	<u>(81,155)</u>	<u>94,876,432</u>
<b>Total expenditures</b>	<u>346,392,403</u>	<u>296,059,055</u>	<u>50,361,304</u>	<u>289,721,135</u>
<b>Revenues over (under) expenditures</b>	<u>1,812,702</u>	<u>60,228,310</u>	<u>58,415,608</u>	<u>55,032,250</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	(765,998)	(765,998)	424,465
Lease issuance proceeds	-	135,971	135,971	-
Transfers in	380,851	380,851	-	111,778
Transfers out	(86,046,730)	(85,187,817)	858,913	(20,391,447)
Fund balance appropriated	83,853,177	-	(83,853,177)	-
<b>Total other financing sources (uses)</b>	<u>(1,812,702)</u>	<u>(85,436,993)</u>	<u>(83,624,291)</u>	<u>(19,855,204)</u>
<b>Revenues and other financing sources (uses) over expenditures</b>	<u>\$ -</u>	<u>(25,208,683)</u>	<u>\$ (25,208,683)</u>	<u>35,177,046</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		162,208,015		127,030,969
<b>Fund balance - ending</b>		<u>\$ 136,999,332</u>		<u>\$ 162,208,015</u>
<b>Reconciliation to H-1:</b>				
<b>General Fund - ending fund balance</b>		\$ 136,999,332		\$ 162,208,015
<b>County School Fund - ending fund balance (H-6)</b>		16,263,770		11,329,459
<b>Capital Investment Fund - ending fund balance (H-7)</b>		127,112,441		61,385,217
		<u>\$ 280,375,543</u>		<u>\$ 234,922,691</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - County School Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<b>2022</b>		<b>Variance</b>	<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	
<b>Revenues:</b>				
Other taxes	\$ 13,900,000	\$ 15,985,916	\$ 2,085,916	\$ 13,806,656
Unrestricted intergovernmental revenue	930,000	1,549,739	619,739	1,552,693
Restricted intergovernmental revenue	3,281,839	3,281,839	-	3,349,297
Interest earned on investments	-	11,793	11,793	1,941
Miscellaneous	74,999	-	(74,999)	-
<b>Total revenues</b>	<b>18,186,838</b>	<b>20,829,287</b>	<b>2,642,449</b>	<b>18,710,587</b>
<b>Expenditures:</b>				
Education:				
School capital outlay I	10,148,930	9,038,133	1,110,797	9,517,693
School capital outlay II	2,359,375	1,581,296	778,079	1,795,554
School capital outlay III	750,000	352,598	397,402	208,660
<b>Total expenditures</b>	<b>13,258,305</b>	<b>10,972,027</b>	<b>2,286,278</b>	<b>11,521,907</b>
<b>Revenues over expenditures</b>	<b>4,928,533</b>	<b>9,857,260</b>	<b>4,928,727</b>	<b>7,188,680</b>
<b>Other financing sources (uses):</b>				
Transfers out	(4,928,533)	(4,928,533)	-	(4,954,618)
Sale of capital assets	-	5,584	5,584	45,370
<b>Total other financing sources (uses)</b>	<b>(4,928,533)</b>	<b>(4,922,949)</b>	<b>5,584</b>	<b>(4,909,248)</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>4,934,311</b>	<b>\$ 4,934,311</b>	<b>2,279,432</b>
<b>Fund Balances:</b>				
Fund balance - beginning		11,329,459		9,050,027
Fund balance - ending		<b>\$ 16,263,770</b>		<b>\$ 11,329,459</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Capital Investment Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<b>2022</b>		<b>Variance Positive (Negative)</b>	<b>2021</b>
	<b>Budget</b>	<b>Actual</b>		
<b>Revenues:</b>				
Interest income	\$ 1,023,947	\$ 1,146,982	\$ 123,035	\$ 1,002,516
Miscellaneous	-	100	100	-
Insurance proceeds	74,051	-	(74,051)	36,122
<b>Total revenues</b>	<u>1,097,998</u>	<u>1,147,082</u>	<u>49,084</u>	<u>1,038,638</u>
<b>Expenditures:</b>				
General government	6,690,681	4,160,936	2,529,745	1,406,986
Economic and physical development	83,001,240	3,591,178	79,410,062	2,150,712
Education - community college capital outlay	12,245,747	5,394,206	6,851,541	121,301
<b>Debt service:</b>				
Principal	9,396,058	9,396,056	2	10,144,283
Interest	3,117,838	3,117,836	2	2,556,856
<b>Total expenditures</b>	<u>114,451,564</u>	<u>25,660,212</u>	<u>88,791,352</u>	<u>16,380,138</u>
<b>Revenues over expenditures</b>	<u>(113,353,566)</u>	<u>(24,513,130)</u>	<u>88,840,436</u>	<u>(15,341,500)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	-	10,000,000
Transfers in	89,197,483	89,197,483	-	30,580,254
Transfers out	(3,600,554)	(3,600,554)	-	(23,000)
Sale of capital assets	-	4,643,425	4,643,425	96,174
Fund balance appropriated	27,756,637	-	(27,756,637)	-
<b>Total other financing sources (uses)</b>	<u>113,353,566</u>	<u>90,240,354</u>	<u>(23,113,212)</u>	<u>40,653,428</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>65,727,224</u>	<u>\$ 65,727,224</u>	<u>25,311,928</u>
<b>Fund Balances:</b>				
Fund balance - beginning		61,385,217		36,073,289
Fund balance - ending		<u>\$ 127,112,441</u>		<u>\$ 61,385,217</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - ARPA Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ 65,168,690	\$ -	\$ -	\$ 5,102,607	\$ 5,102,607
Interest earnings	-	994	-	46,580	47,574
<b>Total revenues</b>	<u>65,168,690</u>	<u>994</u>	<u>-</u>	<u>5,149,187</u>	<u>5,150,181</u>
<b>Expenditures:</b>					
Economic and physical development	<u>65,168,690</u>	<u>-</u>	<u>-</u>	<u>5,102,607</u>	<u>5,102,607</u>
<b>Total Expenditures</b>	<u>65,168,690</u>	<u>-</u>	<u>-</u>	<u>5,102,607</u>	<u>5,102,607</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>994</u>	<u>-</u>	<u>46,580</u>	<u>47,574</u>
<b>Other financing sources (uses)</b>					
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 994</u>	<u>\$ -</u>	<u>46,580</u>	<u>\$ 47,574</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>994</u>	
Fund balance - ending				<u>\$ 47,574</u>	

## NONMAJOR GOVERNMENTAL FUNDS

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Cemetery Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 22,821,579	\$ -	\$ -	\$ 22,821,579
Taxes receivable, net	300,804	-	-	300,804
Due from other governments	1,987,807	-	-	1,987,807
Other receivables, net	15,805	24	-	15,829
Restricted assets:				
Cash and cash equivalents	1,888,495	6,571,083	60,747	8,520,325
<b>Total assets</b>	<u>\$ 27,014,490</u>	<u>\$ 6,571,107</u>	<u>\$ 60,747</u>	<u>\$ 33,646,344</u>
<b>Liabilities deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts and vouchers payable	\$ 6,662,534	\$ 830,478	\$ 761	\$ 7,493,773
Due to other governments	8,259	-	-	8,259
Accrued payroll	56,935	-	-	56,935
Other payables	200	-	-	200
Due to other funds	388,757	-	-	388,757
Unearned revenue	4,029,869	-	-	4,029,869
<b>Total liabilities</b>	<u>11,146,554</u>	<u>830,478</u>	<u>761</u>	<u>11,977,793</u>
<b>Deferred inflows of resources - taxes</b>	<u>1,329,408</u>	<u>-</u>	<u>-</u>	<u>1,329,408</u>
Fund balances:				
Restricted:				
Stabilization by State Statute	2,003,612	24	-	2,003,636
Inmates	1,168,562	-	-	1,168,562
Cemetery	-	-	59,986	59,986
Fire protection	2,024,066	-	-	2,024,066
Register of Deeds	129,531	-	-	129,531
Public safety	2,023,006	2,799,439	-	4,822,445
Economic and physical development	2,800,168	-	-	2,800,168
Human services	653,497	-	-	653,497
Cultural and recreational	4,196,081	2,941,166	-	7,137,247
Unassigned	(459,995)	-	-	(459,995)
<b>Total fund balances</b>	<u>14,538,528</u>	<u>5,740,629</u>	<u>59,986</u>	<u>20,339,143</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 27,014,490</u>	<u>\$ 6,571,107</u>	<u>\$ 60,747</u>	<u>\$ 33,646,344</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022**

	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 16,096,170	\$ -	\$ -	\$ 16,096,170
Other taxes	12,280,612	-	-	12,280,612
Restricted intergovernmental revenue	15,028,473	(293,298)	-	14,735,175
Sales and services	1,273,900	-	-	1,273,900
Licenses and permits	109,305	-	-	109,305
Interest earned on investments	32,706	18,981	64	51,751
Burial fees	-	-	4,800	4,800
Miscellaneous	624,313	-	-	624,313
<b>Total revenues</b>	<u>45,445,479</u>	<u>(274,317)</u>	<u>4,864</u>	<u>45,176,026</u>
<b>Expenditures:</b>				
Current:				
General government	3,846,666	-	-	3,846,666
Public safety	13,697,738	4,229,739	-	17,927,477
Economic and physical development	11,597,386	-	2,132	11,599,518
Human services	2,894,550	-	-	2,894,550
Cultural and recreational	4,575,831	-	-	4,575,831
<b>Total expenditures</b>	<u>36,612,171</u>	<u>4,229,739</u>	<u>2,132</u>	<u>40,844,042</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>8,833,308</u>	<u>(4,504,056)</u>	<u>2,732</u>	<u>4,331,984</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	8,062	-	-	8,062
Transfers in	818,868	2,500,000	-	3,318,868
Transfers out	(11,810,280)	-	-	(11,810,280)
<b>Total other financing sources (uses)</b>	<u>(10,983,350)</u>	<u>2,500,000</u>	<u>-</u>	<u>(8,483,350)</u>
<b>Net change in fund balances</b>	(2,150,042)	(2,004,056)	2,732	(4,151,366)
<b>Fund Balances:</b>				
Fund balance - beginning	16,896,019	7,744,685	57,254	24,697,958
Fund closure	(207,449)	-	-	(207,449)
<b>Fund balance - ending</b>	<u>\$ 14,538,528</u>	<u>\$ 5,740,629</u>	<u>\$ 59,986</u>	<u>\$ 20,339,143</u>

## NONMAJOR SPECIAL REVENUE FUNDS

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022**

	Prepared Food and Beverage Fund	Emergency Telephone Fund	Workforce Development Fund	Recreation Fund	Juvenile Crime Prevention Fund	Transportation Fund	Flea Hill Drainage District Fund	Community Development Fund	Fire Protection Fund
<b>Assets</b>									
Cash and cash equivalents	\$ 2,744,026	\$ 1,673,994	\$ -	\$ 5,245,990	\$ 365,718	\$ 124,719	\$ 79,169	\$ 2,105,976	\$ 3,275,401
Taxes receivable, net	-	-	-	95,756	-	-	-	-	205,048
Due from other governments	-	1,010,951	-	58,458	-	410,610	-	180,325	150,798
Other receivables, net	65	245	-	31	3,246	12,057	-	11	19
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 2,744,091</u>	<u>\$ 2,685,190</u>	<u>\$ -</u>	<u>\$ 5,400,235</u>	<u>\$ 368,964</u>	<u>\$ 547,386</u>	<u>\$ 79,169</u>	<u>\$ 2,286,312</u>	<u>\$ 3,631,266</u>
<b>Liabilities</b>									
Accounts and vouchers payable	\$ -	\$ 2,823	\$ -	\$ 3,785,199	\$ 169,190	\$ 138,765	\$ -	\$ 371,834	\$ 1,227,303
Due to other governments	-	-	-	-	8,212	-	-	47	-
Accrued payroll	-	-	-	-	15,301	4,622	-	19,197	-
Other payables	-	-	-	-	-	-	-	200	-
Due to other funds	-	-	-	-	-	41,948	-	-	-
Unearned revenue	-	-	-	-	-	99,857	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>2,823</u>	<u>-</u>	<u>3,785,199</u>	<u>192,703</u>	<u>285,192</u>	<u>-</u>	<u>391,278</u>	<u>1,227,303</u>
<b>Deferred inflows of resources - taxes</b>	<u>-</u>	<u>980,079</u>	<u>-</u>	<u>104,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,080</u>
<b>Fund balances</b>									
Restricted:									
Stabilization by State Statute	65	1,011,196	-	58,489	3,246	422,667	-	180,336	150,817
Inmates	-	-	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-	-	2,024,066
Public safety	-	691,092	-	-	-	-	-	-	-
Register of Deeds	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	79,169	1,714,698	-
Human services	-	-	-	-	173,015	-	-	-	-
Cultural and recreational	2,744,026	-	-	1,452,055	-	-	-	-	-
Unassigned	-	-	-	-	-	(160,473)	-	-	-
<b>Total fund balances</b>	<u>2,744,091</u>	<u>1,702,288</u>	<u>-</u>	<u>1,510,544</u>	<u>176,261</u>	<u>262,194</u>	<u>79,169</u>	<u>1,895,034</u>	<u>2,174,883</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 2,744,091</u>	<u>\$ 2,685,190</u>	<u>\$ -</u>	<u>\$ 5,400,235</u>	<u>\$ 368,964</u>	<u>\$ 547,386</u>	<u>\$ 79,169</u>	<u>\$ 2,286,312</u>	<u>\$ 3,631,266</u>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022**

(continued)

	Federal Drug Justice Fund	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	CDBG Disaster Recovery Fund	CARES Relief Fund	Fines and Forfeitures Fund	Deeds of Trust Fund
<b>Assets</b>									
Cash and cash equivalents	\$ 86,431	\$ 839,177	\$ 100,651	\$ 27,416	\$ -	\$ -	\$ -	\$ 1,100	\$ 417,401
Taxes receivable, net	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	119,165	-	-	-
Other receivables, net	-	-	-	-	-	-	-	100	-
Restricted assets:									
Cash and cash equivalents	-	-	-	-	1,235,565	-	-	-	-
<b>Total assets</b>	<b>\$ 86,431</b>	<b>\$ 839,177</b>	<b>\$ 100,651</b>	<b>\$ 27,416</b>	<b>\$ 1,235,565</b>	<b>\$ 119,165</b>	<b>\$ -</b>	<b>\$ 1,200</b>	<b>\$ 417,401</b>
<b>Liabilities</b>									
Accounts and vouchers payable	\$ 760	\$ 7,345	\$ -	\$ -	\$ 1,075	\$ -	\$ -	\$ 1,100	\$ 287,870
Due to other governments	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	2,884	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	63,044	128,376	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>760</b>	<b>7,345</b>	<b>-</b>	<b>-</b>	<b>67,003</b>	<b>128,376</b>	<b>-</b>	<b>1,100</b>	<b>287,870</b>
<b>Deferred inflows of resources - taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,757</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>									
Restricted:									
Stabilization by State Statute	-	-	-	-	-	119,165	-	100	-
Inmates	-	-	-	-	1,168,562	-	-	-	-
Fire protection	-	-	-	-	-	-	-	-	-
Public safety	85,671	831,832	100,651	27,416	-	-	-	-	-
Register of Deeds	-	-	-	-	-	-	-	-	129,531
Economic and physical development	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(144,133)	-	-	-
<b>Total fund balances</b>	<b>85,671</b>	<b>831,832</b>	<b>100,651</b>	<b>27,416</b>	<b>1,168,562</b>	<b>(24,968)</b>	<b>-</b>	<b>100</b>	<b>129,531</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 86,431</b>	<b>\$ 839,177</b>	<b>\$ 100,651</b>	<b>\$ 27,416</b>	<b>\$ 1,235,565</b>	<b>\$ 119,165</b>	<b>\$ -</b>	<b>\$ 1,200</b>	<b>\$ 417,401</b>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022**

(concluded)

	Emergency Rental Assistance Fund	DSS Representative Payee Fund	Innovative Court Program Fund	Human Trafficking Worth Fund	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 3,942,033	\$ 480,095	\$ 95,582	\$ 216,700	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 22,821,579
Taxes receivable, net	-	-	-	-	-	-	-	-	300,804
Due from other governments	-	-	57,500	-	-	-	-	-	1,987,807
Other receivables, net	31	-	-	-	-	-	-	-	15,805
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	652,930	-	1,888,495
<b>Total assets</b>	<b>\$ 3,942,064</b>	<b>\$ 480,095</b>	<b>\$ 153,082</b>	<b>\$ 216,700</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 652,930</b>	<b>\$ -</b>	<b>\$ 27,014,490</b>
<b>Liabilities</b>									
Accounts and vouchers payable	\$ 643,332	\$ -	\$ 25,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,662,534
Due to other governments	-	-	-	-	-	-	-	-	8,259
Accrued payroll	14,931	-	-	-	-	-	-	-	56,935
Other payables	-	-	-	-	-	-	-	-	200
Due to other funds	-	-	-	-	-	-	-	155,389	388,757
Unearned revenue	3,277,469	-	-	-	-	-	652,543	-	4,029,869
<b>Total liabilities</b>	<b>3,935,732</b>	<b>-</b>	<b>25,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>652,543</b>	<b>155,389</b>	<b>11,146,554</b>
<b>Deferred inflows of resources - taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,329,408</b>
<b>Fund balances:</b>									
Restricted:									
Stabilization by State Statute	31	-	57,500	-	-	-	-	-	2,003,612
Inmates	-	-	-	-	-	-	-	-	1,168,562
Fire protection	-	-	-	-	-	-	-	-	2,024,066
Public safety	-	-	69,644	216,700	-	-	-	-	2,023,006
Register of Deeds	-	-	-	-	-	-	-	-	129,531
Economic and physical development	6,301	-	-	-	-	1,000,000	-	-	2,800,168
Human services	-	480,095	-	-	-	-	387	-	653,497
Cultural and recreational	-	-	-	-	-	-	-	-	4,196,081
Unassigned	-	-	-	-	-	-	-	(155,389)	(459,995)
<b>Total fund balances</b>	<b>6,332</b>	<b>480,095</b>	<b>127,144</b>	<b>216,700</b>	<b>-</b>	<b>1,000,000</b>	<b>387</b>	<b>(155,389)</b>	<b>14,538,528</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,942,064</b>	<b>\$ 480,095</b>	<b>\$ 153,082</b>	<b>\$ 216,700</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 652,930</b>	<b>\$ -</b>	<b>\$ 27,014,490</b>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2022**

	Prepared Food and Beverage Fund	Emergency Telephone Fund	Workforce Development Fund	Recreation Fund	Juvenile Crime Prevention Fund	Transportation Fund	Flea Hill Drainage District Fund	Community Development Fund	Fire Protection Fund
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,575,841	\$ -	\$ -	\$ -	\$ -	\$ 11,520,329
Other taxes	8,980,879	-	-	-	-	-	-	-	-
Restricted intergovernmental revenue	-	663,759	-	9,719	1,432,582	1,243,272	-	1,741,902	-
Sales and services	-	-	-	-	290,722	30,074	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Interest earned on investments	10,998	2,365	-	5,395	11	597	84	2,028	3,481
Miscellaneous	-	-	-	-	-	-	-	124,432	-
<b>Total revenues</b>	<u>8,991,877</u>	<u>666,124</u>	<u>-</u>	<u>4,590,955</u>	<u>1,723,315</u>	<u>1,273,943</u>	<u>84</u>	<u>1,868,362</u>	<u>11,523,810</u>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	2,156,417	-	-	-	-	-	-	11,094,447
Economic and physical development	-	-	-	-	-	1,406,441	-	2,157,491	-
Human services	-	-	-	-	2,127,641	-	-	-	-
Cultural and recreational	-	-	-	4,575,831	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>2,156,417</u>	<u>-</u>	<u>4,575,831</u>	<u>2,127,641</u>	<u>1,406,441</u>	<u>-</u>	<u>2,157,491</u>	<u>11,094,447</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>8,991,877</u>	<u>(1,490,293)</u>	<u>-</u>	<u>15,124</u>	<u>(404,326)</u>	<u>(132,498)</u>	<u>84</u>	<u>(289,129)</u>	<u>429,363</u>
<b>Other financing sources (uses):</b>									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	399,363	90,203	-	329,302	-
Transfers out	(11,786,280)	-	-	-	-	-	-	-	(24,000)
<b>Total other financing sources (uses)</b>	<u>(11,786,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,363</u>	<u>90,203</u>	<u>-</u>	<u>329,302</u>	<u>(24,000)</u>
<b>Net change in fund balances</b>	<u>(2,794,403)</u>	<u>(1,490,293)</u>	<u>-</u>	<u>15,124</u>	<u>(4,963)</u>	<u>(42,295)</u>	<u>84</u>	<u>40,173</u>	<u>405,363</u>
<b>Fund Balances:</b>									
Fund balance - beginning	5,538,494	3,192,581	220,897	1,495,420	181,224	304,489	79,085	1,841,111	1,769,520
Fund closure	-	-	(220,897)	-	-	-	-	13,750	-
<b>Fund balance - ending</b>	<u>\$ 2,744,091</u>	<u>\$ 1,702,288</u>	<u>\$ -</u>	<u>\$ 1,510,544</u>	<u>\$ 176,261</u>	<u>\$ 262,194</u>	<u>\$ 79,169</u>	<u>\$ 1,895,034</u>	<u>\$ 2,174,883</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2022**

(continued)

	Federal Drug Justice Fund	Federal Drug Forfeiture Fund	North Carolina Controlled Substance Fund	Animal Medical Fund	Inmate Welfare Fund	CDBG Disaster Recovery Fund	CARES Relief Fund	Fines and Forfeitures Fund	Deeds of Trust Fund
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	3,299,733
Restricted intergovernmental revenue	-	295,199	40,022	560	-	103,408	-	14,600	252,485
Sales and services	-	-	-	-	-	-	-	-	207,330
Licenses and permits	-	-	-	-	-	-	-	-	109,305
Interest earned on investments	86	895	106	31	-	-	-	-	-
Miscellaneous	-	-	-	-	499,881	-	-	-	-
<b>Total revenues</b>	<b>86</b>	<b>296,094</b>	<b>40,128</b>	<b>591</b>	<b>499,881</b>	<b>103,408</b>	<b>-</b>	<b>14,600</b>	<b>3,868,853</b>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	-	14,600	3,832,066
Public safety	14,396	66,803	-	2,065	252,262	-	-	-	-
Economic and physical development	-	-	-	-	-	102,101	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,396</b>	<b>66,803</b>	<b>-</b>	<b>2,065</b>	<b>252,262</b>	<b>102,101</b>	<b>-</b>	<b>14,600</b>	<b>3,832,066</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,310)</b>	<b>229,291</b>	<b>40,128</b>	<b>(1,474)</b>	<b>247,619</b>	<b>1,307</b>	<b>-</b>	<b>-</b>	<b>36,787</b>
<b>Other financing sources (uses):</b>									
Proceeds from sale of capital assets	8,062	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>8,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(6,248)</b>	<b>229,291</b>	<b>40,128</b>	<b>(1,474)</b>	<b>247,619</b>	<b>1,307</b>	<b>-</b>	<b>-</b>	<b>36,787</b>
<b>Fund Balances:</b>									
<b>Fund balance - beginning</b>	<b>91,919</b>	<b>602,541</b>	<b>60,523</b>	<b>28,890</b>	<b>920,943</b>	<b>(26,275)</b>	<b>302</b>	<b>100</b>	<b>92,744</b>
<b>Fund closure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(302)</b>	<b>-</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 85,671</b>	<b>\$ 831,832</b>	<b>\$ 100,651</b>	<b>\$ 27,416</b>	<b>\$ 1,168,562</b>	<b>\$ (24,968)</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 129,531</b>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2022**

(concluded)

	Emergency Rental Assistance Fund	DSS Representative Payee Fund	Innovative Court Program Fund	Human Trafficking Worth Fund	Stream Restoration Grant Fund	SCIF Homeless Grant Fund	Opioid Settlement Fund	Cumberland Industrial Center Sewer Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,096,170
Other taxes	-	-	-	-	-	-	-	-	12,280,612
Restricted intergovernmental revenue	7,775,965	-	230,000	225,000	-	1,000,000	-	-	15,028,473
Sales and services	-	745,774	-	-	-	-	-	-	1,273,900
Licenses and permits	-	-	-	-	-	-	-	-	109,305
Interest earned on investments	6,050	-	62	130	-	-	387	-	32,706
Miscellaneous	-	-	-	-	-	-	-	-	624,313
<b>Total revenues</b>	<u>7,782,015</u>	<u>745,774</u>	<u>230,062</u>	<u>225,130</u>	<u>-</u>	<u>1,000,000</u>	<u>387</u>	<u>-</u>	<u>45,445,479</u>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	-	-	3,846,666
Public safety	-	-	102,918	8,430	-	-	-	-	13,697,738
Economic and physical development	7,775,964	-	-	-	-	-	-	155,389	11,597,386
Human services	-	766,909	-	-	-	-	-	-	2,894,550
Cultural and recreational	-	-	-	-	-	-	-	-	4,575,831
<b>Total expenditures</b>	<u>7,775,964</u>	<u>766,909</u>	<u>102,918</u>	<u>8,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,389</u>	<u>36,612,171</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>6,051</u>	<u>(21,135)</u>	<u>127,144</u>	<u>216,700</u>	<u>-</u>	<u>1,000,000</u>	<u>387</u>	<u>(155,389)</u>	<u>8,833,308</u>
<b>Other financing sources (uses):</b>									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	8,062
Transfers in	-	-	-	-	-	-	-	-	818,868
Transfers out	-	-	-	-	-	-	-	-	(11,810,280)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,983,350)</u>
<b>Net change in fund balances</b>	6,051	(21,135)	127,144	216,700	-	1,000,000	387	(155,389)	(2,150,042)
<b>Fund Balances:</b>									
Fund balance - beginning	281	501,230	-	-	-	-	-	-	16,896,019
Fund closure	-	-	-	-	-	-	-	-	(207,449)
<b>Fund balance - ending</b>	<u>\$ 6,332</u>	<u>\$ 480,095</u>	<u>\$ 127,144</u>	<u>\$ 216,700</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 387</u>	<u>\$ (155,389)</u>	<u>\$ 14,538,528</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Prepared Food and Beverage Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Revenues:</b>				
Other taxes	\$ 7,453,357	\$ 8,980,879	\$ 1,527,522	\$ 7,802,401
Interest earned on investments	1,000	10,998	9,998	455
<b>Total revenues</b>	<u>7,454,357</u>	<u>8,991,877</u>	<u>1,537,520</u>	<u>7,802,856</u>
<b>Expenditures:</b>				
Cultural and recreational	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>7,454,357</u>	<u>8,991,877</u>	<u>1,537,520</u>	<u>7,802,856</u>
<b>Other financing sources (uses):</b>				
Transfers out	(11,786,280)	(11,786,280)	-	(8,863,029)
Fund balance appropriated	4,331,923	-	(4,331,923)	-
<b>Total other financing sources (uses)</b>	<u>(7,454,357)</u>	<u>(11,786,280)</u>	<u>(4,331,923)</u>	<u>(8,863,029)</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(2,794,403)</u>	<u>\$ (2,794,403)</u>	<u>(1,060,173)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>5,538,494</u>		<u>6,598,667</u>
<b>Fund balance - ending</b>		<u>\$ 2,744,091</u>		<u>\$ 5,538,494</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Emergency Telephone Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,629,521	\$ 663,759	\$ (1,965,762)	\$ 755,204
Interest earned on investments	-	2,365	2,365	509
<b>Total revenues</b>	<b>2,629,521</b>	<b>666,124</b>	<b>(1,963,397)</b>	<b>755,713</b>
<b>Expenditures:</b>				
Public safety:				
Implemental functions	58,104	24,144	33,960	75,006
Telephone/furniture	110,505	81,192	29,313	89,289
Software	186,796	154,759	32,037	142,353
Hardware	98,488	640,422	(541,934)	118,154
Training	42,500	18,115	24,385	27,935
EOC 911	3,362,387	1,273,377	2,089,010	-
Adjustments	-	(35,592)	35,592	(85,329)
<b>Total expenditures</b>	<b>3,858,780</b>	<b>2,156,417</b>	<b>1,702,363</b>	<b>367,408</b>
<b>Revenues over expenditures</b>	<b>(1,229,259)</b>	<b>(1,490,293)</b>	<b>(261,034)</b>	<b>388,305</b>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	1,229,259	-	(1,229,259)	-
Transfers in	-	-	-	143,805
<b>Total other financing sources (uses)</b>	<b>1,229,259</b>	<b>-</b>	<b>(1,229,259)</b>	<b>143,805</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>(1,490,293)</b>	<b>\$ (1,490,293)</b>	<b>\$ 532,110</b>
<b>Fund Balances:</b>				
Fund balance - beginning		3,192,581		2,660,471
Fund balance - ending		<b>\$ 1,702,288</b>		<b>\$ 3,192,581</b>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Workforce Development Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ 4,274,977
Interest earned on investments	-	-	-	31
Insurance proceeds	-	-	-	1,186
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,276,194</b>
<b>Expenditures:</b>				
Economic and physical development:				
WIOA Title I - Administration	-	-	-	75,403
WIOA Title I - Adult	-	-	-	1,165,638
WIOA Title I - Dislocated worker	-	-	-	792,172
WIOA Title I - In-school youth	-	-	-	191,097
WIOA Title I - Out-of-school youth	-	-	-	901,193
WIOA Title I - Statewide activities	-	-	-	218,715
Senior Aides	-	-	-	525,347
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,869,565</b>
<b>Revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,629</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	72,147
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,147</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>478,776</b>
<b>Fund Balances:</b>				
Fund balance - beginning		220,897		(257,879)
Fund closure		(220,897)		-
Fund balance - ending		<u>\$ -</u>		<u>\$ 220,897</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Recreation Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 5,052,749	\$ 4,575,841	\$ (476,908)	\$ 4,558,631
Restricted intergovernmental revenue	-	9,719	9,719	25,638
Interest earned on investments	-	5,395	5,395	290
<b>Total revenues</b>	<b>5,052,749</b>	<b>4,590,955</b>	<b>(461,794)</b>	<b>4,584,559</b>
<b>Expenditures:</b>				
Cultural and recreational	4,597,406	4,455,730	141,676	3,913,675
Capital outlay	695,601	120,101	575,500	644,955
<b>Total expenditures</b>	<b>5,293,007</b>	<b>4,575,831</b>	<b>717,176</b>	<b>4,558,630</b>
<b>Revenues over expenditures</b>	<b>(240,258)</b>	<b>15,124</b>	<b>255,382</b>	<b>25,929</b>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	240,258	-	(240,258)	-
<b>Total other financing sources (uses)</b>	<b>240,258</b>	<b>-</b>	<b>(240,258)</b>	<b>-</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>15,124</b>	<b>\$ 15,124</b>	<b>25,929</b>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<b>1,495,420</b>		<b>1,469,491</b>
<b>Fund balance - ending</b>		<b>\$ 1,510,544</b>		<b>\$ 1,495,420</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Juvenile Crime Prevention Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,497,181	\$ 1,432,582	\$ (64,599)	\$ 1,321,464
Sales and services	478,398	290,722	(187,676)	180,928
Interest earned on investments	-	11	11	81
<b>Total revenues</b>	<b>1,975,579</b>	<b>1,723,315</b>	<b>(252,264)</b>	<b>1,502,473</b>
<b>Expenditures:</b>				
Human services:				
JCP programs	1,894,339	1,602,098	292,241	1,411,096
Residential group home	734,873	525,543	209,330	504,928
<b>Total expenditures</b>	<b>2,629,212</b>	<b>2,127,641</b>	<b>501,571</b>	<b>1,916,024</b>
<b>Revenues over expenditures</b>	<b>(653,633)</b>	<b>(404,326)</b>	<b>249,307</b>	<b>(413,551)</b>
<b>Other financing sources (uses):</b>				
Transfers in	653,633	399,363	(254,270)	413,144
<b>Total other financing sources (uses)</b>	<b>653,633</b>	<b>399,363</b>	<b>(254,270)</b>	<b>413,144</b>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<b>\$ -</b>	<b>(4,963)</b>	<b>\$ (4,963)</b>	<b>(407)</b>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		181,224		181,631
<b>Fund balance - ending</b>		<b>\$ 176,261</b>		<b>\$ 181,224</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Transportation Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,683,984	\$ 1,243,272	\$ (440,712)	\$ 966,802
Sales and services	36,912	30,074	(6,838)	22,765
Interest earned on investments	-	597	597	-
<b>Total revenues</b>	<u>1,720,896</u>	<u>1,273,943</u>	<u>(446,953)</u>	<u>989,567</u>
<b>Expenditures:</b>				
Economic and physical development	1,846,988	1,406,441	440,547	1,008,442
<b>Total expenditures</b>	<u>1,846,988</u>	<u>1,406,441</u>	<u>440,547</u>	<u>1,008,442</u>
<b>Revenues over expenditures</b>	<u>(126,092)</u>	<u>(132,498)</u>	<u>(6,406)</u>	<u>(18,875)</u>
<b>Other financing sources (uses):</b>				
Transfers in	90,203	90,203	-	68,987
Gain (loss) on sale of capital assets	-	-	-	2,526
Fund balance appropriated	35,889	-	(35,889)	-
<b>Total other financing sources (uses)</b>	<u>126,092</u>	<u>90,203</u>	<u>(35,889)</u>	<u>71,513</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(42,295)</u>	<u>\$ (42,295)</u>	<u>52,638</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>304,489</u>		<u>251,851</u>
<b>Fund balance - ending</b>		<u>\$ 262,194</u>		<u>\$ 304,489</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Flea Hill Drainage District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Interest earned on investments	\$ -	\$ 84	\$ 84	\$ 15
<b>Total revenues</b>	<u>-</u>	<u>84</u>	<u>84</u>	<u>15</u>
<b>Expenditures:</b>				
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>84</u>	<u>84</u>	<u>15</u>
<b>Other financing sources (uses)</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>84</u>	<u>\$ 84</u>	<u>15</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>79,085</u>		<u>79,070</u>
<b>Fund balance - ending</b>		<u>\$ 79,169</u>		<u>\$ 79,085</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Community Development Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 5,826,948	\$ 1,741,902	\$ (4,085,046)	\$ 3,513,132
Miscellaneous	278,811	124,432	(154,379)	51,447
Interest earned on investments	-	2,028	2,028	12
<b>Total revenues</b>	<u>6,105,759</u>	<u>1,868,362</u>	<u>(4,237,397)</u>	<u>3,564,591</u>
<b>Expenditures:</b>				
Economic and physical development				
Administration	1,510,966	727,459	783,507	796,676
Economic Development	1,213,383	656,980	556,403	862,356
Housing activities	4,870,078	278,494	4,591,584	139,560
Public facilities	100,000	38,063	61,937	127,705
Public services	163,951	138,302	25,649	548,515
Program grants	745,305	318,193	427,112	220,152
<b>Total expenditures</b>	<u>8,603,683</u>	<u>2,157,491</u>	<u>6,446,192</u>	<u>2,694,964</u>
<b>Revenues over (under) expenditures</b>	<u>(2,497,924)</u>	<u>(289,129)</u>	<u>2,208,795</u>	<u>869,627</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	4,050
Transfers in	803,342	329,302	(474,040)	203,260
Fund balance appropriated	1,694,582	-	(1,694,582)	-
<b>Total other financing sources (uses)</b>	<u>2,497,924</u>	<u>329,302</u>	<u>(2,168,622)</u>	<u>207,310</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>40,173</u>	<u>\$ 40,173</u>	<u>1,076,937</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		1,841,111		<u>764,174</u>
<b>Fund closure</b>		<u>13,750</u>		-
<b>Fund balance - ending</b>		<u>\$ 1,895,034</u>		<u>\$ 1,841,111</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Fire Protection Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 11,409,889	\$ 11,520,329	\$ 110,440	\$ 11,496,101
Interest earned on investments	7,328	3,481	(3,847)	283
<b>Total revenues</b>	<u>11,417,217</u>	<u>11,523,810</u>	<u>106,593</u>	<u>11,496,384</u>
<b>Expenditures:</b>				
Public safety	11,393,217	11,094,447	298,770	10,867,245
<b>Total expenditures</b>	<u>11,393,217</u>	<u>11,094,447</u>	<u>298,770</u>	<u>10,867,245</u>
<b>Revenues over expenditures</b>	<u>24,000</u>	<u>429,363</u>	<u>405,363</u>	<u>629,139</u>
<b>Other financing sources (uses):</b>				
Transfers out	(24,000)	(24,000)	-	(24,000)
<b>Total other financing sources (uses)</b>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>	<u>(24,000)</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>405,363</u>	<u>\$ 405,363</u>	<u>605,139</u>
<b>Fund Balances:</b>				
<b>Fund balance- beginning</b>		<u>1,769,520</u>		<u>1,164,381</u>
<b>Fund balance - ending</b>		<u>\$ 2,174,883</u>		<u>\$ 1,769,520</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Federal Drug Justice Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 5,000	\$ -	\$ (5,000)	\$ -
Interest earned on investments	500	86	(414)	26
<b>Total revenues</b>	<u>5,500</u>	<u>86</u>	<u>(5,414)</u>	<u>26</u>
<b>Expenditures:</b>				
Public safety	24,000	14,396	9,604	57,580
Capital outlay	7,000	-	7,000	-
<b>Total expenditures</b>	<u>31,000</u>	<u>14,396</u>	<u>16,604</u>	<u>57,580</u>
<b>Revenues over expenditures</b>	<u>(25,500)</u>	<u>(14,310)</u>	<u>11,190</u>	<u>(57,554)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	8,062	8,062	-
Fund balance appropriated	25,500	-	(25,500)	-
<b>Total other financing sources (uses)</b>	<u>25,500</u>	<u>8,062</u>	<u>(17,438)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(6,248)</u>	<u>\$ (6,248)</u>	<u>(57,554)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>91,919</u>		<u>149,473</u>
<b>Fund balance - ending</b>		<u>\$ 85,671</u>		<u>\$ 91,919</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Federal Drug Forfeiture Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 245,000	\$ 295,199	\$ 50,199	\$ 435,245
Interest earned on investments	750	895	145	141
<b>Total revenues</b>	<u>245,750</u>	<u>296,094</u>	<u>50,344</u>	<u>435,386</u>
<b>Expenditures:</b>				
Public safety	<u>335,750</u>	<u>66,803</u>	<u>268,947</u>	<u>138,347</u>
<b>Total expenditures</b>	<u>335,750</u>	<u>66,803</u>	<u>268,947</u>	<u>138,347</u>
<b>Revenues over expenditures</b>	<u>(90,000)</u>	<u>229,291</u>	<u>319,291</u>	<u>297,039</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	<u>90,000</u>	-	<u>(90,000)</u>	-
<b>Total other financing sources (uses)</b>	<u>90,000</u>	-	<u>(90,000)</u>	-
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>229,291</u>	<u>\$ 229,291</u>	<u>297,039</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>602,541</u>		<u>305,502</u>
<b>Fund balance - ending</b>		<u>\$ 831,832</u>		<u>\$ 602,541</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - North Carolina Controlled Substance Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 7,500	\$ 40,022	\$ 32,522	\$ 14,897
Interest earned on investments	250	106	(144)	12
<b>Total revenues</b>	<u>7,750</u>	<u>40,128</u>	<u>32,378</u>	<u>14,909</u>
<b>Expenditures:</b>				
Public safety	7,750	-	7,750	4,781
<b>Total expenditures</b>	<u>7,750</u>	<u>-</u>	<u>7,750</u>	<u>4,781</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>40,128</u>	<u>40,128</u>	<u>10,128</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>40,128</u>	<u>\$ 40,128</u>	<u>10,128</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>60,523</u>		<u>50,395</u>
<b>Fund balance - ending</b>		<u>\$ 100,651</u>		<u>\$ 60,523</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Animal Medical Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 200	\$ 560	\$ 360	\$ 397
Interest earned on investments	-	31	31	8
<b>Total revenues</b>	<u>200</u>	<u>591</u>	<u>391</u>	<u>405</u>
<b>Expenditures:</b>				
Public safety	4,000	2,065	1,935	2,176
<b>Total expenditures</b>	<u>4,000</u>	<u>2,065</u>	<u>1,935</u>	<u>2,176</u>
<b>Revenues over expenditures</b>	<u>(3,800)</u>	<u>(1,474)</u>	<u>2,326</u>	<u>(1,771)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	3,800	-	(3,800)	-
<b>Total other financing sources (uses)</b>	<u>3,800</u>	<u>-</u>	<u>(3,800)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(1,474)</u>	<u>\$ (1,474)</u>	<u>(1,771)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>28,890</u>		<u>30,661</u>
<b>Fund balance - ending</b>		<u>\$ 27,416</u>		<u>\$ 28,890</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Inmate Welfare Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Miscellaneous	\$ 365,999	\$ 499,881	\$ 133,882	\$ 450,886
<b>Total revenues</b>	<u>365,999</u>	<u>499,881</u>	<u>133,882</u>	<u>450,886</u>
<b>Expenditures:</b>				
Public safety	574,977	252,262	322,715	275,802
<b>Total expenditures</b>	<u>574,977</u>	<u>252,262</u>	<u>322,715</u>	<u>275,802</u>
<b>Revenues over expenditures</b>	<u>(208,978)</u>	<u>247,619</u>	<u>456,597</u>	<u>175,084</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	208,978	-	(208,978)	-
<b>Total other financing sources (uses)</b>	<u>208,978</u>	<u>-</u>	<u>(208,978)</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>247,619</u>	<u>\$ 247,619</u>	<u>175,084</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>920,943</u>		<u>745,859</u>
<b>Fund balance - ending</b>		<u>\$ 1,168,562</u>		<u>\$ 920,943</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - CDBG Disaster Recovery Fund  
Year Ended June 30, 2022  
(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 3,364,908	\$ 103,408	\$ (3,261,500)	\$ 127,757
<b>Total revenues</b>	<u>3,364,908</u>	<u>103,408</u>	<u>(3,261,500)</u>	<u>127,757</u>
<b>Expenditures:</b>				
Economic and physical development	3,364,908	102,101	3,262,807	87,405
<b>Total expenditures</b>	<u>3,364,908</u>	<u>102,101</u>	<u>3,262,807</u>	<u>87,405</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>1,307</u>	<u>1,307</u>	<u>40,352</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources     (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>1,307</u>	<u>\$ 1,307</u>	<u>40,352</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>(26,275)</u>		<u>(66,627)</u>
<b>Fund balance - ending</b>		<u>\$ (24,968)</u>		<u>\$ (26,275)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - CARES Relief Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ 10,331,353
Interest earned on investments	-	-	-	2,871
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,334,224</u>
<b>Expenditures:</b>				
Human services	-	-	-	10,333,922
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,333,922</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources     (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>302</u>
<b>Fund Balances:</b>				
Fund balance - beginning		302		-
Fund closure		<u>(302)</u>		
Fund balance - ending		<u>\$ -</u>		<u>\$ 302</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Fines and Forfeitures Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 20,500	\$ 14,600	\$ (5,900)	\$ 16,750
<b>Total revenues</b>	<u>20,500</u>	<u>14,600</u>	<u>(5,900)</u>	<u>16,750</u>
<b>Expenditures:</b>				
General government	20,500	14,600	5,900	16,650
<b>Total expenditures</b>	<u>20,500</u>	<u>14,600</u>	<u>5,900</u>	<u>16,650</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources     (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>100</u>
<b>Fund Balances:</b>				
Fund balance - beginning		100		-
Fund balance - ending		<u>\$ 100</u>		<u>\$ 100</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Deeds of Trust Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 259,555	\$ 252,485	\$ (7,070)	\$ 244,733
Licenses and permits	118,045	109,305	(8,740)	93,415
Sales and services	250,000	207,330	(42,670)	261,320
Other taxes	3,418,548	3,299,733	(118,815)	2,215,078
<b>Total revenues</b>	<u>4,046,148</u>	<u>3,868,853</u>	<u>(177,295)</u>	<u>2,814,546</u>
<b>Expenditures:</b>				
General government	4,046,148	3,832,066	214,082	2,749,476
<b>Total expenditures</b>	<u>4,046,148</u>	<u>3,832,066</u>	<u>214,082</u>	<u>2,749,476</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>36,787</u>	<u>36,787</u>	<u>65,070</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>36,787</u>	<u>\$ 36,787</u>	<u>65,070</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>92,744</u>		<u>27,674</u>
<b>Fund balance - ending</b>		<u>\$ 129,531</u>		<u>\$ 92,744</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Emergency Rental Assistance Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 24,142,812	\$ 7,775,965	\$ (16,366,847)	\$ 999
Interest earned on investments	-	6,050	6,050	281
<b>Total revenues</b>	<u>24,142,812</u>	<u>7,782,015</u>	<u>(16,360,797)</u>	<u>1,280</u>
<b>Expenditures:</b>				
Economic and physical development	24,142,812	7,775,964	16,366,848	999
<b>Total expenditures</b>	<u>24,142,812</u>	<u>7,775,964</u>	<u>16,366,848</u>	<u>999</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>6,051</u>	<u>6,051</u>	<u>281</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>6,051</u>	<u>\$ 6,051</u>	<u>281</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>281</u>		<u>-</u>
<b>Fund balance - ending</b>		<u>\$ 6,332</u>		<u>\$ 281</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - DSS Representative Payee Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Sales and services	\$ 1,038,200	\$ 745,774	\$ (292,426)	\$ 897,136
<b>Total revenues</b>	<u>1,038,200</u>	<u>745,774</u>	<u>(292,426)</u>	<u>897,136</u>
<b>Expenditures:</b>				
Human services	1,038,200	766,909	271,291	931,493
<b>Total expenditures</b>	<u>1,038,200</u>	<u>766,909</u>	<u>271,291</u>	<u>931,493</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>(21,135)</u>	<u>(21,135)</u>	<u>(34,357)</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(21,135)</u>	<u>\$ (21,135)</u>	<u>(34,357)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>501,230</u>		<u>535,587</u>
<b>Fund balance - ending</b>		<u>\$ 480,095</u>		<u>\$ 501,230</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Innovative Court Program Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 230,000	\$ 230,000	\$ -	\$ -
Interest earned on investments	-	62	62	-
<b>Total revenues</b>	<u>230,000</u>	<u>230,062</u>	<u>62</u>	<u>-</u>
<b>Expenditures:</b>				
Public safety	230,000	102,918	127,082	-
<b>Total expenditures</b>	<u>230,000</u>	<u>102,918</u>	<u>127,082</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>127,144</u>	<u>127,144</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>127,144</u>	<u>\$ 127,144</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>-</u>		<u>-</u>
<b>Fund balance - ending</b>		<u>\$ 127,144</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Human Trafficking Worth Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 300,000	\$ 225,000	\$ (75,000)	\$ -
Interest earned on investments	-	130	130	-
<b>Total revenues</b>	<u>300,000</u>	<u>225,130</u>	<u>(74,870)</u>	<u>-</u>
<b>Expenditures:</b>				
Public safety	300,000	8,430	291,570	-
<b>Total expenditures</b>	<u>300,000</u>	<u>8,430</u>	<u>291,570</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>216,700</u>	<u>216,700</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>216,700</u>	<u>\$ 216,700</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>-</u>		<u>-</u>
<b>Fund balance - ending</b>		<u>\$ 216,700</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Stream Restoration Grant Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,000,000	\$ -	\$ (2,000,000)	\$ -
<b>Total revenues</b>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
<b>Expenditures:</b>				
Economic and physical development	2,000,000	-	2,000,000	
<b>Total expenditures</b>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources     (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund balance - beginning		-		-
Fund balance - ending		<u>\$ -</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - SCIF Homeless Grant Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
<b>Total revenues</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Economic and physical development	1,000,000	-	1,000,000	-
<b>Total expenditures</b>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources     (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>1,000,000</u>	<u>\$ 1,000,000</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 1,000,000</u>		<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Opioid Settlement Fund  
From Inception and for Year Ended June 30, 2022**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
<b>Revenues:</b>					
Restricted intergovernmental	\$ 3,223,385	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	1,000	-	-	387	387
<b>Total revenues</b>	<u>3,224,385</u>	<u>-</u>	<u>-</u>	<u>387</u>	<u>387</u>
<b>Expenditures:</b>					
Human services	3,224,385	-	-	-	-
<b>Total expenditures</b>	<u>3,224,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387</u>	<u>387</u>
<b>Other financing sources (uses):</b>					
Fund balance appropriated	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>387</u>	<u>\$ 387</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>-</u>	
Fund balance - ending				<u>\$ 387</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Cumberland Industrial Center Sewer Fund  
Year Ended June 30, 2022  
(With Comparative Totals for Year Ended June 30, 2021)**

	2022			2021
	Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,541,256	\$ -	\$ (2,541,256)	\$ -
<b>Total revenues</b>	<u>2,541,256</u>	<u>-</u>	<u>(2,541,256)</u>	<u>-</u>
<b>Expenditures:</b>				
Economic and physical development	2,541,256	155,389	2,385,867	
<b>Total expenditures</b>	<u>2,541,256</u>	<u>155,389</u>	<u>2,385,867</u>	<u>-</u>
<b>Revenues over expenditures</b>	<u>-</u>	<u>(155,389)</u>	<u>(155,389)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources   (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>(155,389)</u>	<u>\$ (155,389)</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ (155,389)</u>		<u>\$ -</u>



## NONMAJOR CAPITAL PROJECT FUNDS

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**Combining Balance Sheet  
Nonmajor Capital Project Funds  
June 30, 2022**

	Cultural and Recreation Fund	Emergency Operations Center Fund	MLK Park Fund	Total Nonmajor Capital Project Funds
<b>Assets</b>				
Other receivables, net	\$ 3	\$ 21	\$ -	\$ 24
Restricted assets:				
Cash and cash equivalents	441,166	3,629,917	2,500,000	6,571,083
<b>Total assets</b>	<u>\$ 441,169</u>	<u>\$ 3,629,938</u>	<u>\$ 2,500,000</u>	<u>\$ 6,571,107</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts and vouchers payable	\$ -	\$ 830,478	\$ -	\$ 830,478
<b>Total liabilities</b>	<u>-</u>	<u>830,478</u>	<u>-</u>	<u>830,478</u>
<b>Fund balances:</b>				
Restricted:				
Stabilization by State Statute	3	21	-	24
Cultural and recreational	441,166	-	2,500,000	2,941,166
Public safety	-	2,799,439	-	2,799,439
<b>Total fund balances</b>	<u>441,169</u>	<u>2,799,460</u>	<u>2,500,000</u>	<u>5,740,629</u>
<b>Total liabilities and fund balances</b>	<u>\$ 441,169</u>	<u>\$ 3,629,938</u>	<u>\$ 2,500,000</u>	<u>\$ 6,571,107</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Capital Project Funds  
Year Ended June 30, 2022**

	Cultural and Recreation Fund	Emergency Operations Center Fund	MLK Park Fund	Total Nonmajor Capital Project Funds
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ (293,298)	\$ -	\$ (293,298)
Interest earned on investments	475	18,506	-	18,981
<b>Total revenues</b>	<u>475</u>	<u>(274,792)</u>	<u>-</u>	<u>(274,317)</u>
<b>Expenditures:</b>				
Public safety	-	4,229,739	-	4,229,739
<b>Total expenditures</b>	<u>-</u>	<u>4,229,739</u>	<u>-</u>	<u>4,229,739</u>
<b>Revenues over (under) expenditures</b>	<u>475</u>	<u>(4,504,531)</u>	<u>-</u>	<u>(4,504,056)</u>
<b>Other financing sources:</b>				
Transfers in	-	-	2,500,000	2,500,000
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>475</u>	<u>(4,504,531)</u>	<u>2,500,000</u>	<u>(2,004,056)</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>	<u>440,694</u>	<u>7,303,991</u>	<u>-</u>	<u>7,744,685</u>
<b>Fund balance - ending</b>	<u>\$ 441,169</u>	<u>\$ 2,799,460</u>	<u>\$ 2,500,000</u>	<u>\$ 5,740,629</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Cultural and Recreation Fund  
From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ -	\$ 40,515	\$ -	\$ 475	\$ 40,990
<b>Total revenues</b>	<u>-</u>	<u>40,515</u>	<u>-</u>	<u>475</u>	<u>40,990</u>
<b>Expenditures:</b>					
Cultural and recreational	5,237,218	4,837,490	-	-	4,837,490
<b>Total expenditures</b>	<u>5,237,218</u>	<u>4,837,490</u>	<u>-</u>	<u>-</u>	<u>4,837,490</u>
<b>Revenues over (under) expenditures</b>	<u>(5,237,218)</u>	<u>(4,796,975)</u>	<u>-</u>	<u>475</u>	<u>(4,796,500)</u>
<b>Other financing sources (uses):</b>					
Issuance of debt	5,285,165	5,285,165	-	-	5,285,165
Debt issuance costs	(77,006)	(76,555)	-	-	(76,555)
Transfers in	402,962	402,962	-	-	402,962
Transfers out	(402,962)	(402,962)	-	-	(402,962)
Premium on debt issuance	29,059	29,059	-	-	29,059
<b>Total other financing sources</b>	<u>5,237,218</u>	<u>5,237,669</u>	<u>-</u>	<u>-</u>	<u>5,237,669</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 440,694</u>	<u>\$ -</u>	<u>475</u>	<u>\$ 441,169</u>
<b>Fund Balances:</b>					
<b>Fund balance - beginning</b>				<u>440,694</u>	
<b>Fund balance - ending</b>				<u>\$ 441,169</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Emergency Operations Center Fund  
From Inception and for Year Ended June 30, 2022**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ 293,298	\$ -	\$ (293,298)	\$ -
Interest earned on investments	-	262	-	18,506	18,768
<b>Total revenues</b>	<u>-</u>	<u>293,560</u>	<u>-</u>	<u>(274,792)</u>	<u>18,768</u>
<b>Expenditures:</b>					
Public safety	14,330,702	7,320,272	-	4,229,739	11,550,011
<b>Total expenditures</b>	<u>14,330,702</u>	<u>7,320,272</u>	<u>-</u>	<u>4,229,739</u>	<u>11,550,011</u>
<b>Revenues over (under) expenditures</b>	<u>(14,330,702)</u>	<u>(7,026,712)</u>	<u>-</u>	<u>(4,504,531)</u>	<u>(11,531,243)</u>
<b>Other financing sources (uses):</b>					
Issuance of debt	14,507,300	14,507,300	-	-	14,507,300
Debt issuance costs	(326,598)	(326,597)	-	-	(326,597)
Transfers in	5,951,818	5,951,818	-	-	5,951,818
Transfers out	(5,801,818)	(5,801,818)	-	-	(5,801,818)
<b>Total other financing sources</b>	<u>14,330,702</u>	<u>14,330,703</u>	<u>-</u>	<u>-</u>	<u>14,330,703</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 7,303,991</u>	<u>\$ -</u>	<u>(4,504,531)</u>	<u>\$ 2,799,460</u>
<b>Fund Balances:</b>					
Fund balance - beginning				<u>7,303,991</u>	
Fund balance - ending				<u>\$ 2,799,460</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - MLK Park Fund  
From Inception and for Year Ended June 30, 2022**

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

## NONMAJOR PERMANENT FUND

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**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Cemetery Permanent Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<b>Revenues:</b>				
Interest earned on investments	\$ 25	\$ 64	\$ 39	\$ 13
Burial Fees	2,775	4,800	2,025	8,400
<b>Total revenues</b>	<u>2,800</u>	<u>4,864</u>	<u>2,064</u>	<u>8,413</u>
<b>Expenditures:</b>				
Maintenance	29,300	2,132	27,168	2,796
<b>Total expenditures</b>	<u>29,300</u>	<u>2,132</u>	<u>27,168</u>	<u>2,796</u>
<b>Revenues over (under) expenditures</b>	<u>(26,500)</u>	<u>2,732</u>	<u>29,232</u>	<u>5,617</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	26,500	-	(26,500)	-
<b>Total other financing sources (uses)</b>	<u>26,500</u>	<u>-</u>	<u>(26,500)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>2,732</u>	<u>\$ 2,732</u>	<u>5,617</u>
<b>Fund Balances:</b>				
<b>Fund balance - beginning</b>		<u>57,254</u>		<u>51,637</u>
<b>Fund balance - ending</b>		<u>\$ 59,986</u>		<u>\$ 57,254</u>



# ENTERPRISE FUNDS



**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Cumberland County Solid Waste Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<b>2022</b>		<b>Variance</b>	<b>2021</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	
<b>Operating revenues:</b>				
Charges for services	\$ 4,530,000	\$ 4,200,455	\$ (329,545)	\$ 3,979,863
Other operating revenue	350,000	549,383	199,383	200,029
Solid waste fees	6,009,672	5,924,823	(84,849)	5,907,549
<b>Total operating revenues</b>	<b>10,889,672</b>	<b>10,674,661</b>	<b>(215,011)</b>	<b>10,087,441</b>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	194,550	75,136	(119,414)	40,951
Gain (loss) on disposal of capital assets	50,000	60,916	10,916	311,921
Miscellaneous	8,500	27,161	18,661	8,583
Grant revenue	2,303,556	1,755,983	(547,573)	513,208
Transfers in	14,137,531	-	(14,137,531)	-
<b>Total nonoperating revenues and other financing sources</b>	<b>16,694,137</b>	<b>1,919,196</b>	<b>(14,774,941)</b>	<b>874,663</b>
Fund balance appropriated	5,359,219	-	(5,359,219)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<b>\$ 32,943,028</b>	<b>\$ 12,593,857</b>	<b>\$ (20,349,171)</b>	<b>\$ 10,962,104</b>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 4,568,966	\$ 3,550,753	\$ 1,018,213	\$ 3,537,030
Repairs and maintenance	1,471,267	1,318,084	153,183	1,212,400
Utilities	268,800	223,323	45,477	219,614
Administrative costs	6,333,479	5,666,449	667,030	4,688,213
Landfill closure and postclosure care costs	700,000	1,247,064	(547,064)	712,100
<b>Total operating expenditures</b>	<b>13,342,512</b>	<b>12,005,673</b>	<b>1,336,839</b>	<b>10,369,357</b>
<b>Other expenditures and financing uses:</b>				
Capital outlay	19,350,516	3,010,603	16,339,913	3,622,772
Transfers out	250,000	-	250,000	-
<b>Total other expenditures and financing uses</b>	<b>19,600,516</b>	<b>3,010,603</b>	<b>16,589,913</b>	<b>3,622,772</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 32,943,028</b>	<b>\$ 15,016,276</b>	<b>\$ 17,926,752</b>	<b>\$ 13,992,129</b>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 12,593,857		
Total expenditures and other financing uses		15,016,276		
		(2,422,419)		
Capital outlay		3,010,603		
Depreciation		(1,939,281)		
Change in net pension liability		626,545		
Change in deferred outflows of resources - pensions		112,957		
Change in deferred inflows of resources - pensions		(676,680)		
Change in net OPEB liability		1,591,767		
Change in deferred outflows of resources - OPEB		(147,359)		
Change in deferred inflows of resources - OPEB		(512,180)		
<b>Change in net position</b>		<b>\$ (356,047)</b>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Cumberland County Crown Center Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Charges for services	\$ -	\$ 1,797,233	\$ 1,797,233	\$ 592,981
<b>Total operating revenues</b>	<u>-</u>	<u>1,797,233</u>	<u>1,797,233</u>	<u>592,981</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	1,513	5,726	4,213	1,861
Room and occupancy tax	1,451,839	2,014,030	562,191	1,606,165
Gain (loss) on disposal of capital assets	-	2,025	2,025	-
Grant revenue	-	-	-	434,669
Issuance of debt	6,326,899	3,098,202	(3,228,697)	-
Insurance proceeds	-	-	-	15,368
Transfers in	13,507,028	11,720,869	(1,786,159)	10,203,250
<b>Total nonoperating revenues and other financing sources</b>	<u>21,287,279</u>	<u>16,840,852</u>	<u>(4,446,427)</u>	<u>12,261,313</u>
Fund balance appropriated	2,720,794	-	(2,720,794)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 24,008,073</u>	<u>\$ 18,638,085</u>	<u>\$ (5,369,988)</u>	<u>\$ 12,854,294</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	\$ 3,477,041	\$ 195,747	\$ 3,281,294	\$ 707,121
Administrative costs	309,054	133,835	175,219	-
Global Spectrum, LP	4,674,504	4,631,059	43,445	3,643,575
<b>Total operating expenditures</b>	<u>8,460,599</u>	<u>4,960,641</u>	<u>3,499,958</u>	<u>4,350,696</u>
<b>Nonoperating expenditures:</b>				
Capital outlay	8,465,018	330,746	8,134,272	1,213,887
Interest expense	240,489	449,832	(209,343)	378,821
<b>Total nonoperating expenditures</b>	<u>8,705,507</u>	<u>780,578</u>	<u>7,924,929</u>	<u>1,592,708</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	4,118,028	7,079,268	(2,961,240)	4,142,800
Transfers out	2,723,939	-	2,723,939	1,532,427
<b>Total other expenditures and financing uses</b>	<u>6,841,967</u>	<u>7,079,268</u>	<u>(237,301)</u>	<u>5,675,227</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 24,008,073</u>	<u>\$ 12,820,487</u>	<u>\$ 11,187,586</u>	<u>\$ 11,618,631</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 18,638,085		
Total expenditures and other financing uses		<u>12,820,487</u>		
		5,817,598		
Capital outlay		330,746		
Depreciation		(2,193,037)		
Principal payments		7,079,268		
Installment purchase revenue		(3,098,202)		
Premium amortization		<u>136,961</u>		
<b>Change in net position</b>		<u>\$ 8,073,334</u>		

**Schedule of Revenues and Expenditures  
Budget and Actual - Solid Waste Capital Projects  
From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ 64,550	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	5,778	-	-	5,778
<b>Total revenues</b>	<u>64,550</u>	<u>5,778</u>	<u>-</u>	<u>-</u>	<u>5,778</u>
<b>Expenditures:</b>					
Administrative	20,000	7,310	-	12,572	19,882
Contracted Services	1,113,400	469,445	-	643,938	1,113,383
Other	14,344,737	12,122,786	-	1,917,752	14,040,538
Depreciation	-	329,670	-	319,864	649,534
<b>Total expenditures</b>	<u>15,478,137</u>	<u>12,929,211</u>	<u>-</u>	<u>2,894,126</u>	<u>15,823,337</u>
<b>Revenues over (under) expenditures</b>	<u>(15,413,587)</u>	<u>(12,923,433)</u>	<u>-</u>	<u>(2,894,126)</u>	<u>(15,817,559)</u>
<b>Other financing sources (uses):</b>					
Grant revenues	1,526,056	-	-	-	-
Transfers in	14,137,531	13,546,307	-	-	13,546,307
Transfers out	(250,000)	(250,000)	-	-	(250,000)
<b>Total other financing sources</b>	<u>15,413,587</u>	<u>13,296,307</u>	<u>-</u>	<u>-</u>	<u>13,296,307</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 372,874</u>	<u>\$ -</u>	<u>\$ (2,894,126)</u>	<u>\$ (2,521,252)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Crown Capital Project Fund  
From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ 513	\$ 509	\$ -	\$ -	\$ 509
<b>Total revenues</b>	<u>513</u>	<u>509</u>	<u>-</u>	<u>-</u>	<u>509</u>
<b>Expenditures:</b>					
Economic & Physical Development	7,717,820	7,759,027	-	-	7,759,027
Depreciation	-	333,901	-	227,443	561,344
<b>Total expenditures</b>	<u>7,717,820</u>	<u>8,092,928</u>	<u>-</u>	<u>227,443</u>	<u>8,320,371</u>
<b>Revenues over (under) expenditures</b>	<u>(7,717,307)</u>	<u>(8,092,419)</u>	<u>-</u>	<u>(227,443)</u>	<u>(8,319,862)</u>
<b>Other financing sources (uses):</b>					
Installment purchase revenue	6,326,899	4,384,958	-	-	4,384,958
Debt issuance costs	(41,210)	(41,209)	-	-	(41,209)
Transfers in	1,655,557	1,655,557	-	-	1,655,557
Transfers out	(223,939)	(223,938)	-	-	(223,938)
<b>Total other financing sources</b>	<u>7,717,307</u>	<u>5,775,368</u>	<u>-</u>	<u>-</u>	<u>5,775,368</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>(2,317,051)</u>	<u>\$ -</u>	<u>(227,443)</u>	<u>\$ (2,544,494)</u>
<b>Fund Balances:</b>					
<b>Fund balance beginning</b>				<u>(2,317,051)</u>	
<b>Fund balance ending</b>				<u>\$ (2,544,494)</u>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Crown Multi Purpose Center Capital Project Fund  
From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Economic & Physical Development	82,000,000	-	-	23,000	23,000
Depreciation	-	-	-	77	77
<b>Total expenditures</b>	<u>82,000,000</u>	<u>-</u>	<u>-</u>	<u>23,077</u>	<u>23,077</u>
<b>Revenues over (under) expenditures</b>	<u>(82,000,000)</u>	<u>-</u>	<u>-</u>	<u>(23,077)</u>	<u>(23,077)</u>
<b>Other financing sources (uses):</b>					
Installment purchase revenue	82,500,000	-	-	-	-
Debt issuance costs	(500,000)	-	-	-	-
Transfers in	2,500,000	-	-	2,500,000	2,500,000
Transfers out	(2,500,000)	-	-	-	-
<b>Total other financing sources</b>	<u>82,000,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	2,476,923	<u>\$ 2,476,923</u>
<b>Fund Balances:</b>					
Fund balance beginning				<u>-</u>	
Fund balance ending				<u>\$ 2,476,923</u>	

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Kelly Hills Water and Sewer District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Charges for services	\$ 117,227	\$ 99,592	\$ (17,635)	\$ 94,603
<b>Total operating revenues</b>	<u>117,227</u>	<u>99,592</u>	<u>(17,635)</u>	<u>94,603</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	403	403	53
<b>Total nonoperating revenues</b>	<u>-</u>	<u>403</u>	<u>403</u>	<u>53</u>
<b>Total revenues</b>	<u>\$ 117,227</u>	<u>\$ 99,995</u>	<u>\$ (17,232)</u>	<u>\$ 94,656</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	\$ 109,182	\$ 22,602	\$ 86,580	\$ 29,779
Administrative	8,045	4,335	3,710	3,788
<b>Total operating expenditures</b>	<u>117,227</u>	<u>26,937</u>	<u>90,290</u>	<u>33,567</u>
<b>Total expenditures</b>	<u>\$ 117,227</u>	<u>\$ 26,937</u>	<u>\$ 90,290</u>	<u>\$ 33,567</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 99,995		
Total expenditures and other financing uses		<u>26,937</u>		
		73,058		
Depreciation		<u>(66,429)</u>		
<b>Change in net position</b>		<u>\$ 6,629</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**NORCRESS Water and Sewer District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 695,392	\$ 421,305	\$ (274,087)	\$ 367,566
<b>Total operating revenues</b>	<u>695,392</u>	<u>421,305</u>	<u>(274,087)</u>	<u>367,566</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	9	9	12
Transfers in	685,000	685,000	-	-
<b>Total nonoperating revenues and other financing sources</b>	<u>685,000</u>	<u>685,009</u>	<u>9</u>	<u>12</u>
Fund balance appropriated	1,800	-	(1,800)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 1,382,192</u>	<u>\$ 1,106,314</u>	<u>\$ (275,878)</u>	<u>\$ 367,578</u>
<b>Operating expenditures:</b>				
Repairs and maintenance	\$ 250,604	\$ 157,324	\$ 93,280	\$ 122,527
Utilities	393,143	193,133	200,010	230,809
Capital outlay	660,000	17,246	642,754	-
Administrative costs	12,813	6,799	6,014	31,249
<b>Total operating expenditures</b>	<u>1,316,560</u>	<u>374,502</u>	<u>942,058</u>	<u>384,585</u>
<b>Nonoperating expenditures:</b>				
Interest expense	65,632	40,545	25,087	41,539
<b>Total nonoperating expenditures</b>	<u>65,632</u>	<u>40,545</u>	<u>25,087</u>	<u>41,539</u>
<b>Other expenditures and financing uses</b>	-	-	-	-
<b>Total expenditures and other financing uses</b>	<u>\$ 1,382,192</u>	<u>\$ 415,047</u>	<u>\$ 967,145</u>	<u>\$ 426,124</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 1,106,314		
Total expenditures and other financing uses		<u>415,047</u>		
		691,267		
Capital outlay		17,246		
Depreciation		<u>(230,840)</u>		
<b>Change in net position</b>		<u>\$ 477,673</u>		



**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Southpoint Water and Sewer District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 39,957	\$ 70,672	\$ 30,715	\$ 44,528
<b>Total operating revenues</b>	<u>39,957</u>	<u>70,672</u>	<u>30,715</u>	<u>44,528</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	246	246	36
<b>Total nonoperating revenues</b>	<u>-</u>	<u>246</u>	<u>246</u>	<u>36</u>
<b>Total revenues and other financing sources</b>	<u>\$ 39,957</u>	<u>\$ 70,918</u>	<u>\$ 30,961</u>	<u>\$ 44,564</u>
<b>Operating expenditures:</b>				
Utilities	\$ 7,565	\$ 6,990	\$ 575	\$ 3,247
Repairs and maintenance	15,755	1,889	13,866	1,488
Administrative costs	11,641	10,749	892	5,184
<b>Total operating expenditures</b>	<u>34,961</u>	<u>19,628</u>	<u>15,333</u>	<u>9,919</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	4,996	-	4,996	-
<b>Total other expenditures</b>	<u>4,996</u>	<u>-</u>	<u>4,996</u>	<u>-</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 39,957</u>	<u>\$ 19,628</u>	<u>\$ 20,329</u>	<u>\$ 9,919</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 70,918		
Total expenditures and other financing uses		<u>19,628</u>		
		51,290		
Depreciation		<u>(11,793)</u>		
<b>Change in net position</b>		<u>\$ 39,497</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Overhills Park Water and Sewer District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Charges for services	\$ 149,066	\$ 146,872	\$ (2,194)	\$ 139,505
<b>Total operating revenues</b>	<u>149,066</u>	<u>146,872</u>	<u>(2,194)</u>	<u>139,505</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	-	206	206	9
<b>Total nonoperating revenues</b>	<u>-</u>	<u>206</u>	<u>206</u>	<u>9</u>
<b>Total revenues and other financing sources</b>	<u>\$ 149,066</u>	<u>\$ 147,078</u>	<u>\$ (1,988)</u>	<u>\$ 139,514</u>
<b>Operating expenditures:</b>				
Utilities	\$ 64,341	\$ 47,820	\$ 16,521	\$ 69,169
Administrative costs	26,401	10,326	16,075	5,530
<b>Total operating expenditures</b>	<u>90,742</u>	<u>58,146</u>	<u>32,596</u>	<u>74,699</u>
<b>Other expenditures and financing uses:</b>				
Principal payments	25,000	-	25,000	-
Interest	28,040	27,997	43	28,509
Debt service reserve	5,284	-	5,284	-
<b>Total other expenditures</b>	<u>58,324</u>	<u>27,997</u>	<u>30,327</u>	<u>28,509</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 149,066</u>	<u>\$ 86,143</u>	<u>\$ 62,923</u>	<u>\$ 103,208</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 147,078		
Total expenditures and other financing uses		<u>86,143</u>		
		60,935		
Depreciation		<u>(110,900)</u>		
<b>Change in net position</b>		<u>\$ (49,965)</u>		

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Overhills Park Water and Sewer District Capital Project Fund  
From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Interest earned on investments	\$ -	\$ 3,127	\$ -	\$ 146	\$ 3,273
USDA Rural Development grant	3,099,000	3,099,000	-	-	3,099,000
<b>Total revenues</b>	<u>3,099,000</u>	<u>3,102,127</u>	<u>-</u>	<u>146</u>	<u>3,102,273</u>
<b>Expenditures:</b>					
Economic & Physical Development	4,535,700	4,442,625	-	-	4,442,625
<b>Total expenditures</b>	<u>4,535,700</u>	<u>4,442,625</u>	<u>-</u>	<u>-</u>	<u>4,442,625</u>
<b>Revenues over (under) expenditures</b>	<u>(1,436,700)</u>	<u>(1,340,498)</u>	<u>-</u>	<u>146</u>	<u>(1,340,352)</u>
<b>Other financing sources (uses):</b>					
Bond issuance proceeds	1,379,000	1,379,000	-	-	1,379,000
Debt issuance costs	(40,000)	(10,458)	-	-	(10,458)
Transfers in	146,500	99,500	-	-	99,500
Transfers out	(48,800)	47,000	-	-	47,000
<b>Total other financing sources</b>	<u>1,436,700</u>	<u>1,515,042</u>	<u>-</u>	<u>-</u>	<u>1,515,042</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 174,544</u>	<u>\$ -</u>	<u>146</u>	<u>\$ 174,690</u>
<b>Fund Balances:</b>					
<b>Fund balance beginning</b>				<u>174,544</u>	
<b>Fund balance ending</b>				<u>\$ 174,690</u>	

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Bragg Estates Water and Sewer District Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>Total operating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Nonoperating revenues:</b>				
Transfers in	-	124,113	124,113	50,000
<b>Total nonoperating revenues</b>	<u>-</u>	<u>124,113</u>	<u>124,113</u>	<u>50,000</u>
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ 124,113</u>	<u>\$ 124,113</u>	<u>\$ 50,000</u>
<b>Operating expenditures:</b>				
Economic and physical development	\$ -	\$ -	\$ -	\$ 12,040
Administrative costs	-	-	-	162,073
<b>Total operating expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,113</u>
<b>Total expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,113</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 124,113		
Total expenditures and other financing uses		<u>-</u>		
		124,113		
Depreciation		<u>-</u>		
<b>Change in net position</b>		<u>\$ 124,113</u>		

# INTERNAL SERVICE FUNDS



**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
<b>Assets</b>						
Current assets:						
Other receivables, net	\$ 249,151	\$ -	\$ 41	\$ 4	\$ 5	\$ 249,201
Inventories	224,707	-	-	-	-	224,707
Prepays	-	-	75,000	-	-	75,000
<b>Total current assets</b>	<b>473,858</b>	<b>-</b>	<b>75,041</b>	<b>4</b>	<b>5</b>	<b>548,908</b>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	8,813,038	72,141	7,057,195	713,011	776,148	17,431,533
<b>Total noncurrent assets</b>	<b>8,813,038</b>	<b>72,141</b>	<b>7,057,195</b>	<b>713,011</b>	<b>776,148</b>	<b>17,431,533</b>
<b>Total assets</b>	<b>9,286,896</b>	<b>72,141</b>	<b>7,132,236</b>	<b>713,015</b>	<b>776,153</b>	<b>17,980,441</b>
<b>Deferred outflows of resources</b>						
Pension	105,110	-	36,132	-	-	141,242
OPEB	21,793	-	18,749	-	-	40,542
<b>Total deferred outflows of resources</b>	<b>126,903</b>	<b>-</b>	<b>54,881</b>	<b>-</b>	<b>-</b>	<b>181,784</b>
<b>Liabilities and net position</b>						
Current liabilities:						
Accounts and vouchers payable	224,592	1,548	53,231	5,967	-	285,338
Accrued payroll	17,373	-	6,400	-	-	23,773
Incurred but not reported	2,621,000	-	3,622,800	-	-	6,243,800
Other payables	249,050	-	-	-	-	249,050
Current portion of long-term debt and compensated absences	29,253	-	6,996	-	-	36,249
<b>Total current liabilities</b>	<b>3,141,268</b>	<b>1,548</b>	<b>3,689,427</b>	<b>5,967</b>	<b>-</b>	<b>6,838,210</b>
Noncurrent liabilities:						
Compensated absences	1,539	-	368	-	-	1,907
Net pension liability	20,973	-	13,110	-	-	34,083
OPEB liability	373,892	-	229,933	-	-	603,825
<b>Total noncurrent liabilities</b>	<b>396,404</b>	<b>-</b>	<b>243,411</b>	<b>-</b>	<b>-</b>	<b>639,815</b>
<b>Total liabilities</b>	<b>3,537,672</b>	<b>1,548</b>	<b>3,932,838</b>	<b>5,967</b>	<b>-</b>	<b>7,478,025</b>
<b>Deferred inflows of resources</b>						
Pension	136,479	-	60,204	-	-	196,683
OPEB	130,731	-	63,478	-	-	194,209
<b>Total deferred inflows of resources</b>	<b>267,210</b>	<b>-</b>	<b>123,682</b>	<b>-</b>	<b>-</b>	<b>390,892</b>
Net position:						
Restricted net position - claims	8,813,038	72,141	7,057,195	713,011	776,148	17,431,533
Unrestricted	(3,204,121)	(1,548)	(3,926,598)	(5,963)	5	(7,138,225)
<b>Total net position</b>	<b>\$ 5,608,917</b>	<b>\$ 70,593</b>	<b>\$ 3,130,597</b>	<b>\$ 707,048</b>	<b>\$ 776,153</b>	<b>\$ 10,293,308</b>

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
Year Ended June 30, 2022**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
<b>Operating revenues:</b>						
Contributions	\$ -	\$ 392,874	\$ 2,085,854	\$ -	\$ 1,023,702	\$ 3,502,430
Contributions - Group health insurance	23,781,354	-	-	-	-	23,781,354
Pharmacy services	2,813,751	-	-	-	-	2,813,751
<b>Total operating revenues</b>	<u>26,595,105</u>	<u>392,874</u>	<u>2,085,854</u>	<u>-</u>	<u>1,023,702</u>	<u>30,097,535</u>
<b>Operating expenses:</b>						
Salaries and employee benefits	-	386,216	147,088	-	-	533,304
Administrative costs	-	-	4,001	28,532	896,234	928,767
Workers' compensation claims	-	-	896,016	-	-	896,016
Group health insurance	26,368,660	-	-	-	-	26,368,660
Employee pharmacy	3,354,498	-	-	-	-	3,354,498
Employee clinic	396,961	-	-	-	-	396,961
Employee wellness program	204,635	-	-	-	-	204,635
<b>Total operating expenses</b>	<u>30,324,754</u>	<u>386,216</u>	<u>1,047,105</u>	<u>28,532</u>	<u>896,234</u>	<u>32,682,841</u>
<b>Operating income (loss)</b>	<u>(3,729,649)</u>	<u>6,658</u>	<u>1,038,749</u>	<u>(28,532)</u>	<u>127,468</u>	<u>(2,585,306)</u>
<b>Nonoperating revenue (expense):</b>						
Interest earned on investments	7,144	18	7,374	662	809	16,007
Miscellaneous	621,043	(18,478)	-	-	-	602,565
<b>Total nonoperating revenue (expense)</b>	<u>628,187</u>	<u>(18,460)</u>	<u>7,374</u>	<u>662</u>	<u>809</u>	<u>618,572</u>
<b>Income (loss) before transfers</b>	<u>(3,101,462)</u>	<u>(11,802)</u>	<u>1,046,123</u>	<u>(27,870)</u>	<u>128,277</u>	<u>(1,966,734)</u>
Transfers in	-	25,000	-	100,000	-	125,000
Transfers out	(25,000)	-	-	-	-	(25,000)
<b>Change in net position</b>	<u>(3,126,462)</u>	<u>13,198</u>	<u>1,046,123</u>	<u>72,130</u>	<u>128,277</u>	<u>(1,866,734)</u>
<b>Total net position - beginning</b>	<u>8,735,379</u>	<u>57,395</u>	<u>2,084,474</u>	<u>634,918</u>	<u>647,876</u>	<u>12,160,042</u>
<b>Total net position - ending</b>	<u>\$ 5,608,917</u>	<u>\$ 70,593</u>	<u>\$ 3,130,597</u>	<u>\$ 707,048</u>	<u>\$ 776,153</u>	<u>\$ 10,293,308</u>

**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2022**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
<b>Operating activities:</b>						
Contributions	\$ 23,781,354	\$ 392,874	\$ 2,085,856	\$ -	\$ 1,023,702	\$ 27,283,786
Cash paid to employees	(255,588)	(386,216)	(52,206)	-	-	(694,010)
Cash paid for goods and services	-	-	-	(34,815)	(899,536)	(934,351)
Cash received for goods and services	2,865,429	(18,338)	72,256	-	-	2,919,347
Cash paid for claims	(28,241,473)	-	(1,035,023)	-	-	(29,276,496)
<b>Net cash from operating activities</b>	<u>(1,850,278)</u>	<u>(11,680)</u>	<u>1,070,883</u>	<u>(34,815)</u>	<u>124,166</u>	<u>(701,724)</u>
<b>Noncapital financing activities:</b>						
Transfers in	-	25,000	-	100,000	-	125,000
Transfers out	(25,000)	-	-	-	-	(25,000)
<b>Net cash from by noncapital financing activities</b>	<u>(25,000)</u>	<u>25,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>Capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Investing activities:</b>						
Investment earnings	7,144	18	7,374	662	809	16,007
<b>Net cash from in investing activities</b>	<u>7,144</u>	<u>18</u>	<u>7,374</u>	<u>662</u>	<u>809</u>	<u>16,007</u>
<b>Net increase in cash and cash equivalents</b>	<u>(1,868,134)</u>	<u>13,338</u>	<u>1,078,257</u>	<u>65,847</u>	<u>124,975</u>	<u>(585,717)</u>
<b>Cash and cash equivalents:</b>						
<b>Beginning of year</b>	<u>10,681,172</u>	<u>58,803</u>	<u>5,978,938</u>	<u>647,164</u>	<u>651,173</u>	<u>18,017,250</u>
<b>End of year</b>	<u>\$ 8,813,038</u>	<u>\$ 72,141</u>	<u>\$ 7,057,195</u>	<u>\$ 713,011</u>	<u>\$ 776,148</u>	<u>\$ 17,431,533</u>



**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2022**

(concluded)

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>						
Operating income (loss)	\$ (3,729,649)	\$ 6,658	\$ 1,038,749	\$ (28,532)	\$ 127,468	\$ (2,585,306)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Changes in assets, deferred outflows, liabilities, and deferred inflows:						
Other receivables	(34,751)	-	2	-	-	(34,749)
Inventories	(71,453)	-	-	-	-	(71,453)
(Increase) decrease in prepaids	-	-	75,000	-	-	75,000
Accounts payable and accrued liabilities	2,073,784	(18,338)	8,081	(6,283)	(3,302)	2,053,942
Net pension liability	(104,497)	-	(30,051)	-	-	(134,548)
Deferred outflows of resources - pensions	(21,227)	-	(6,175)	-	-	(27,402)
Deferred inflows of resources - pensions	112,858	-	32,452	-	-	145,310
Compensated absences payable	2,341	-	(159)	-	-	2,182
OPEB liability	(132,647)	-	(80,280)	-	-	(212,927)
Deferred outflows of resources - OPEB	12,280	-	7,432	-	-	19,712
Deferred inflows of resources - OPEB	42,683	-	25,832	-	-	68,515
<b>Total adjustments</b>	<u>1,879,371</u>	<u>(18,338)</u>	<u>32,134</u>	<u>(6,283)</u>	<u>(3,302)</u>	<u>1,883,582</u>
<b>Net cash from operating activities</b>	<u>\$ (1,850,278)</u>	<u>\$ (11,680)</u>	<u>\$ 1,070,883</u>	<u>\$ (34,815)</u>	<u>\$ 124,166</u>	<u>\$ (701,724)</u>

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Group Insurance Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions - Group health insurance	\$ 24,278,286	\$ 23,781,354	\$ (496,932)	\$ 23,328,372
Pharmacy services	3,130,000	2,813,751	(316,249)	2,630,112
<b>Total operating revenues</b>	<b>27,408,286</b>	<b>26,595,105</b>	<b>(813,181)</b>	<b>25,958,484</b>
<b>Nonoperating revenues:</b>				
Miscellaneous	325,341	621,043	295,702	12,277
Interest earned on investments	5,000	7,144	2,144	2,757
<b>Total nonoperating revenues</b>	<b>330,341</b>	<b>628,187</b>	<b>297,846</b>	<b>15,034</b>
<b>Other financing sources:</b>				
Fund balance appropriated	6,169,048	-	(6,169,048)	-
<b>Total revenues and other financing sources</b>	<b>\$ 33,907,675</b>	<b>\$ 27,223,292</b>	<b>\$ (6,684,383)</b>	<b>\$ 25,973,518</b>
<b>Operating expenditures:</b>				
Employee pharmacy	\$ 3,827,340	\$ 3,445,048	\$ 382,292	\$ 3,176,106
Employee clinic	471,750	396,961	74,789	351,576
Group health insurance	29,335,892	26,368,660	2,967,232	22,669,570
Employee wellness program	247,693	204,635	43,058	88,371
<b>Total operating expenditures</b>	<b>33,882,675</b>	<b>30,415,304</b>	<b>3,467,371</b>	<b>26,285,623</b>
<b>Other financing uses:</b>				
Transfers out	25,000	25,000	-	-
<b>Total expenditures and other financing uses</b>	<b>\$ 33,907,675</b>	<b>\$ 30,440,304</b>	<b>\$ 3,467,371</b>	<b>\$ 26,285,623</b>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 27,223,292		
Total expenditures and other financing uses		<u>30,440,304</u>		
<b>Subtotal</b>		<u>(3,217,012)</u>		
Change in net pension liability		104,497		
Change in deferred outflows of resources - pensions		21,227		
Change in deferred inflows of resources - pensions		(112,858)		
Change in net OPEB liability		132,647		
Change in deferred outflows of resources - OPEB		(12,280)		
Change in deferred inflows of resources - OPEB		<u>(42,683)</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ (3,126,462)</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Employee Flexible Benefit Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Contributions	\$ 400,000	\$ 392,874	\$ (7,126)	\$ 391,343
<b>Total operating revenues</b>	<u>400,000</u>	<u>392,874</u>	<u>(7,126)</u>	<u>391,343</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	10	18	8	3
<b>Total nonoperating revenues</b>	<u>10</u>	<u>18</u>	<u>8</u>	<u>3</u>
<b>Other financing sources:</b>				
Transfers in	25,000	25,000	-	-
<b>Total other financing sources</b>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
<b>Total revenues and other financing sources</b>	<u>\$ 425,010</u>	<u>\$ 417,892</u>	<u>\$ (7,118)</u>	<u>\$ 391,346</u>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 400,000	\$ 386,216	\$ 13,784	\$ 421,851
<b>Total operating expenditures</b>	<u>400,000</u>	<u>386,216</u>	<u>13,784</u>	<u>421,851</u>
<b>Nonoperating expenditures:</b>				
Miscellaneous	25,010	18,478	(6,532)	19,079
<b>Total nonoperating expenditures</b>	<u>25,010</u>	<u>18,478</u>	<u>(6,532)</u>	<u>19,079</u>
<b>Total expenditures</b>	<u>\$ 425,010</u>	<u>\$ 404,694</u>	<u>\$ 7,252</u>	<u>\$ 440,930</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 417,892		
Total expenditures and other financing uses		<u>404,694</u>		
<b>Subtotal</b>		<u>13,198</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 13,198</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Workers' Compensation Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Contributions	\$ 1,970,701	\$ 2,085,854	\$ 115,153	\$ 2,035,559
<b>Total operating revenues</b>	<u>1,970,701</u>	<u>2,085,854</u>	<u>115,153</u>	<u>2,035,559</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	7,374	7,374	1,142
<b>Total nonoperating revenues</b>	<u>-</u>	<u>7,374</u>	<u>7,374</u>	<u>1,142</u>
<b>Fund balance appropriated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>\$ 1,970,701</u>	<u>\$ 2,093,228</u>	<u>\$ 122,527</u>	<u>\$ 2,036,701</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 12,700	\$ 4,001	\$ 8,699	\$ 1,769
Workers' compensation claims	1,644,994	896,016	748,978	1,066,603
Salaries and employee benefits	313,007	197,878	115,129	192,457
<b>Total operating expenditures</b>	<u>1,970,701</u>	<u>1,097,895</u>	<u>872,806</u>	<u>1,260,829</u>
<b>Total expenditures</b>	<u>\$ 1,970,701</u>	<u>\$ 1,097,895</u>	<u>\$ 872,806</u>	<u>\$ 1,260,829</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 2,093,228		
Total expenditures		<u>1,097,895</u>		
<b>Subtotal</b>		<u>995,333</u>		
Change in net pension liability		30,051		
Change in deferred outflows of resources - pensions		6,175		
Change in deferred inflows of resources - pensions		(32,452)		
Change in net OPEB liability		80,280		
Change in deferred outflows of resources - OPEB		(7,432)		
Change in deferred inflows of resources - OPEB		<u>(25,832)</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 1,046,123</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**General Litigation Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		Variance Positive (Negative)	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Nonoperating revenues:</b>				
Interest earned on investments	\$ 283	\$ 662	\$ 379	\$ 146
<b>Total nonoperating revenues</b>	<u>283</u>	<u>662</u>	<u>379</u>	<u>146</u>
<b>Other financing sources:</b>				
Transfers in	100,000	100,000	-	100,000
<b>Total other financing sources</b>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>Total revenues and other financing sources</b>	<u>\$ 100,283</u>	<u>\$ 100,662</u>	<u>\$ 379</u>	<u>\$ 100,146</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 100,283	\$ 28,532	\$ 71,751	\$ 108,405
<b>Total operating expenditures</b>	<u>100,283</u>	<u>28,532</u>	<u>71,751</u>	<u>108,405</u>
<b>Total expenditures</b>	<u>\$ 100,283</u>	<u>\$ 28,532</u>	<u>\$ 71,751</u>	<u>\$ 108,405</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 100,662		
Total expenditures		<u>28,532</u>		
<b>Subtotal</b>		<u>72,130</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 72,130</u>		

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Vehicle Insurance Fund**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Contributions	\$ 1,100,000	\$ 1,023,702	\$ (76,298)	\$ 1,100,000
<b>Total operating revenues</b>	<u>1,100,000</u>	<u>1,023,702</u>	<u>(76,298)</u>	<u>1,100,000</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	809	809	144
<b>Total nonoperating revenues</b>	<u>-</u>	<u>809</u>	<u>809</u>	<u>144</u>
<b>Total revenues and other financing sources</b>	<u>\$ 1,100,000</u>	<u>\$ 1,024,511</u>	<u>\$ (75,489)</u>	<u>\$ 1,100,144</u>
<b>Operating expenditures:</b>				
Administrative costs	\$ 1,100,000	\$ 896,234	\$ 203,766	\$ 1,005,796
<b>Total operating expenditures</b>	<u>\$ 1,100,000</u>	<u>\$ 896,234</u>	<u>\$ 203,766</u>	<u>\$ 1,005,796</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 1,024,511		
Total expenditures		896,234		
<b>Subtotal</b>		<u>128,277</u>		
<b>Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position</b>		<u>\$ 128,277</u>		

# CUSTODIAL FUNDS



**Combining Statement of Fiduciary Assets and Liabilities  
Custodial Funds  
June 30, 2022**

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Totals
<b>Assets</b>					
Taxes receivable	\$ 2,464,119	\$ -	\$ -	\$ -	\$ 2,464,119
Due from other governments	950,633	-	-	-	950,633
Restricted cash and cash equivalents	139,598	114,838	24,726	-	279,162
<b>Total assets</b>	<b>\$ 3,554,350</b>	<b>\$ 114,838</b>	<b>\$ 24,726</b>	<b>\$ -</b>	<b>\$ 3,693,914</b>
<b>Liabilities</b>					
Accounts and vouchers payable	\$ 1,055,386	\$ -	\$ -	\$ -	\$ 1,055,386
Due to other governments	3,031	-	-	165	3,196
Reserve for taxes receivable	2,510,679	-	-	-	2,510,679
<b>Total liabilities</b>	<b>\$ 3,569,096</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 165</b>	<b>\$ 3,569,261</b>
<b>Net Position</b>					
Restricted for:					
Individuals, organizations and other governments	\$ -	\$ 114,838	\$ 24,726	\$ -	\$ 139,564
Unassigned	(14,746)	-	-	(165)	(14,911)
<b>Total net position</b>	<b>\$ (14,746)</b>	<b>\$ 114,838</b>	<b>\$ 24,726</b>	<b>\$ (165)</b>	<b>\$ 124,653</b>



**Combining Statement of Fiduciary Assets and Liabilities  
Custodial Funds  
Year Ended June 30, 2022**

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Totals
<b>Additions:</b>					
Ad valorem taxes for other governments	\$ 113,954,959	\$ -	\$ -	\$ -	\$ 113,954,959
Collections on behalf of inmates and other governments	-	1,228,418	592	-	1,229,010
<b>Total additions</b>	<b>\$ 113,954,959</b>	<b>\$ 1,228,418</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ 115,183,969</b>
<b>Deductions:</b>					
Tax distributions to other governments	\$ 114,016,485	\$ -	\$ -	\$ -	\$ 114,016,485
Payments on behalf of inmates	-	1,273,614	-	-	1,273,614
<b>Total deductions</b>	<b>\$ 114,016,485</b>	<b>\$ 1,273,614</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 115,290,099</b>
Net increases (decreases) to fiduciary net position	\$ (61,526)	\$ (45,196)	\$ 592	\$ -	(106,130)
<b>Net position - beginning</b>	<b>46,780</b>	<b>160,034</b>	<b>24,134</b>	<b>(165)</b>	<b>230,783</b>
<b>Net position - ending</b>	<b>\$ (14,746)</b>	<b>\$ 114,838</b>	<b>\$ 24,726</b>	<b>\$ (165)</b>	<b>\$ 124,653</b>

# DISCRETE COMPONENT UNITS



# EASTOVER SANITARY DISTRICT



**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Net Position  
June 30, 2022**

**Assets**

Current assets

Cash and cash equivalents:	\$	3,217,657
Accounts receivable, net		259,057
Other receivables, net		22
Prepays		3,360
<b>Total current assets</b>		<u>3,480,096</u>

Noncurrent assets

Restricted		
Cash and cash equivalents		317,070
Capital assets, net of accumulated depreciation		18,471,229
<b>Total noncurrent assets</b>		<u>18,788,299</u>
<b>Total assets</b>		<u>22,268,395</u>

**Liabilities and net position**

Current liabilities

Accounts and vouchers payable		98,811
Accrued payroll		6,887
Accrued interest payable		34,851
Other payables		20,455
Current portion of long-term debt		363,369
<b>Total current liabilities</b>		<u>524,373</u>

Noncurrent liabilities

Long-term debt		10,738,205
<b>Total noncurrent liabilities</b>		<u>10,738,205</u>
<b>Total liabilities</b>		<u>11,262,578</u>

Net position

Net investment in capital assets		7,384,501
Restricted net position - debt service		317,070
Restricted net position - capital		566,000
Restricted net position - facility investment fee		51,354
Unrestricted		2,686,892
<b>Total net position</b>		<u>\$ 11,005,817</u>

**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2022**

<b>Operating revenues:</b>	
Charges for services	\$ 2,551,816
<b>Total operating revenues</b>	<u>2,551,816</u>
 <b>Operating expenses:</b>	
Salaries and employee benefits	205,176
Repairs and maintenance	24,088
Utilities	22,145
Administrative costs	292,479
Bulk water purchases	431,681
Sewer treatment	147,709
Contracted services	329,564
Depreciation	623,039
<b>Total operating expenses</b>	<u>2,075,881</u>
<b>Operating income (loss)</b>	<u>475,935</u>
 <b>Nonoperating revenue (expense):</b>	
Interest earned on investments	3,990
Interest expense	(429,129)
Debt issue costs	(11,300)
Miscellaneous	42,632
<b>Total nonoperating revenue (expense)</b>	<u>(393,807)</u>
<b>Income (loss) before capital contributions</b>	82,128
Capital contributions	<u>438,540</u>
<b>Change in net position</b>	520,668
<b>Total net position - beginning</b>	<u>10,485,149</u>
<b>Total net position - ending</b>	<u><u>\$ 11,005,817</u></u>

**Discretely Presented Component Unit  
Eastover Sanitary District  
Statement of Cash Flows  
Year Ended June 30, 2022**

<b>Operating activities:</b>	
Cash received from customers	\$ 2,486,197
Cash paid to employees	(204,205)
Cash paid for goods and services	(1,335,144)
<b>Net cash from operating activities</b>	<u>946,848</u>
<b>Net cash from noncapital financing activities</b>	<u>-</u>
<b>Capital and related financing activities:</b>	
Acquisition and construction of capital assets	(347,395)
Principal paid on long-term debt	(422,058)
Interest paid on debt	(439,584)
Other miscellaneous transactions	42,632
<b>Net cash from by capital and related financing activities</b>	<u>(1,177,705)</u>
<b>Investing activities:</b>	
Investment earnings	637
<b>Net cash from in investing activities</b>	<u>637</u>
<b>Net increase in cash and cash equivalents</b>	<u>(230,220)</u>
<b>Cash and cash equivalents:</b>	
<b>Beginning of year</b>	<u>3,764,947</u>
<b>End of year</b>	<u><u>\$ 3,534,727</u></u>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>	
Operating income	\$ 475,935
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	623,039
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	(65,619)
Accounts payable and accrued liabilities	(86,048)
Compensated absences payable	(459)
<b>Total adjustments</b>	<u>470,913</u>
<b>Net cash from operating activities</b>	<u><u>\$ 946,848</u></u>
<b>Reconciliation to cash and cash equivalents:</b>	
Cash and cash equivalents - unrestricted	\$ 3,217,657
Cash and cash equivalents - restricted	317,070
	<u><u>\$ 3,534,727</u></u>

**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Eastover Sanitary District**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	2022		Variance Positive (Negative)	2021
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 2,424,400	\$ 2,551,816	\$ 127,416	\$ 2,411,958
<b>Total operating revenues</b>	<u>2,424,400</u>	<u>2,551,816</u>	<u>127,416</u>	<u>2,411,958</u>
<b>Nonoperating revenues and other financing sources:</b>				
Interest earned on investments	280	3,990	3,710	741
Miscellaneous	1,000	42,632	41,632	29
Proceeds from issuance of bonds	1,400,000	-	(1,400,000)	-
Transfers in	1,127,969	802,042	(325,927)	778,968
<b>Total nonoperating revenues, and other financing sources</b>	<u>2,529,249</u>	<u>1,287,204</u>	<u>(1,242,045)</u>	<u>779,738</u>
Fund balance appropriated	147,450	-	(147,450)	-
<b>Total revenues, other financing sources, and fund balance appropriations</b>	<u>\$ 5,101,099</u>	<u>\$ 3,839,020</u>	<u>\$ (1,262,079)</u>	<u>\$ 3,191,696</u>
<b>Operating expenditures:</b>				
Salaries and employee benefits	\$ 213,732	\$ 205,176	\$ 8,556	\$ 196,014
Repairs and maintenance	149,800	24,088	125,712	29,176
Utilities	25,000	22,145	2,855	18,071
Administrative costs	442,403	292,479	149,924	143,210
Bulk water purchases	431,000	431,681	(681)	359,031
Sewer treatment	196,000	147,709	48,291	157,842
Contracted services	370,001	329,564	40,437	308,676
<b>Total operating expenditures</b>	<u>1,827,936</u>	<u>1,452,842</u>	<u>375,094</u>	<u>1,212,020</u>
<b>Nonoperating expenditures:</b>				
Debt service & interest	785,163	429,129	356,034	430,653
Debt issuance costs	25,000	11,300	13,700	13,790
<b>Total nonoperating expenditures</b>	<u>810,163</u>	<u>440,429</u>	<u>369,734</u>	<u>444,443</u>
<b>Other expenditures and financing uses:</b>				
Transfers out	911,845	802,042	109,803	778,968
Capital outlay	1,551,155	294,376	1,256,779	1,022,856
<b>Total other expenditures and financing uses</b>	<u>2,463,000</u>	<u>1,096,418</u>	<u>1,366,582</u>	<u>1,801,824</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 5,101,099</u>	<u>\$ 2,989,689</u>	<u>\$ 2,111,410</u>	<u>\$ 3,458,287</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues and other financing sources		\$ 3,839,020		
Total expenditures and other financing uses		<u>2,989,689</u>		
		849,331		
Capital outlay		294,376		
Depreciation		<u>(623,039)</u>		
<b>Income per Statement of Revenues, Expenses, and Changes in Net Position</b>		<u>\$ 520,668</u>		

**Schedule of Revenues and Expenditures**  
**Budget and Actual - Eastover Sanitary District Capital Project Fund**  
**From Inception and for Year Ended June 30, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>					
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	154	133	-	21	154
<b>Total revenues</b>	<u>154</u>	<u>133</u>	<u>-</u>	<u>21</u>	<u>154</u>
<b>Expenditures:</b>					
Water and sewer	32,074	32,074	-	-	32,074
Buildings	1,498,236	1,116,880	-	294,376	1,411,256
<b>Total expenditures</b>	<u>1,530,310</u>	<u>1,148,954</u>	<u>-</u>	<u>294,376</u>	<u>1,443,330</u>
<b>Revenues over (under) expenditures</b>	<u>(1,530,156)</u>	<u>(1,148,821)</u>	<u>-</u>	<u>(294,355)</u>	<u>(1,443,176)</u>
<b>Other financing sources (uses):</b>					
Transfers in	325,924	325,924	-	-	325,924
Transfers out	(148,725)	(109,799)	-	(38,925)	(148,724)
Interest expense	(22,043)	(11,633)	-	(10,409)	(22,042)
Bond anticipation note sale	1,400,000	-	-	-	-
Debt issuance costs	(25,000)	(13,790)	-	(11,300)	(25,090)
<b>Total other financing sources</b>	<u>1,530,156</u>	<u>190,702</u>	<u>-</u>	<u>(60,634)</u>	<u>130,068</u>
<b>Revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (958,119)</u>	<u>\$ -</u>	<u>\$ (354,989)</u>	<u>\$ (1,313,108)</u>



TOURISM DEVELOPMENT AUTHORITY



**Discretely Presented Component Unit**  
**Tourism Development Authority**  
**Statement of Net Position**  
**June 30, 2022**

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**Assets**

Current assets

Cash and cash equivalents:	\$ 2,394,655
Other receivables, net	12
<b>Total current assets</b>	<u>2,394,667</u>
<b>Total assets</b>	<u>2,394,667</u>

**Liabilities and net position**

Current liabilities

Accounts and vouchers payable	918,885
<b>Total liabilities</b>	<u>918,885</u>

**Net position**

Unrestricted	1,475,782
<b>Total net position</b>	<u>\$ 1,475,782</u>

**Discretely Presented Component Unit**  
**Tourism Development Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended June 30, 2022**

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<b>Operating revenues:</b>	
Occupancy taxes	\$ 8,230,736
<b>Operating expenses:</b>	
Cultural and recreational	<u>8,043,026</u>
<b>Operating income (loss)</b>	<u>187,710</u>
<b>Nonoperating revenue (expense):</b>	
Interest earned on investments	<u>1,969</u>
<b>Income (loss) before transfers and contributions</b>	<u>189,679</u>
<b>Change in net position</b>	189,679
<b>Total net position - beginning</b>	<u>1,286,103</u>
<b>Total net position - ending</b>	<u><u>\$ 1,475,782</u></u>

**Discretely Presented Component Unit  
Tourism Development Authority  
Statement of Cash Flows  
Year Ended June 30, 2022**

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<b>Operating activities:</b>	
Cash received from operations	\$ 8,230,736
Cash paid for goods and services	<u>(7,989,776)</u>
<b>Net cash from operating activities</b>	<u>240,960</u>
<b>Net cash from capital and related financing activities</b>	<u>-</u>
<b>Net cash from in investing activities</b>	<u>1,972</u>
<b>Net increase in cash and cash equivalents</b>	<u>242,932</u>
<b>Cash and cash equivalents:</b>	
<b>Beginning of year</b>	<u>2,151,723</u>
<b>End of year</b>	<u><u>\$ 2,394,655</u></u>
<b>Reconciliation of operating income to net cash from operating activities:</b>	
Operating income	\$ 187,710
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts payable and accrued liabilities	<u>53,250</u>
Total adjustments	<u>53,250</u>
<b>Net cash from operating activities</b>	<u><u>\$ 240,960</u></u>

**Discretely Presented Component Unit**  
**Tourism Development Authority**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**Year Ended June 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	<u>2022</u>		<b>Variance Positive (Negative)</b>	<u>2021</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Operating revenues:</b>				
Charges for services	\$ 8,228,314	\$ 8,230,736	\$ 2,422	\$ 6,565,293
<b>Total operating revenues</b>	<u>8,228,314</u>	<u>8,230,736</u>	<u>2,422</u>	<u>6,565,293</u>
<b>Nonoperating revenues:</b>				
Interest earned on investments	-	1,969	1,969	277
<b>Total nonoperating revenues</b>	<u>-</u>	<u>1,969</u>	<u>1,969</u>	<u>277</u>
<b>Total revenues</b>	<u>\$ 8,228,314</u>	<u>\$ 8,232,705</u>	<u>\$ 4,391</u>	<u>\$ 6,565,570</u>
<b>Operating expenditures:</b>				
Cultural and recreational	\$ 8,228,314	\$ 8,043,026	\$ 185,288	\$ 6,327,122
<b>Total operating expenditures</b>	<u>\$ 8,228,314</u>	<u>\$ 8,043,026</u>	<u>\$ 185,288</u>	<u>\$ 6,327,122</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 8,232,705		
Total expenditures		<u>8,043,026</u>		
		<u>189,679</u>		
<b>Income (loss) before transfers and contributions per Statement of Revenues, Expenses, and Changes in Net Position</b>		<u>\$ 189,679</u>		

## SUPPLEMENTARY FINANCIAL DATA



**Schedule of Current Tax Levy  
Year Ended June 30, 2022**

	County-Wide			Total Levy		
	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
<b>Original levy:</b>						
County-wide	\$ 24,382,718,312	0.00799	\$ 194,817,919			
Late listing penalties		0.10000	138,877	\$ 194,956,796	\$ 171,300,113	\$ 23,656,683
Discoveries:						
County-wide	114,262,826	0.00799	912,960			
Late listing penalties		0.10000	89,953	1,002,913	1,002,913	-
Abatements:						
County-wide	(104,512,781)	0.00799	(835,057)			
Late listing penalties	-	0.10000	(8,588)	(843,645)	(843,645)	-
	<u>\$ 24,392,468,357</u>					
Adjusted tax levy				195,116,064	171,459,381	23,656,683
Uncollected taxes at June 30, 2022				(800,830)	(800,830)	-
Current year's taxes collected				<u>\$ 194,315,234</u>	<u>\$ 170,658,551</u>	<u>\$ 23,656,683</u>
Percent of current year's taxes collected				<u>99.59%</u>	<u>99.53%</u>	<u>100.00%</u>

**Schedule of Ad Valorem Taxes Receivable  
June 30, 2022**

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2021</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2022</b>
2021-2022	\$ -	\$ 195,116,064	\$ 194,315,234	\$ 800,830
Prior years	5,603,288	-	1,555,742	4,047,546
	<u>\$ 5,603,288</u>	<u>\$ 195,116,064</u>	<u>\$ 195,870,976</u>	4,848,376
Less allowance for uncollectible ad valorem taxes receivable				<u>(2,996,247)</u>
				<u>\$ 1,852,129</u>

**RECONCILIATION OF COLLECTIONS AND CREDITS WITH REVENUES:**

Collections and credits per above	\$ 195,870,976
Interest	602,762
Processing fees	75,933
Rental Car/Equipment Taxes	1,055,168
Other	176,124
Releases from prior years	<u>(740,120)</u>
Ad Valorem Taxes - General Fund (per report)	<u>\$ 197,040,843</u>



**Emergency Telephone System Unspent Balance  
PSAP Reconciliation  
June 30, 2022**

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Amounts reported on the Emergency Telephone System Fund budget to actual (J-8) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (1,490,292)
Ineligible 911 expenditures - prior years	(35,591)
Grant Expenditures	<u>980,079</u>
Beginning Balance, PSAP Revenue-Expenditure Report***	<u>3,228,172</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 2,682,367</u></u>

## STATISTICAL SECTION



## STATISTICAL SECTION (Unaudited)

The schedules in this section provide additional information concerning the County's financial performance and position over time. The information provided is limited to the primary government (the County and its blended component units) and therefore does not include information for discrete component units. The schedules are organized in the following categories:

- **Financial Trends (Schedules 1 - 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 - 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 - 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 - 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 - 17):** These schedules contain service and infrastructure data to help the user understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 152,206,505	\$ 159,441,226	\$ 160,482,008	\$ 161,376,329	\$ 163,004,686	\$ 161,369,905	\$ 167,529,351	\$ 135,788,691	\$ 145,716,170	\$ 158,558,572
Restricted	51,350,047	55,508,183	51,285,265	54,946,069	66,301,394	75,001,538	74,320,510	79,080,417	93,130,470	99,565,582
Unrestricted	(107,618,490)	(120,546,496)	(119,598,444)	(112,796,933)	(119,952,268)	(282,762,923)	(249,889,610)	(178,635,656)	(134,277,987)	(67,035,224)
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities net position</b>	<u>\$ 95,938,062</u>	<u>\$ 94,402,913</u>	<u>\$ 92,168,829</u>	<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>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 32,095,383	\$ 31,819,848	\$ 31,557,533	\$ 33,490,377	\$ 37,152,240	\$ 46,331,906	\$ 50,999,184	\$ 58,831,891	\$ 61,883,882	\$ 66,942,102
Restricted	11,525,551	19,988,485	14,589,748	-	10,374,109	3,759,889	10,011,668	3,546,422	3,383,770	1,681,686
Unrestricted	25,993,379	18,426,927	24,812,220	39,387,855	30,809,678	27,028,957	22,360,900	27,477,141	28,256,453	33,215,551
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities net position</b>	<u>\$ 69,614,313</u>	<u>\$ 70,235,260</u>	<u>\$ 70,959,501</u>	<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>
<b>Primary government</b>										
Net investment in capital assets	\$ 184,301,888	\$ 191,261,074	\$ 192,039,541	\$ 194,866,706	\$ 200,156,926	\$ 207,701,811	\$ 218,528,535	\$ 194,620,582	\$ 207,600,052	\$ 225,500,674
Restricted	62,875,598	75,496,668	65,875,013	54,946,069	76,675,503	78,761,427	84,332,178	82,626,839	96,514,240	101,247,268
Unrestricted	(81,625,111)	(102,119,569)	(94,786,224)	(73,409,078)	(89,142,590)	(255,733,966)	(227,528,710)	(151,158,515)	(106,021,534)	(33,819,673)
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Total primary government net position</b>	<u>\$ 165,552,375</u>	<u>\$ 164,638,173</u>	<u>\$ 163,128,330</u>	<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>

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Unaudited**

	Fiscal Year										
	2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>											
<b>Governmental activities</b>											
General government	\$ 26,044,059	\$ 26,044,059	\$ 28,905,546	\$ 26,795,436	\$ 29,528,752	\$ 30,128,456	\$ 29,507,515	\$ 28,782,804	\$ 29,475,147	\$ 37,908,007	\$ 41,158,664
Public safety	61,955,844	61,955,844	66,897,589	65,033,036	68,675,832	70,034,152	68,374,946	63,788,508	65,079,734	66,856,365	61,892,566
Economic & physical development	12,806,612	12,806,612	12,557,762	11,911,261	13,667,168	13,008,901	13,777,811	13,495,875	17,062,941	17,019,061	10,427,433
Human services	110,237,271	110,237,271	105,177,910	101,196,588	107,291,125	110,361,150	95,495,386	87,063,672	89,720,840	96,908,446	88,142,692
Cultural & recreational	17,031,729	17,031,729	17,973,551	16,715,175	17,100,127	17,527,672	15,818,615	13,850,878	14,666,048	13,998,599	13,536,709
Education	96,686,785	96,686,785	94,841,212	99,040,656	97,089,412	97,230,388	104,859,935	108,512,631	107,300,602	102,234,784	114,500,841
Interest on long-term debt	6,746,530	6,746,530	6,049,811	5,259,142	4,684,877	4,010,962	2,380,138	2,872,177	1,485,783	3,417,789	2,380,021
<b>Total governmental activities expenses</b>	<b>\$ 331,508,830</b>	<b>\$ 331,508,830</b>	<b>\$ 332,403,381</b>	<b>\$ 325,951,294</b>	<b>\$ 338,037,293</b>	<b>\$ 342,301,681</b>	<b>\$ 330,214,346</b>	<b>\$ 318,366,545</b>	<b>\$ 324,791,095</b>	<b>\$ 338,343,051</b>	<b>\$ 332,038,926</b>
<b>Business type activities</b>											
Solid Waste	\$ 9,717,623	\$ 9,717,623	\$ 7,274,208	\$ 8,367,442	\$ 9,382,539	\$ 10,189,981	\$ 11,055,063	\$ 9,833,056	\$ 9,389,797	\$ 11,705,481	\$ 12,949,904
Crown Center	9,134,040	9,134,040	9,004,249	7,829,562	7,436,596	7,745,790	8,081,185	8,105,009	7,886,548	6,860,973	7,466,549
Kelly Hills Water and Sewer District	75,337	75,337	68,661	67,709	139,826	118,113	108,803	138,070	107,610	655,658	93,366
NORGRESS Water and Sewer District	517,050	517,050	576,691	572,121	872,557	803,787	601,087	657,832	719,659	21,713	628,641
Southpoint Water District	3,529	3,529	24,674	30,673	26,564	25,936	21,418	21,918	24,359	214,108	31,421
Overhills Park Water and Sewer District	-	-	-	-	-	29,118	7,490	34,127	123,767	162,073	197,043
<b>Total business-type activities</b>	<b>\$ 19,447,579</b>	<b>\$ 19,447,579</b>	<b>\$ 16,948,483</b>	<b>\$ 16,867,507</b>	<b>\$ 17,858,082</b>	<b>\$ 18,912,725</b>	<b>\$ 19,875,046</b>	<b>\$ 18,790,012</b>	<b>\$ 18,251,740</b>	<b>\$ 19,720,002</b>	<b>\$ 21,366,924</b>
<b>Total primary government expenses</b>	<b>\$ 350,956,409</b>	<b>\$ 350,956,409</b>	<b>\$ 349,351,864</b>	<b>\$ 342,818,801</b>	<b>\$ 355,895,375</b>	<b>\$ 361,214,406</b>	<b>\$ 350,089,392</b>	<b>\$ 337,156,557</b>	<b>\$ 343,042,835</b>	<b>\$ 358,063,053</b>	<b>\$ 353,405,850</b>
<b>Program Revenues</b>											
<b>Governmental activities</b>											
Charges for services											
General government	\$ 2,773,636	\$ 2,773,636	\$ 2,302,492	\$ 2,264,053	\$ 2,277,018	\$ 2,410,131	\$ 2,333,837	\$ 2,314,448	\$ 3,707,411	\$ 6,876,279	\$ 6,951,361
Public safety	4,190,473	4,190,473	3,588,254	4,176,589	3,571,955	3,824,951	4,077,437	4,058,644	4,497,179	4,193,222	4,377,296
Economic & physical development	1,440,607	1,440,607	1,387,921	1,330,020	1,394,180	1,354,788	1,177,033	1,063,423	1,105,500	-	1,978,765
Human services	8,358,643	8,358,643	4,858,269	5,092,117	6,144,958	6,093,677	6,056,500	6,717,407	6,249,717	5,251,431	6,437,029
Cultural & recreational	290,288	290,288	227,669	196,460	206,028	181,280	152,129	150,207	102,259	14,674	16,370
Operating grants and contributions											
General government	1,273,932	1,273,932	1,210,508	1,210,223	1,290,179	2,207,743	1,407,281	563,329	1,346,132	63,914,742	10,774,847
Public safety	572,249	572,249	553,242	646,878	948,585	611,451	491,006	572,859	544,689	1,205,346	284,409
Economic & physical development	5,031,215	5,031,215	4,570,441	5,209,718	7,193,042	6,680,711	7,472,115	8,033,758	8,939,622	-	3,447,200
Human services	59,693,157	59,693,157	53,687,957	57,238,248	59,695,265	61,630,079	49,480,015	45,259,798	45,492,853	10,331,353	59,764,568
Cultural & recreational	690,144	690,144	940,764	629,495	644,904	690,437	747,975	1,060,053	509,598	25,638	583,170
Capital grants and contributions											
General government	5,397,336	5,397,336	3,863,323	3,802,117	3,724,973	3,674,258	3,592,098	3,485,206	3,416,888	-	3,281,839
Public safety	467,535	467,535	774,769	56,472	171,196	301,935	166,330	142,953	133,823	293,298	335,221
Economic & physical development	935,972	935,972	1,165,423	917,914	1,180,957	957,955	677,334	797,204	794,154	966,802	365,452
Human services	-	-	-	-	-	-	-	-	-	3,513,132	-
Cultural & recreational	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities programs revenues</b>	<b>\$ 91,115,187</b>	<b>\$ 91,115,187</b>	<b>\$ 79,131,032</b>	<b>\$ 82,770,304</b>	<b>\$ 88,443,240</b>	<b>\$ 90,619,396</b>	<b>\$ 77,831,090</b>	<b>\$ 74,219,289</b>	<b>\$ 76,839,825</b>	<b>\$ 96,585,917</b>	<b>\$ 98,597,527</b>

Schedule 2, Concluded

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year										
	2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>											
Charges for services											
Solid Waste	\$ 2,897,533	\$ 2,897,533	\$ 2,884,517	\$ 3,407,640	\$ 3,948,096	\$ 4,626,879	\$ 4,232,104	\$ 4,773,520	\$ 4,310,031	\$ 3,979,863	\$ 4,749,838
Crown Center	2,392,763	2,392,763	2,035,391	1,785,734	1,834,124	1,853,954	1,892,840	1,960,708	1,505,646	592,981	1,797,233
Kelly Hills Water and Sewer District	6,097	6,097	5,641	2,856	93,318	77,952	79,303	76,126	76,409	94,603	99,592
NORCRESS Water and Sewer district	385,599	385,599	392,137	423,601	397,195	350,328	347,257	440,558	438,979	367,566	421,305
Southpoint Water District	4,700	4,700	32,009	31,371	41,013	35,754	36,491	33,395	38,343	44,528	70,672
Overhills Park Water and Sewer District	-	-	-	-	-	-	-	-	111,608	139,505	146,872
Operating grants and contributions											
Solid Waste	729,269	729,269	589,023	621,463	493,139	3,384,721	734,831	520,453	2,627,021	513,208	1,755,983
Crown Center	-	-	-	-	-	159,663	42,971	372,460	17,840	434,669	-
NORCRESS Water and Sewer District	-	-	-	-	-	-	-	29,613	-	-	-
Overhills Water and Sewer District	-	-	-	-	-	-	-	-	293,620	-	-
Capital grants and contributions											
Kelly Hills Water and Sewer District	-	-	-	-	-	-	-	-	-	-	-
NORCRESS Water and Sewer District	-	-	-	-	-	-	-	-	-	-	-
Southpoint Water and Sewer District	361,239	361,239	40,053	-	-	-	-	-	-	-	-
Overhills Park Water and Sewer District	-	-	-	-	-	1,380,422	1,424,958	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>\$ 6,777,200</b>	<b>\$ 6,777,200</b>	<b>\$ 5,978,771</b>	<b>\$ 6,272,665</b>	<b>\$ 6,806,885</b>	<b>\$ 11,869,673</b>	<b>\$ 8,790,755</b>	<b>\$ 8,206,833</b>	<b>\$ 9,419,497</b>	<b>\$ 6,166,923</b>	<b>\$ 9,041,495</b>
<b>Total primary government program revenues</b>	<b>\$ 97,892,387</b>	<b>\$ 97,892,387</b>	<b>\$ 85,109,803</b>	<b>\$ 89,042,969</b>	<b>\$ 95,250,125</b>	<b>\$ 102,489,069</b>	<b>\$ 86,621,845</b>	<b>\$ 82,426,122</b>	<b>\$ 86,259,322</b>	<b>\$ 102,752,840</b>	<b>\$ 107,639,022</b>
<b>Net (expense)/revenue</b>											
Governmental activities	\$ (240,393,643)	\$ (240,393,643)	\$ (253,272,349)	\$ (243,180,990)	\$ (249,594,053)	\$ (251,682,285)	\$ (252,383,256)	\$ (244,147,256)	\$ (247,951,270)	\$ (241,757,134)	\$ (233,441,399)
Business-type activities	(12,670,379)	(12,670,379)	(10,969,712)	(10,594,842)	(11,051,197)	(7,043,052)	(11,084,291)	(10,583,179)	(8,832,243)	(13,553,079)	(12,325,429)
<b>Total primary government net expense</b>	<b>\$ (253,064,022)</b>	<b>\$ (253,064,022)</b>	<b>\$ (264,242,061)</b>	<b>\$ (253,775,832)</b>	<b>\$ (260,645,250)</b>	<b>\$ (258,725,337)</b>	<b>\$ (263,467,547)</b>	<b>\$ (254,730,435)</b>	<b>\$ (256,783,513)</b>	<b>\$ (255,310,213)</b>	<b>\$ (245,766,828)</b>
<b>General Revenues and Other Changes in Net Position</b>											
Governmental activities											
Ad valorem taxes	\$ 176,659,705	\$ 176,659,705	\$ 184,443,830	\$ 182,564,817	\$ 185,971,389	\$ 189,961,506	\$ 197,423,713	\$ 200,555,934	\$ 204,041,081	\$ 211,660,075	\$ 214,751,718
Other taxes	54,126,583	54,126,583	54,497,219	57,502,019	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	90,235,515
Unrestricted grants and contributions	10,434,412	10,434,412	11,708,537	11,250,145	12,746,032	12,493,334	13,609,843	14,109,993	15,436,689	17,617,071	18,816,392
Investment earnings	204,969	204,969	187,033	188,401	350,879	499,798	1,283,268	4,076,490	3,096,412	1,040,674	1,412,761
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	73,663	55,605	1,246,414
Miscellaneous	4,874,901	4,874,901	6,141,380	5,606,531	6,033,427	7,109,669	6,533,566	5,662,980	6,107,602	5,954,718	6,236,307
Transfers	(5,711,685)	(5,711,685)	(5,141,299)	(5,441,959)	(5,680,022)	(5,552,333)	(5,784,863)	(8,196,498)	(7,362,068)	(8,770,824)	(12,529,982)
<b>Total governmental activities</b>	<b>\$ 240,588,885</b>	<b>\$ 240,588,885</b>	<b>\$ 251,836,700</b>	<b>\$ 251,669,954</b>	<b>\$ 258,854,825</b>	<b>\$ 265,330,520</b>	<b>\$ 274,756,097</b>	<b>\$ 282,498,987</b>	<b>\$ 289,971,479</b>	<b>\$ 309,529,074</b>	<b>\$ 320,169,125</b>
<b>Business-type activities:</b>											
Other taxes	\$ 6,181,215	\$ 6,181,215	\$ 6,189,859	\$ 6,349,741	\$ 6,328,374	\$ 6,505,637	\$ 7,338,720	\$ 7,629,789	\$ 7,349,240	\$ 7,513,714	\$ 7,938,853
Investment earnings	123,773	123,773	123,409	123,897	263,733	218,310	490,373	924,118	663,282	42,984	81,726
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	(218,453)	311,912	62,941
Miscellaneous	79,548	79,548	36,592	-	697,799	224,567	98,551	83,774	92,526	682,287	27,161
Transfers	5,711,685	5,711,685	5,141,299	5,441,959	5,680,022	5,552,333	5,784,863	8,196,498	7,362,068	8,670,824	12,529,982
<b>Total business-type activities</b>	<b>\$ 12,096,221</b>	<b>\$ 12,096,221</b>	<b>\$ 11,491,159</b>	<b>\$ 11,915,597</b>	<b>\$ 12,969,928</b>	<b>\$ 12,500,847</b>	<b>\$ 13,712,507</b>	<b>\$ 16,834,179</b>	<b>\$ 15,248,663</b>	<b>\$ 17,221,730</b>	<b>\$ 20,640,663</b>
<b>Total primary government</b>	<b>\$ 252,685,106</b>	<b>\$ 252,685,106</b>	<b>\$ 263,327,859</b>	<b>\$ 263,585,551</b>	<b>\$ 271,824,753</b>	<b>\$ 277,831,367</b>	<b>\$ 288,468,604</b>	<b>\$ 299,333,166</b>	<b>\$ 305,220,142</b>	<b>\$ 326,750,804</b>	<b>\$ 340,809,788</b>
<b>Change in Net Position</b>											
Governmental activities	\$ 195,242	\$ 195,242	\$ (1,435,649)	\$ 8,488,964	\$ 9,260,772	\$ 13,648,235	\$ 22,372,841	\$ 38,351,731	\$ 42,020,209	\$ 67,771,940	\$ 86,727,726
Business-type activities	(574,158)	(574,158)	521,447	1,320,755	1,918,731	5,457,795	2,628,216	6,251,000	6,416,420	3,668,651	8,315,234
<b>Total primary government</b>	<b>\$ (378,916)</b>	<b>\$ (378,916)</b>	<b>\$ (914,202)</b>	<b>\$ 9,809,719</b>	<b>\$ 11,179,503</b>	<b>\$ 19,106,030</b>	<b>\$ 25,001,057</b>	<b>\$ 44,602,731</b>	<b>\$ 48,436,629</b>	<b>\$ 71,440,591</b>	<b>\$ 95,042,960</b>

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable:										
Inventories	\$ 139,885	\$ 161,583	\$ 172,503	\$ 191,535	\$ 174,458	\$ 155,968	\$ 174,407	\$ 151,916	\$ 200,505	\$ 220,740
Prepays	-	2,387,765	2,381,625	210	11,628	5,400	210	1,472	210	210
Leases	-	-	-	-	-	-	-	-	-	2,440
Restricted:										
Mental Health programs	-	-	-	-	-	-	-	-	-	-
Stabilization by state statute	29,317,680	34,692,443	30,590,474	27,929,111	29,406,164	32,308,498	33,205,082	33,873,984	36,417,479	44,546,143
Register of Deeds	820,471	714,243	754,325	867,507	901,098	1,022,258	1,059,148	925,163	987,528	1,018,697
Public health	-	-	-	-	-	3,952,885	3,766,799	4,728,362	6,052,823	7,451,692
County Schools	5,439,575	4,996,993	6,529,769	8,294,625	12,184,346	11,086,455	7,001,882	5,533,695	5,982,196	11,900,413
Committed:										
Tax revaluation	494,773	631,503	758,093	602,906	1,167,295	1,877,327	1,979,245	2,158,423	2,296,335	2,431,671
Capital investment fund	-	-	-	-	-	8,090,585	20,940,072	36,073,289	61,459,283	126,983,896
LEOSSA pension obligation	-	-	-	2,215,961	2,290,100	1,756,915	1,756,982	-	-	-
Hope VI project	-	-	-	-	-	-	-	-	-	-
Assigned										
Subsequent year's expenditures	13,214,992	18,376,960	14,523,875	16,337,899	8,889,652	7,447,195	8,667,646	8,663,701	9,159,873	8,071,721
Finance & tax office software	7,175,000	4,000,000	4,500,000	4,500,000	4,406,300	4,406,300	1,700,000	-	-	-
Water and sewer industrial expansion	5,845,409	4,421,513	4,876,523	4,626,523	4,527,610	-	-	-	-	-
Economic development incentives	1,500,448	695,665	1,500,000	968,841	1,065,139	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Mental Health services	10,448,756	7,849,970	4,633,970	2,364,920	2,160,841	-	-	-	-	-
Public Health	-	-	-	2,510,625	3,200,854	-	-	-	-	-
Capital investment fund	-	-	-	-	1,324,938	10,583,825	-	-	-	-
Renovations and maintenance	3,472,205	-	5,131,898	3,621,105	1,250,000	-	-	-	-	-
Jail expansion	-	-	-	-	-	-	-	-	-	-
Health department renovations	-	-	-	-	-	-	-	-	-	-
Special purposes	267,719	-	2,500,000	4,500,000	2,247,143	809,045	-	-	-	-
Technology	-	-	2,500,000	2,000,000	1,500,000	-	-	-	-	-
Unassigned	31,763,738	32,584,014	31,823,417	32,603,540	47,016,763	53,191,505	68,448,606	78,044,280	110,366,459	75,747,920
<b>Total general fund</b>	<u>\$ 109,900,651</u>	<u>\$ 111,512,652</u>	<u>\$ 113,176,472</u>	<u>\$ 114,135,308</u>	<u>\$ 123,724,329</u>	<u>\$ 140,694,161</u>	<u>\$ 150,700,079</u>	<u>\$ 172,154,285</u>	<u>\$ 234,922,691</u>	<u>\$ 280,375,543</u>
<b>American Rescue Plan Act</b>										
Restricted:										
Stabilization by state statute	-	-	-	-	-	-	-	-	-	309
Economic and physical development	-	-	-	-	-	-	-	-	-	47,574
Unassigned	-	-	-	-	-	-	-	-	-	(309)
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,574</u>

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>All other governmental funds</b>										
Nonspendable:										
Prepays	\$ -	\$ 37,334	\$ 35,715	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	1,491,278	1,356,802	995,242	1,120,972	1,688,092	1,551,077	2,787,310	2,048,561	4,187,471	2,003,636
Register of Deeds	-	-	-	-	-	-	-	-	-	129,531
Inmates	264,683	374,799	466,736	638,782	505,070	280,761	519,052	745,859	920,943	1,168,562
Cemetery	44,980	45,587	45,923	48,451	47,583	47,181	50,173	51,625	57,254	59,986
School capital	1,744,183	344,806	314,714	-	-	-	-	-	-	-
Fire protection	227,257	201,946	195,046	180,022	194,844	191,596	10,606	1,041,995	1,612,940	2,024,066
Public safety	1,168,645	1,968,231	2,253,584	2,722,758	3,029,407	2,705,302	2,704,997	3,123,625	11,216,006	4,822,445
Economic and physical development	583,024	468,277	682,412	796,225	674,215	465,406	1,053,132	708,547	79,084	2,800,168
Human services	119,324	81,672	94,776	1,398,421	168,535	164,891	165,715	294,231	180,335	653,497
Cultural and recreational	3,689,809	4,998,917	2,893,538	5,134,837	6,487,337	6,506,330	6,235,379	8,460,539	7,419,161	7,137,247
Committed:										
Public safety	5,298,480	196,435	122,390	-	-	-	-	-	-	-
Assigned reported in other major funds										
Subsequent year's expenditures	2,276,469	295,689	3,177,259	1,803,902	1,803,902	3,398,261	2,744,068	-	-	-
Unassigned reported in other major funds										
Special revenue	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned reported in nonmajor funds										
Subsequent year's expenditures- special revenue	-	-	-	-	-	-	-	-	-	-
Unassigned reported in nonmajor funds										
Special revenue	(743,450)	(573,862)	(582,116)	(299,551)	(1,265,317)	(1,345,025)	(2,597,753)	(1,111,798)	(974,242)	(459,995)
<b>Total all other governmental funds</b>	<u>\$ 16,164,682</u>	<u>\$ 9,796,633</u>	<u>\$ 10,695,219</u>	<u>\$ 13,544,819</u>	<u>\$ 13,334,168</u>	<u>\$ 13,965,780</u>	<u>\$ 13,672,679</u>	<u>\$ 15,363,184</u>	<u>\$ 24,698,952</u>	<u>\$ 20,339,143</u>
Change in fund classification	\$ (99,500)									
<b>Total all governmental funds</b>	<u>\$ 125,965,833</u>	<u>\$ 121,309,285</u>	<u>\$ 123,871,691</u>	<u>\$ 127,680,127</u>	<u>\$ 137,058,497</u>	<u>\$ 154,659,941</u>	<u>\$ 164,372,758</u>	<u>\$ 187,517,469</u>	<u>\$ 259,621,643</u>	<u>\$ 300,762,260</u>

Note: All years prior to FY 2011 have been restated/formated to comply with GASB 54 guidance that was effective for FY2011.



**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Ad valorem taxes	\$ 176,550,408	\$ 186,599,051	\$ 184,434,796	\$ 186,035,597	\$ 188,871,898	\$ 197,023,861	\$ 201,114,697	\$ 204,757,860	\$ 211,701,498	\$ 213,137,111
Other taxes	54,126,583	54,497,219	57,502,019	59,433,120	60,818,546	61,690,570	66,290,088	68,578,100	81,971,755	93,535,248
Unrestricted Intergovernmental	11,175,941	11,708,537	11,255,038	12,746,032	12,493,334	13,609,843	14,109,993	15,436,689	17,617,071	18,821,216
Restricted Intergovernmental	74,586,602	66,766,427	69,639,674	74,823,227	76,705,822	64,130,538	60,256,296	61,177,759	80,511,794	73,720,399
Licenses and permits	2,628,527	2,291,257	2,263,956	2,248,884	2,533,749	2,481,724	2,436,497	2,629,213	3,386,903	3,545,368
Sales and services	13,438,278	10,073,348	10,793,783	11,325,255	11,276,669	11,306,162	11,867,947	12,086,931	12,687,220	13,695,627
Investment earnings	204,317	184,759	186,167	343,238	477,286	1,207,204	3,834,746	2,887,019	1,040,674	1,396,754
Other general revenues	5,467,383	6,085,295	5,408,695	5,813,705	7,376,388	5,338,704	5,538,792	6,026,730	5,954,718	10,737,224
<b>Total revenues</b>	<b>338,178,039</b>	<b>338,205,893</b>	<b>341,484,128</b>	<b>352,769,058</b>	<b>360,553,692</b>	<b>356,788,606</b>	<b>365,449,056</b>	<b>373,580,301</b>	<b>414,871,633</b>	<b>428,588,947</b>
<b>Expenditures</b>										
General government	23,036,995	24,675,393	25,668,164	26,250,791	27,720,014	25,902,953	27,864,499	29,751,226	38,812,619	47,849,494
Public safety	63,336,548	66,757,676	61,760,956	63,152,331	63,749,936	63,382,917	70,584,167	67,849,036	68,896,367	72,663,155
Economic and physical development	11,295,650	12,312,111	10,594,359	13,511,856	13,002,856	14,710,741	18,589,617	18,414,832	15,708,568	15,570,619
Human services	101,970,567	97,163,671	98,724,331	100,953,854	104,321,862	89,808,120	90,642,124	92,594,353	102,317,285	100,594,510
Cultural and recreational	14,950,120	15,864,055	15,233,536	15,519,128	15,780,744	15,000,134	15,321,739	14,788,540	14,357,566	14,945,432
Education	100,386,158	94,993,970	97,713,376	97,090,796	97,230,388	104,859,935	108,854,062	107,300,602	106,519,640	114,500,841
Debt service										
Principal	18,325,685	18,711,637	18,838,421	19,310,871	19,149,018	17,999,414	14,699,083	10,529,084	10,144,283	9,396,056
Interest and fees	7,524,594	6,647,785	5,848,011	5,349,679	4,785,439	3,967,289	3,513,691	3,029,269	2,556,856	3,117,836
Debt issuance costs	-	-	-	-	10,697	314,767	-	-	-	-
<b>Total expenditures</b>	<b>340,826,317</b>	<b>337,126,298</b>	<b>334,381,154</b>	<b>341,139,306</b>	<b>345,750,954</b>	<b>335,946,270</b>	<b>350,068,982</b>	<b>344,256,942</b>	<b>359,313,184</b>	<b>378,637,943</b>
Revenues over (under) expenditures	(2,648,278)	1,079,595	7,102,974	11,629,752	14,802,738	20,842,336	15,380,074	29,323,359	55,558,449	49,951,004
<b>Other financing sources (uses)</b>										
Sale of capital assets	221,680	215,878	348,691	273,441	230,165	1,230,515	151,905	73,663	572,585	3,891,073
Issuance of debt	3,198,130	15,070,000	3,000,000	1,100,000	-	24,119,148	2,477,336	14,079,416	24,507,300	135,971
Premium on debt issuance	-	-	-	-	-	4,285,557	-	-	(326,597)	-
Payment to escrow agent for refunding	-	(15,204,915)	-	-	-	(27,245,984)	-	(12,869,659)	-	-
County contribution	-	-	-	-	-	254,735	-	-	-	-
Discount on issuance of bonds	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	(73,607)	(45,100)	(33,399)	-	-	-	-	-	-
Transfers in	10,672,931	1,016,060	1,076,789	3,481,990	987,026	779,712	6,081,026	1,556,613	7,533,950	92,897,202
Transfers out	(17,486,816)	(6,759,559)	(8,920,948)	(14,739,212)	(6,641,559)	(6,664,575)	(14,377,524)	(9,018,681)	(16,304,774)	(105,527,184)
Payment from/to component unit	(425,520)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,819,595)</b>	<b>(5,736,143)</b>	<b>(4,540,568)</b>	<b>(9,917,180)</b>	<b>(5,424,368)</b>	<b>(3,240,892)</b>	<b>(5,667,257)</b>	<b>(6,178,648)</b>	<b>15,982,464</b>	<b>(8,602,938)</b>
Net change in fund balances	\$ (6,467,873)	\$ (4,656,548)	\$ 2,562,406	\$ 1,712,572	\$ 9,378,370	\$ 17,601,444	\$ 9,712,817	\$ 23,144,711	\$ 71,540,913	\$ 41,348,066
Debt service as a percentage of noncapital expenditures	7.92%	7.75%	7.45%	7.44%	6.98%	6.60%	5.28%	4.10%	3.63%	3.38%

Beginning in FY 2011, capital outlay is no longer reported as a separate expenditure category, but is incorporated in the functional expenditure categories. Prior years are not restated. Beginning with FY 2011, the calculation of debt service as a percentage of noncapital expenditures removes capital outlay (as reported on Page E-4) from total expenditures.

**Tax Revenues by Source - Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Unaudited**

<b>Sources of Governmental Funds Tax Revenues</b>								
<b>Fiscal Year</b>	<b>Ad Valorem Tax</b>	<b>Sales Tax</b>	<b>Video Sales Tax</b>	<b>Beer and Wine Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Dog and Cat Registration Tax</b>	<b>Prepared Food and Beverage Tax</b>	<b>Total Tax</b>
2013	176,550,408	46,171,161	584,555	348,753	840,163	372,925	5,809,026	230,676,991
2014	186,599,051	46,568,851	557,477	388,608	795,980	289,249	5,897,054	241,096,270
2015	184,434,796	49,211,337	525,750	420,124	869,424	204,911	6,270,473	241,936,815
2016	186,035,597	50,951,553	509,025	381,333	879,459	213,492	6,498,258	245,468,717
2017	188,871,898	51,932,970	513,433	392,044	1,091,362	208,931	6,679,806	249,690,444
2018	197,023,861	52,705,079	498,872	376,218	1,096,191	165,152	6,849,058	258,714,431
2019	201,114,697	56,590,260	479,752	378,120	1,351,286	132,161	7,358,509	267,404,785
2020	204,757,860	59,138,058	451,664	380,596	1,689,875	77,299	6,840,608	273,335,960
2021	211,701,498	68,891,364	438,477	370,305	4,430,156	39,052	7,802,401	293,673,253
2022	213,137,111	77,154,879	440,385	359,625	6,599,466	14	8,980,879	306,672,359

**Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(Dollars in Thousands)  
Unaudited**

Fiscal Year Ended June 30	Real Property	Public Service <sup>1</sup>	Personal Property		Less: Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>2</sup>	Assessed Value as a Percentage of Actual Value <sup>3</sup>
			Motor Vehicle	Other					
2013	21,274,270	375,488	2,233,690	1,369,721	3,104,069	22,149,100	0.9025	22,115,926	100.15%
2014	21,692,891	367,912	2,813,072	1,430,381	3,157,526	23,146,730	0.9025	22,368,904	103.48%
2015	22,096,679	365,032	2,203,857	1,504,336	3,225,523	22,944,381	0.9025	22,064,505	103.99%
2016	22,340,806	429,285	2,296,048	1,461,372	3,272,888	23,254,623	0.9025	22,241,399	104.56%
2017	22,590,259	429,243	2,374,525	1,712,686	3,356,676	23,750,037	0.9025	22,601,863	105.08%
<sup>4</sup> 2018	22,057,995	439,286	2,395,619	1,847,541	3,747,353	22,993,088	0.9615	23,099,345	99.54%
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%

<sup>1</sup> Public service companies' property includes real and personal property of utilities, railroad and buslines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

<sup>2</sup> Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assessment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

<sup>3</sup> Estimated actual values and the ratio of total assessed value to total estimated actual value has been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

<sup>4</sup> Denotes the year in which a revaluation was effective on the January 1st preceding the beginning of the fiscal year.

Source: Cumberland County Tax Department

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2017 and is reflected beginning in Fiscal Year 2018.

**Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30	County of Cumberland Direct Rates					Overlapping Rates Levied by Municipalities									
	County Basic Rate	County Recreation Rate	Fire Protection Districts (1)	Special Fire District (2)	Total Direct Rate	City of Fayetteville (3)	Fayetteville Revitalization District	Town of Hope Mills	Town of Spring Lake (3)	Town of Eastover	Town of Falcon	Town of Godwin	Town of Linden (3)	Town of Stedman	Town of Wade
2013	0.740	0.050	0.100	0.0125	0.9025	0.4560	0.1000	0.4200	0.6600	0.2050	0.1500	0.1950	0.1500	0.3200	0.2400
2014	0.740	0.050	0.100	0.0125	0.9025	0.4560	0.1000	0.4200	0.6600	0.2050	0.1500	0.1950	0.2000	0.3200	0.2400
2015	0.740	0.050	0.100	0.0125	0.9025	0.4860	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2000	0.3200	0.2500
2016	0.740	0.050	0.100	0.0125	0.9025	0.4860	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2500	0.3200	0.2500
2017	0.740	0.050	0.100	0.0125	0.9025	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.2500	0.3200	0.2500
2018	0.799	0.050	0.100	0.0125	0.9615	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2500
2019	0.799	0.050	0.100	0.0125	0.9615	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2500
2020	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.1500	0.2400	0.3000	0.3200	0.2600
2021	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.2200	0.2400	0.3000	0.3200	0.3200
2022	0.799	0.050	0.150	-	0.9990	0.4995	0.1000	0.4600	0.7000	0.2050	0.2200	0.2400	0.3000	0.3200	0.3200

(1) Cumberland County has eighteen fire protection districts. In FY2020, the fire tax was set at 15 cents, with 10 cents allocated to all fire districts, 1.25 cents allocated to low wealth fire districts, and the remaining 3.75 cents distributed through supplements, incentives and grants.

(2) Eliminated in FY2020

(3) Municipalities that are excluded from paying the County Recreation Tax

Source: Cumberland County Tax Department

**Principal Property Taxpayers  
Ten Year Comparison  
(Dollars in Thousands)  
Unaudited**

Schedule 8

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	2021 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Goodyear Tire & Rubber Co.	\$ 329,344	1	1.35%	\$ 324,323	1	1.46%
Cross Creek Mall, LLC	158,798	2	0.65%	129,235	2	0.58%
Wal-Mart Stores, Inc.	157,653	3	0.65%	117,184	3	0.53%
Duke Energy Progress, Inc.	112,586	4	0.46%			
Fayetteville, VA Co., LLC	91,140	5	0.37%			
Cargill, Inc.	81,954	6	0.34%	35,364	10	0.16%
Mann+Hummel Purolator Filters	72,730	7	0.30%	57,354	7	0.26%
Piedmont Natural Gas	69,231	8	0.28%	64,231	6	0.29%
DAK Americas, LLC	63,467	9	0.26%	51,199	8	0.23%
South River EMC	53,716	10	0.22%	44,367	9	0.20%
Carolina Telephone				76,709	5	0.35%
Progress Energy				82,552	4	0.37%
	<u>\$ 1,190,619</u>		<u>4.88%</u>	<u>\$ 982,518</u>		<u>4.43%</u>

Source: Cumberland County Tax Department

**Property Tax Levies and Collections - General Fund  
Last Ten Fiscal Years  
Unaudited**

Schedule 9

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy			<sup>2</sup> Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy	Current Tax Collections	Percent of Net Levy Collected		Total Tax Collections	Percent of Total Tax Collections To Net Levy
2013	164,274,193	160,024,057	97.41%	3,323,281	163,347,338	99.44%
2014	171,641,426	169,217,802	98.59%	1,886,384	171,104,186	99.69%
2015	170,223,065	168,914,935	99.23%	1,120,842	170,035,777	99.89%
2016	172,307,349	170,999,219	99.24%	1,019,652	172,018,871	99.83%
2017	175,933,805	173,906,079	98.85%	1,137,644	175,043,723	99.49%
2018 <sup>1</sup>	183,621,079	182,126,897	99.19%	1,214,998	183,341,895	99.85%
2019	187,163,252	185,734,181	99.24%	882,738	186,616,919	99.71%
2020	189,321,973	187,188,405	98.87%	1,569,261	188,757,666	99.70%
2021	193,917,047	192,228,162	99.13%	1,086,850	193,315,012	99.69%
2022	195,116,064	194,315,234	99.59%	-	194,315,234	99.59%

Source: Cumberland County Tax Department

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

<sup>2</sup> Collections for FY2013 include all collections through 9th prior year.  
 Collections for FY2014 include all collections through 8th prior year.  
 Collections for FY2015 include all collections through 7th prior year.  
 Collections for FY2016 include all collections through 6th prior year.  
 Collections for FY2017 include all collections through 5th prior year.  
 Collections for FY2018 include all collections through 4th prior year.  
 Collections for FY2019 include all collections through 3rd prior year.  
 Collections for FY2020 include all collections through 2nd prior year.  
 Collections for FY2021 include all collections through 1st prior year.

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	General Obligation Bonds	COPS and Limited Obligation Bonds	Leases	Installment Purchase	General Obligation Bonds	Revenue Bonds	COPS and Limited Obligation Bonds	Installment Purchase			
2013	49,115,000	112,739,750	2,032,294	2,878,317	1,154,000	-	29,410,936	2,182,600	199,512,897	1.72%	602
2014	41,575,000	102,839,000	1,611,032	2,238,691	1,136,000	-	28,495,000	1,870,800	179,765,523	1.53%	541
2015	33,740,000	92,913,250	1,172,987	4,599,065	1,117,000	-	26,420,000	1,648,919	161,611,221	1.33%	491
2016	26,110,000	82,927,500	717,492	4,459,439	1,097,000	-	24,255,000	1,332,124	140,898,555	1.14%	428
2017	18,695,000	72,906,750	243,850	3,219,813	1,076,000	-	22,005,000	2,394,328	120,540,741	0.97%	372
2018	11,930,000	61,691,000	-	3,414,148	1,054,000	1,379,000	19,665,000	1,985,289	101,118,437	0.78%	307
2019	5,355,000	54,350,250	-	5,108,151	1,032,000	1,379,000	17,225,000	4,766,695	89,216,096	0.66%	271
2020	2,950,000	51,962,300	-	733,333	1,009,000	1,379,000	21,072,200	64,942	79,170,775	0.55%	238
2021	665,000	65,381,350	-	550,000	985,000	1,354,000	16,929,400	59,946	85,924,696	NA	258
2022	165,000	56,668,627	90,898	366,667	960,000	1,329,000	12,811,373	54,951	72,446,516	NA	216

Debt balances are shown at principal before adjustments to carrying value.

(1) Percentage of Personal Income: Total debt of the primary government divided by personal income (See Schedule 13 for personal income).

(2) Per Capita: Total debt of the primary government divided by the population for that fiscal year (See Schedule 13 for population information).

NA: Information not available

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited**

Schedule 11

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<u>Fiscal Year</u>	<u>Total General Obligation Bonds</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>G.O. Debt Per Capita (1)</u>
2013	50,269,000	0.43%	0.23%	152
2014	42,711,000	0.36%	0.19%	128
2015	34,857,000	0.29%	0.16%	106
2016	27,207,000	0.22%	0.12%	83
2017	19,771,000	0.16%	0.09%	61
2018	12,984,000	0.10%	0.06%	39
2019	6,387,000	0.05%	0.03%	19
2020	3,959,000	0.03%	0.02%	12
2021	1,650,000	NA	0.01%	5
2022	1,125,000	NA	0.00%	3

Debt balances are shown at principal before adjustment to carrying value.

Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

**(1)** See Schedule 13 for personal income and population data. (Page S-15)

**(2)** See Schedule 6 for property value data. (Page S-8)

NA: Information not available



**Computation of Legal Debt Margin  
Last Ten Fiscal Years  
(Dollars in Thousands)  
Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 2,020,254	\$ 2,104,340	\$ 2,093,592	\$ 2,122,201	\$ 2,168,537	\$ 2,139,235	\$ 2,180,702	\$ 2,207,374	\$ 2,255,569	\$ 2,276,450
Total net debt applicable to limit	49,115	42,711	34,857	27,207	19,771	12,984	6,387	3,959	1,650	1,125
Legal debt margin	<u>\$ 1,971,139</u>	<u>\$ 2,061,629</u>	<u>\$ 2,058,735</u>	<u>\$ 2,094,994</u>	<u>\$ 2,148,766</u>	<u>\$ 2,126,251</u>	<u>\$ 2,174,315</u>	<u>\$ 2,203,415</u>	<u>\$ 2,253,919</u>	<u>\$ 2,275,325</u>
Total net debt applicable to the limit as a percentage of debt limit	2.43%	2.03%	1.66%	1.28%	0.91%	0.61%	0.29%	0.18%	0.07%	0.05%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed Property Value	\$ 24,392,468
Plus : Exempt Property	<u>4,063,157</u>
Total Assessed Value	<u>\$ 28,455,625</u>
Debt Limit (8% of total assessed value)	2,276,450
Debt applicable to limit:	
Total Bonded debt	1,125
Revenue bonds	1,329
Authorized and unissued debt	<u>3,905</u>
	6,359
Less: Statutory deductions	
Authorized and unissued debt	3,905
Revenue bonds	<u>1,329</u>
	5,234
Total amount of debt applicable to debt limit	<u>1,125</u>
Legal debt margin	<u>\$ 2,275,325</u>

**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>1</sup>	Unemployment Rate <sup>4</sup>
2013	331,279	11,567,254,000	35,444	NA	52,729	8.2%
2014	332,553	11,780,298,000	36,157	NA	51,845	6.4%
2015	329,411	12,179,768,000	37,611	NA	50,258	6.7%
2016	328,860	12,376,828,000	37,835	31.5	49,918	6.1%
2017	323,838	12,439,189,000	37,406	31.0	49,928	5.3%
2018	329,824	12,887,624,000	38,780	31.5	49,641	5.4%
2019	329,017	13,498,407,000	40,233	31.5	49,503	5.8%
2020	333,209	14,460,971,000	42,992	31.4	49,579	9.9%
2021	333,531	*	*	*	47,234	6.9%
2022	334,776	*	*	*	47,313	5.9%

## 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 ( 2019 data is now available, 2020 and 2021 data is not available)
3. NC Commerce, Labor and Economic Analysis Division for NC
4. U.S. Bureau of Labor Statistics, Unemployment Rate in Cumberland County, NC

\* data not available

Principal Employers  
Current Year and Nine Years Ago  
Unaudited

Employer	Fiscal Year 2022			Fiscal Year 2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Defense-Civilians	14,000 +	1	11.81%	14,515	1	11.38%
Cape Fear Valley Health System	7,000 +	2	5.91%	5,800	4	4.55%
Cumberland County Schools	6,500 +	3	5.49%	6,531	3	5.12%
Womack Army Hospitals	4,500 +	4	3.80%			
Wal-Mart Associates Inc.	3,000 +	5	2.53%	2,900	5	2.27%
Goodyear Tire & Rubber Co.	2,500 +	6	2.11%	2,500	6	1.96%
Cumberland County Government	1,500 +	7	1.27%	2,353	7	1.85%
Veterans Administration	1,500 +	8	1.27%			
City of Fayetteville	1,500 +	9	1.27%	2,056	8	1.61%
Fayetteville Technical Community College	1,000 +	10	0.84%			
U.S. Department of Defense-Other Civilians				8,032	2	6.30%
U.S. Postal Services				1,225	9	96.00%
Purolator				1,000	10	0.78%
<b>Total Employment (Ten Largest Employers)</b>	<u>43,000</u>		<u>36.29%</u>	<u>46,912</u>		<u>19.10%</u>
<b>Total Employment</b>	<u>118,500</u>			<u>127,495</u>		

## Sources:

Fayetteville Cumberland County Economic Development

Ft. Bragg Civilian Personnel Advisory Center (most recent data available)

**Full-Time County Government Employees by Function  
Last Ten Fiscal Years  
Unaudited**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	250	248	247	245	234	242	243	242	241	240
Public Safety										
Sheriff	378	395	395	398	322	348	432	425	372	317
Detention Facility	254	266	266	251	255	228	220	190	172	154
Other	97	97	101	55	54	93	99	103	99	94
Human Services										
Public Health	280	276	274	242	245	196	207	211	208	211
Mental Health	5	4	4	-	-	-	-	-	-	-
Social Services	636	636	655	608	602	605	570	581	510	500
Other	77	77	80	75	161	75	78	85	81	78
Cultural & Recreation										
Library	188	188	186	153	178	137	140	138	148	144
Economic and Physical Development	80	80	86	79	78	63	70	67	66	76
Crown Center	40	-	-	-	-	-	-	-	-	-
Solid Waste	68	68	68	59	55	57	57	60	57	57
<b>Total</b>	<b>2,353</b>	<b>2,335</b>	<b>2,362</b>	<b>2,165</b>	<b>2,184</b>	<b>2,044</b>	<b>2,116</b>	<b>2,102</b>	<b>1,954</b>	<b>1,871</b>

Source: Munis

**Operating Indicators by Function  
Last Ten Fiscal Years  
Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government</b>										
Number of persons voting in elections	134,566	63,062	76,615	90,038	198,833	61,497	117,383	81,683	147,263	131,529
Number of registered voters	215,084	202,486	204,462	202,770	211,971	212,599	220,237	211,932	223,160	210,817
Number of birth certificates processed	8,865	8,973	8,206	8,035	7,844	7,845	7,918	7,971	7,023	7,209
Number of death certificates processed	2,985	3,015	3,101	2,976	3,098	3,109	3,130	3,265	3,891	4,216
Number of land record instruments	49,619	41,770	39,515	39,206	41,309	39,466	37,469	45,520	57,772	56,520
Number of marriage licenses issued	3,964	3,751	3,772	3,591	3,676	3,573	3,558	2,719	2,669	3,123
Number of pieces of mail handled	683,304	502,486	626,820	613,235	671,513	669,366	571,508	693,858	749,352	565,430
<b>Public Safety</b>										
Number of fire calls answered	14,968	14,080	15,327	15,753	16,653	18,704	21,085	18,454	17,972	16,872
Number fire permits issued	223	243	193	220	211	138	220	266	179	481
Number of emergency calls dispatched	309,872	303,011	322,475	341,488	323,491	320,806	322,164	303,101	300,729	278,839
Number of sheriff calls answered	174,953	172,367	189,184	213,486	212,864	195,227	190,661	170,935	96,212	144,458
Number of civil court papers handled	47,419	47,893	45,368	44,119	43,220	44,130	41,864	40,258	30,446	31,405
Average daily inmate population	658	721	740	714	766	760	715	649 *	477 *	473 *
Number of inmates admitted	11,359	11,253	11,643	12,065	11,565	14,748	14,304	6,842	5,367	5,580
Number of animals impounded (dogs and cats)	14,143	12,987	12,208	11,085	11,072	10,629	10,440	7,090	5,163	6,338
Number of animal investigations	33,424	43,075	41,518	35,085	31,118	30,868	30,777	20,785	19,914	19,831
*Due to COVID-19, inmates actually being admitted began to decrease drastically in mid March. They still came in the door, but a lot were immediately released on little to no bond.										
<b>Human Services</b>										
Number of health dept. clinical services	36,701	40,739	44,039	45,275	35,643	32,287	33,375	29,350	24,055	26,913
Number of health dept. lab tests processed	35,233	39,506	49,047	47,433	42,513	39,807	37,603	40,322	44,053	39,311
Number of health dept. prescriptions filled	40,574	42,799	40,521	40,689	38,321	29,452	31,316	16,368	26,674	26,375
Amount of health care provided with no compensation	\$2,428,495	\$2,938,037	\$2,831,271	\$3,354,545	\$3,439,278	\$3,503,641	\$3,344,297	\$3,432,148	\$3,548,854	\$3,701,923
Number of WIC Clients	170,450	167,541	159,461	156,032	144,476	141,287	136,305	119,682	148,762	139,542
Avg monthly households receiving Food & Nutrition svcs	32,011	32,731	34,201	33,302	34,625	32,462	32,843	30,878	36,943	41,018
Average monthly active Medicaid cases*	36,983	34,115	60,048	67,199	68,235	71,149	72,122	73,752	81,151	89,167
Average monthly households receiving TANF benefits***	1,219	1,025	965	436	317	292	1,459	1,563	1,425	1,427
Average monthly Child Protective services referrals	5,413	5,427	5,242	5,984	5,623	448	418	395	389	433
Average monthly Adult Protective services referrals							932	85	86	97
*effective FY15, total includes all categories of Medicaid, while previous years only included certain categories										
***TANF cases are no longer reported separately: includes benefit diversion, child only & TANF cases										

**Operating Indicators by Function  
Last Ten Fiscal Years  
Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Human Services (continued)</b>										
Number of veterans claims processed *	4,122	2,405	5,028	2,309	NA	NA	NA	NA	NA	NA
Number of veterans served in office**	8,517	10,803	10,821	9,061	6,787	4,923	6,391	4,306	1,015	4,917
Number of veterans served by telephone**	24,040	27,696	29,962	24,656	12,918	12,825	12,335	15,097	25,000	27,000
Number of mental health days of service (24 hrs)	32,758	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of mental health outpatients served	5,538	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of workforce development applicants***	NA	NA	NA	5,278	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
*no longer available										
**Mar 2020 all offices closed to public until May 2021; therefore in office numbers dropped while phone services increased										
***Workforce Development not part of County FY12-15										
****residents entered Career Center for basic services; new reporting standards - NCWorks Online System										
<b>Economic and Physical Development</b>										
Number of inspections performed	16,700	16,291	16,146	14,688	14,704	14,266	14,521	16,697	15,894	17,864
Number of building permits issued	1,046	1,038	955	786	915	795	888	861	982	1,437
<b>Culture and Recreation</b>										
Number of library books	490,528	549,798	478,071	472,567	474,701	464,460	450,323	426,284	448,973	415,699
Number of books & audio visual materials circulated	2,377,598	2,220,865	2,078,733	1,689,681	1,538,035	1,423,364	1,382,660	1,150,628	525,206	1,102,661
Number of public visits	1,447,152	1,346,026	1,345,163	1,262,216	1,214,921	1,208,774	1,210,767	681,568	110,195	407,408
Number of E-audio, E-video & E-periodical collections				23,243	26,961	35,591	41,159	48,586	59,012	71,092
<b>Business Activities</b>										
Number of civic center event days	266	190	227	166	155	143	154	92	32	155
Number in attendance	519,485	485,290	486,951	479,606	416,962	440,413	438,239	295,956	38,158	319,499
Number of solid waste tonnages processed	235,295	270,571	260,194	291,643	310,852	250,962	329,251	221,243	224,257	229,130

Source: Information provided by various County departments.

NA: Information not available

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Fire</b>										
Number of volunteer stations	20	20	21	21	21	21	21	21	21	21
<b>Sheriff</b>										
Number of stations	4	5	5	5	5	5	5	5	5	5
Number of patrol vehicles	344	355	375	382	361	371	378	374	377	377
Detention facility beds	592	884	884	884	884	884	884	884	884	884
<b>Culture and Recreation</b>										
Number of libraries	9	9	9	9	9	8	8	8	8	8
Library collections	555,557	611,496	536,145	537,235	540,686	525,333	514,822	498,756	520,319	484,579
E-book collections**	16,551	53,045	218,420	61,095	90,362	106,844	96,654	150,255	206,483	254,969
Number of parks	3	3	3	4	4	4	5	5	5	5
Park acreage	170	170	170	177	177	177	192	192	192	192
Number of ball fields	65	65	65	65	65	65	65	65	65	65
Number of tennis courts	32	32	32	32	32	32	32	32	32	32
*Discarded outdated materials and foreign language collection										
**Includes local ebooks, NC Digital Library ebooks and NC Live ebooks										
<b>Facilities and services not included in primary government</b>										
<b>Education:</b>										
Number of schools	87	87	87	87	87	87	87	87	89	86
Number of students	52,729	51,845	51,855	50,939	50,655	49,641	50,937	50,880	50,870	48,796
Colleges & universities	2	2	2	2	2	2	2	2	2	2
Community colleges	1	1	1	1	1	1	1	1	1	1
<b>Hospitals:</b>										
Number of county hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	546	606	606	606	606	606	606	606	606	606

Source: Information provided by various county departments and local hospital administration department.

## CONTINUING DISCLOSURES





# Continuing Disclosure Information

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## CONTINUING DISCLOSURE INFORMATION

(Unaudited)

Securities Exchange Commission Rule 15c2-12 requires the County to provide continuing disclosures related to certain general obligation and non-general obligation debt. These disclosures are required to be submitted annually to the Municipal Securities Rulemaking Board (the "MSRB") through the web-based Electronic Municipal Market Access ("EMMA") system by the end of the seventh month following the County's fiscal year ended June 30. Limited continuing disclosure information is also included in this Annual Comprehensive Financial Report ("the ACFR") to provide the user with appropriate information in a functional and convenient manner.

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

## AVAILABLE SOURCES OF PAYMENT OF DEBT

The County may pay debt payments from any source of funds available to the County in each year and appropriated by the Board of County Commissioners for such purpose.

General Fund Revenues - The County's General Fund revenues (excluding other financing sources and funds restricted for Schools and Capital Investments) for fiscal year ended June 30, 2022 were \$356,287,365. The major sources of General Fund revenues include property taxes (55.3%), sales taxes (18.3%), and intergovernmental revenues (19.0%). The County's property tax rate for FY 2022 is \$0.799 per \$100 of assessed value. The value of one penny on the tax rate is \$2,390,667.

Based upon the N.C. General Statutes, the net debt for any county may not exceed 8 percent of the total assessed value of real and personal property. General obligation debt principal (excluding unamortized premium of \$3,707) at June 30, 2022 is \$1,125,000. Debt service was 2.14% of expenditures for FY2022 and 2.91% of adopted expenditures for FY2023.

Prepared Food and Beverage Tax Revenues - The North Carolina General Assembly (the "General Assembly") has authorized the County to levy a prepared food and beverage tax (the "Food and Beverage Tax") of up to 1% of the sale price of prepared food and beverages sold at retail for consumption on or off the premises by any retailer within the County that is subject to sales tax imposed by the State.

The proceeds of the Food and Beverage Tax are collected monthly by the County and allocated to the Cumberland County Civic Center Commission (the "Commission") and maintained in the County's Prepared Food and Beverage Tax Fund. The Commission may use the proceeds of the Food and Beverage Tax to pay debt service or to expand the existing arena facilities or to pay other costs of acquiring, constructing, maintaining, operating, marketing and promoting the new coliseum or expanded arena facilities. Set forth below are the historical receipts from the Food and Beverage Tax, net of administrative expenses, for the five fiscal years ended June 30, 2022 and the forecasted receipts from the Food and Beverage Tax, net of administrative expenses, for the five fiscal years ending June 30, 2027:

<u>Fiscal Year Ended June 30 (1)</u>	<u>Historical Receipts (2)</u>
2018	\$ 6,792,048
2019	7,299,282
2020	6,780,471
2021	7,737,623
2022	8,914,159
<u>Fiscal Year Ended June 30</u>	<u>Forecasted Receipts (3)</u>
2023	\$ 9,137,013
2024	9,365,438
2025	9,599,574
2026	4,919,782
2027	5,061,648

- (1) The Food and Beverage Tax became effective on 1/1/1994 and is scheduled to sunset December 1, 2024.
- (2) Historical receipts are audited amounts less collection costs ranging from \$57,009 to \$66,721 per year. FY 2022 receipts were up 15%.
- (3) Forecasted receipts for FY2022 - FY2024 project a conservative annual growth of 2.5% which is consistent with historic growth levels. The projection for FY 2025 also includes growth at 2.5% but the overall total has been reduced by 50% due to the pending tax sunset on December 1, 2024 (when final debt matures).

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

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Occupancy Tax Revenues - The General Assembly has also authorized the County to levy a room occupancy and tourism development tax (the "Occupancy Tax") on the gross receipts derived from the rental of any sleeping room or lodging furnished in any hotel, motel, or inn located in the County. This is in addition to any state or local sales or occupancy tax. The Occupancy Tax does not apply to any room or rooms, lodging or accommodations supplied to the same person for a period of 90 continuous days or more or to sleeping rooms or lodgings furnished by charitable, educational, benevolent or religious institutions or organizations not operated for a profit. Prior to January 1, 2002, the Occupancy Tax rate was 3%. In 2001, the General Assembly authorized a series of 1% increases in the occupancy tax rate to be implemented over several years, eventually capping out at 6%. On January 1, 2002, the authorized rate increased to 4%. Effective January 1, 2004 the authorized rate increased to 5% and on January 1, 2005, the authorized rate capped out at 6%. The legislation also created the Cumberland Tourism Development Authority ("CTDA"). The legislation did not change the percentage of the Occupancy Tax previously allocated to the Civic Center Commission. The proceeds of the Occupancy Tax are collected monthly by the County. The County deducts 3% for administrative expenses on the first \$500,000 collected and 1% on amounts in excess of \$500,000. Fifty percent of the net proceeds from the first 3% of the Occupancy Tax is allocated to the Civic Center Commission and the remainder to CTDA. All taxes collected in excess of the first 3% are allocated to CTDA. CTDA is required to share 50% of these "additional" taxes with the Arts Council to support festivals and events that will draw tourists to the County. The remainder must be used by CTDA to promote travel and tourism in the County.

The Civic Center Commission may use the proceeds of the Occupancy Tax received by it only to finance renovations and expansions of the Cumberland County Crown (Civic) Center, and, with the permission of the Board of County Commissioners, to finance construction of new convention-oriented or multipurpose facilities. Set forth below are the historical receipts of the Civic Center Commission from the Occupancy Tax, net of administrative expenses, for the five fiscal years ended June 30, 2022 and the forecasted receipts from the Occupancy Tax, net of administrative expenses, for the five fiscal years ending June 30, 2027:

<u>Fiscal Year Ended June 30</u>	<u>Historical Receipts (1)</u>
2018	\$ 1,457,929
2019	1,719,436
2020	1,425,390
2021	1,557,980
2022	1,953,609
<u>Fiscal Year Ended June 30</u>	<u>Forecasted Receipts (2)</u>
2023	\$ 2,002,449
2024	2,052,511
2025	2,103,823
2026	2,156,419
2027	2,210,329

- (1) Historical receipts from the Occupancy Tax are audited amounts less 3% collection fee. FY 2022 receipts were up 25%.
- (2) Forecasted receipts for FY2023 - FY2027 project a conservative annual growth of 2.5% which is consistent with historic growth levels.

Under the statutory distribution formula, the County will receive an equivalent amount in each fiscal year with such amount to be used for advertising the civic center complex and promoting travel and tourism within the County. The County expects to use the proceeds of the Occupancy Tax allocated to the Commission and the Food and Beverage Tax as sources from which to make its installment payments. These proceeds and transfers of amounts from the General Fund necessary to make such installment payments are deposited into a special fund created by the County. No assurance can be given that

## SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

the proceeds of the Occupancy Tax and Food and Beverage Tax will be equal to the installment payments in any fiscal year. However, the County has not used any General Fund revenues since FY2010 to support debt service on the Civic Center complex. In addition, the proceeds of the Occupancy Tax and the Food and Beverage Tax have not been pledged directly or indirectly as security for any debt obligation and the registered owners of any such debt obligation have no lien on or claim against such proceeds, whether or not a default occurs, and although the County has no reason to believe that either event will take place, no assurance can be given that the Occupancy Tax and the Food and Beverage Tax will not be reduced or appealed by the General Assembly or the Board of County Commissioners. The General Assembly is not precluded by any existing statutory or constitutional provision from enacting legislation that may repeal, reduce or otherwise adversely affect the County's authority to impose the Occupancy Tax and the Food and Beverage Tax.

### DEBT INFORMATION

#### RATINGS

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

In January 2021, Moody's Investor Service affirmed the Aa1 rating of the County's General Obligation Bond debt and the Aa2 rating of outstanding Limited Obligation Bonds and Certificates of Participation. The Aa2 rating reflects the satisfactory legal structure, the essential nature of the pledged assets, and the long-term credit characteristics of the County. The Aa1 General Obligation rating reflects the County's robust tax base with an average socioeconomic profile, anchored by Fort 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.

#### DEFEASANCE OF GENERAL OBLIGATION DEBT

In prior years, the County defeased various general obligation bond issues by creating separate irrevocable trust funds with various escrow agents. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been removed from the County's liabilities. As of June 30, 2022, all prior year defeased general obligation debt has been fully paid by various escrow agents.

#### OUTSTANDING GENERAL OBLIGATION DEBT

	Principal Outstanding as of			
	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
General Obligation Bonds				
School	\$ 5,355,000	\$ 2,950,000	\$ 665,000	\$ 165,000
Library Facilities	-	-	-	-
NORCRESS Sewer	1,032,000	1,009,000	985,000	960,000
Total G.O. Principal	\$ 6,387,000	\$ 3,959,000	\$ 1,650,000	\$ 1,125,000
Premium	325,376	106,994	48,102	3,707
G.O. Debt Carrying Value	<u>\$ 6,712,376</u>	<u>\$ 4,065,994</u>	<u>\$ 1,698,102</u>	<u>\$ 1,128,707</u>

Note: The outstanding general obligation debt shown above does not include USDA Bond obligations that are solely the responsibility of the Eastover Sanitary District (\$2,772,000), a discretely presented component unit.

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the County has the statutory capacity to incur additional net debt in the amount of \$2,275,325 as of June 30, 2022.

## GENERAL OBLIGATION DEBT RATIOS

At July 1	Total G.O. Debt (1)	Assessed Valuation	Ratio of G.O. Debt To Assessed Valuation	Population (2)	Total G.O. Debt Per Capita
2018	\$ 12,984,000	\$ 22,993,088,000	0.06%	329,824	\$ 39.37
2019	6,387,000	23,416,241,000	0.03%	329,017	19.41
2020	3,959,000	23,666,617,000	0.02%	333,209	11.88
2021	1,650,000	24,256,151,000	0.01%	333,531	4.95
2022	1,125,000	24,392,468,000	0.005%	334,776	3.36

- (1) General obligation principal balances shown before amortization of premium.  
 (2) North Carolina Office of State Budget & Management – State Demographics Section.

## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE

### Cumberland County

FY Ending June 30	Schools (Including Related Refundings)		NORCRESS Sanitary Sewer (Blended Component Unit)		Total General Obligation Debt Service Requirements	
	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
	2023	165,000	168,300	26,000	65,600	191,000
2024	-	-	27,000	65,528	27,000	65,528
2025	-	-	29,000	66,414	29,000	66,414
2026	-	-	30,000	66,218	30,000	66,218
2027	-	-	31,000	65,980	31,000	65,980
2028	-	-	32,000	65,701	32,000	65,701
2029	-	-	34,000	66,381	34,000	66,381
2030	-	-	35,000	65,979	35,000	65,979
2031	-	-	36,000	65,535	36,000	65,535
2032	-	-	38,000	66,050	38,000	66,050
2033-37	-	-	214,000	329,500	214,000	329,500
2038-42	-	-	260,000	327,650	260,000	327,650
2043-47	-	-	168,000	181,860	168,000	181,860
	<u>\$ 165,000</u>	<u>\$ 168,300</u>	<u>\$ 960,000</u>	<u>\$ 1,498,396</u>	<u>\$ 1,125,000</u>	<u>\$ 1,666,696</u>

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

## GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

As of June 30, 2022, the County has no general obligation bonds authorized and unissued.

## GENERAL OBLIGATION DEBT INFORMATION FOR UNDERLYING UNITS AS OF JUNE 30, 2022

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2022” filed with the Municipal Securities Rulemaking Board (MSRB) by the North Carolina Department of State Treasurer, Division of State and Local Government Finance.

## OTHER LONG-TERM COMMITMENTS (NON-GO DEBT)

<u>Purpose</u>	<u>Original Amount/Costs</u>	<u>Principal &amp; Interest Repayment/Requirements</u>	<u>FY 2023 Principal And Interest Requirements</u>	<u>Balance June 30, 2022</u>
Certificates of Participation - Tax Credit Qualified School Construction Bonds Series 2009	\$ 15,900,000	Annual sinking fund (principal) payments of \$993,750 beginning December 15, 2010 and ending December 15, 2025 plus semi-annual interest payments of \$99,375 beginning June 15, 2010 and ending December 15, 2025. The interest rate is 1.25%; payable from the General Fund.	\$ 1,192,500	\$ 3,975,000
Limited Obligation Bonds - Qualified School Construction Bonds Series 2011A	14,805,000	Annual sinking fund (principal) payments of \$987,000 beginning December 15, 2010 and ending December 15, 2025 plus semi-annual interest payments of \$451,553 at a rate of 6.1%. Interest payments are eligible for a 5.49% federal rebate (subject to sequester) thus reducing the semiannual net interest cost to \$45,156; payable from General Fund.	1,890,105	3,948,000

## SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

Purpose	Original Amount/Costs	Principal & Interest Repayment/Requirements	FY 2023 Principal And Interest Requirements	Balance June 30, 2022
Limited Obligation Refunding Bonds Series 2017 - Partial refunding of COPS Series 2009 and refunding LOBS Series 2011B	\$ 23,005,000	Interest only payments for first three years. Thereafter, annual principal and semi-annual interest payments in arrears ending November 1, 2028. Annual principal and interest payments range from \$254,861 to \$770,311; payable from the General Fund.	\$ 4,129,950	\$ 20,775,000
Installment Financing - NC Clean Drinking Water Loan for Southpoint Water Project	100,323	No interest loan with principal payable annually in arrears beginning May 1, 2014 and ending May 1, 2033. Annual payments range from \$4,995 to \$5,408; payable from Enterprise Fund.	4,996	54,951
Installment Financing - Governmental Capital Improvement Projects	1,100,000	Interest only payments for two years, then principal of \$183,333 plus interest of 1.84% for six years; payable from the General Fund.	190,080	366,667
USDA Revenue Bonds - Series 2018 A&B -Overhills Park Sewer Project	1,379,000	Annual interest only payments for 2 years. Thereafter, annual principal and interest payments ranging from \$27,769 to \$53,551 ending June 1, 2058; payable from Enterprise Fund.	52,529	1,329,000

## SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

Purpose	Original Amount/Costs	Principal & Interest Repayment/Requirements	FY 2023 Principal And Interest Requirements	Balance June 30, 2022
Limited Obligation Refunding Bonds Series 2019 A & B:				
(Series A is full refunding of 2017 CIP Draw Program)	\$ 11,300,000 (Series A)	Principal payable annually and interest payable semi- annually in arrears ending December 1, 2026. Annual debt payments range from \$122,724 to \$1,796,520; payable from the General Fund and Enterprise Fund.	\$ 1,740,641	\$ 8,070,000
(Series B is partial refunding of 2009B Refunding COPS)	22,550,000 (Series B)	Principal payable annually and interest payable semi- annually in arrears ending December 1, 2024. Annual debt payments range from \$220,840 to \$5,278,108; payable from the General Fund and Enterprise Fund.	5,038,627	12,672,000
Limited Obligation Bonds Series 2021 – Emergency Operations Center and Fayetteville Technical Community College Fire Training Center	21,095,000	Principal payable annually and interest payable semi- annually in arrears ending November 1, 2040. Annual debt payments range from \$1,060,500 to \$1,877,459; payable from the General Fund	1,714,275	20,040,000
Lease Liabilities (Aggregated)	<u>135,971</u>	Principal payable per applicable lease agreements at stated or implied rates ranging from 5.00% to 21.90%	<u>45,163</u>	<u>90,898</u>
Total:	<u>\$ 111,370,294</u>		<u>\$ 15,998,866</u>	<u>\$ 71,321,516</u>



## SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

The County's payment obligations (principal & interest) at June 30, 2022 for the non-general obligation installment financing arrangements described in the preceding table are as follows:

Fiscal Year Ending June 30	2017 Refunding LOBS Debt Service	2019 Refunding LOBS Debt Service	2021 LOBS Debt Service	GASB 87 Leases Debt Service	Other Agreements Debt Service	Total Non-General Obligation Debt Service
2023	4,129,950	6,779,268	1,714,275	45,656	3,330,210	15,999,359
2024	3,976,200	6,634,536	1,677,350	26,705	3,327,325	15,642,116
2025	3,816,850	4,662,811	1,635,150	15,543	3,140,084	13,270,438
2026	3,659,750	1,656,823	1,592,950	3,885	2,589,620	9,503,028
2027	3,495,375	1,623,927	1,550,750	-	58,392	6,728,444
2028	3,336,125	-	1,508,550	-	57,816	4,902,491
2029	1,465,750	-	1,466,350	-	57,242	2,989,342
2030	-	-	1,424,150	-	57,666	1,481,816
2031	-	-	1,381,950	-	58,069	1,440,019
2032	-	-	1,339,750	-	58,452	1,398,202
2033	-	-	1,313,375	-	57,815	1,371,190
2034	-	-	1,287,000	-	52,180	1,339,180
2035	-	-	1,244,800	-	52,541	1,297,341
2036	-	-	1,207,875	-	52,879	1,260,754
2037	-	-	1,176,225	-	53,200	1,229,425
2038	-	-	1,144,575	-	52,497	1,197,072
2039	-	-	1,112,925	-	52,795	1,165,720
2040	-	-	1,086,550	-	53,069	1,139,619
2041	-	-	1,060,500	-	53,326	1,113,826
2042	-	-	-	-	52,560	52,560
2043	-	-	-	-	52,794	52,794
2044	-	-	-	-	53,004	53,004
2045	-	-	-	-	53,197	53,197
2046	-	-	-	-	52,368	52,368
2047	-	-	-	-	52,538	52,538
2048	-	-	-	-	53,684	53,684
2049	-	-	-	-	52,790	52,790
2050	-	-	-	-	52,896	52,896
2051	-	-	-	-	51,979	51,979
2052	-	-	-	-	53,061	53,061
2053	-	-	-	-	53,104	53,104
2054	-	-	-	-	52,123	52,123
2055	-	-	-	-	53,141	53,141
2056	-	-	-	-	53,120	53,120
2057	-	-	-	-	53,075	53,075
2058	-	-	-	-	50,006	50,006
	\$ 23,880,000	\$ 21,357,365	\$ 25,925,050	\$ 91,789	\$ 14,110,618	\$ 85,364,822
Premium	2,412,612	-	3,178,937	-	-	5,591,549
Carry Value	\$ 26,292,612	\$ 21,357,365	\$ 29,103,987	\$ 91,789	\$ 14,110,618	\$ 90,956,371

Note: The outstanding non-general obligation debt shown above does not include obligations that are solely the responsibility of the County's various discretely presented component units including the Eastover Sanitary District (\$8,314,728).

The obligations of the County under the installment financing arrangements described above are not secured by a pledge of the taxing power of the County. In the event of a default by the County, the sole recourse of the obligee is to foreclose on, or otherwise realize upon its security interest in, the property acquisition or improvement of which was financed. No deficiency judgment may be rendered against the County.

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

## DEFEASANCE OF OTHER (NON-GENERAL OBLIGATION) DEBT

There were no defeasances of non-general obligation debt during the fiscal year ended June 30, 2022. In prior years, the County defeased various bond issues by creating separate irrevocable trust funds. New debt was issued, and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the call or maturity date.

On June 30, 2022, the County has no uncalled or unmatured defeased debt held by any escrow agent. On November 1, 2021, Regions Bank called the remaining \$13,530,000 of defeased debt related to Limited Obligation Refunding Bonds Series 2011B.

## DEBT OUTLOOK

The County prepares an annual Capital Improvements Plan which projects capital needs for five years into the future with projections for annual debt service and operating requirements. Funding to support the annual debt service and operating expenses is converted to an equivalent tax rate for comparison purposes.

During FY 2021, the County issued Limited Obligation Bonds Series 2021 in the amount of \$21,095,000. The County will contribute \$10,000,000 for a new Fire Training Facility for the local community college and will allocate the remaining bond funds to upfit an existing building to house a “state-of-the-art” Emergency Operations Center. Over the next several years, the County will review other potential projects for funding. These projects include school construction and other governmental and enterprise capital improvements.

## TAX INFORMATION

### GENERAL TAX INFORMATION

	<u>Fiscal Year Ended or Ending June 30,</u>		
	<u>2021</u>	<u>2022</u>	<u>2023<sup>(3)</sup></u>
	(Amounts in thousands)		
Assessment Ratio <sup>(1)</sup>	100%	100%	100%
Real Property	\$ 19,359,444	\$ 19,598,023	\$ 19,596,589
Personal Property	1,550,809	1,389,365	1,700,185
Vehicles	2,888,786	2,960,786	3,108,825
Public Service Companies <sup>(2)</sup>	<u>457,112</u>	<u>444,294</u>	<u>460,292</u>
Total Assessed Valuation	\$ 24,256,151	\$ 24,392,468	\$ 24,865,891
Assessed Valuation Per Capita	72.73	72.86	74.60
Rate per \$100	.799	.799	.799
County-wide Levy	\$ 193,807	\$ 194,896	\$ 198,679

(1) Percentage of appraised value has been established by statute.

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

(3) Valuation estimates are as of September 30, 2022 for the fiscal year ending June 30, 2023. Population figures used for assessed valuation per capita are 333,509 for FY2021, 334,785 for FY2022 and 333,322 for FY2023.

## SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

In addition to the County-wide levy, the following table lists the levies by the County on behalf of recreation district(s) and special fire districts for the fiscal years ended or ending June 30.

	<u>2021</u>	<u>2022</u>	<u>2023</u> <sup>(1)</sup>
County-wide	\$ 193,806,646	\$ 194,895,819	\$ 198,678,469
Recreation District	3,823,180	3,948,491	3,304,441
Special Fire Districts	<u>9,598,516</u>	<u>9,937,934</u>	<u>9,913,324</u>
Total Levy	<u>\$ 207,228,342</u>	<u>\$ 208,782,244</u>	<u>\$ 211,896,234</u>

1) Valuation estimates as of September 30, 2022 for the fiscal year ending June 30, 2023.

### PROPERTY TAX COLLECTIONS

<u>Year Ended June 30</u>	<u>Prior Years' Levies Collected</u>	<u>Current Year's Levy Collected</u>	<u>Percentage of Current Year's Levy Collected</u>
2018	\$ 1,694,400	\$ 182,126,897	98.19%
2019	2,075,106	185,734,181	99.24%
2020	954,606	187,188,405	98.87%
2021	1,737,686	192,228,162	99.13%
2022	1,555,742	194,315,234	99.59%

The figures in the preceding table consist of property tax revenues deposited in the General Fund.

During FY2014, the collection of motor vehicle taxes in North Carolina transitioned from local County collection in arrears to a new State operated system requiring payment of ad valorem vehicle taxes at the same time as the license plate is renewed annually. The new system has substantially increased the collection rate on vehicles.

### TEN LARGEST TAXPAYERS FOR FISCAL YEAR 2022 (TAX YEAR 2021)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>TY2021 Taxable Assessed Valuation*</u>	<u>% of Total Taxable Assessed Valuation</u>
Goodyear Tire & Rubber Co.	Tire Manufacturer	\$ 329,344	1.35%
Cross Creek Mall, LLC.	Retail Mall	158,798	0.65
Wal-Mart Stores Inc.	Retail/Distribution	157,653	0.65
Duke Progress Energy, Inc.	Electric Utility	112,586	0.46
Fayetteville VA Co., LLC	Veterans' Health Services	91,140	0.37
Cargill, Inc.	Soybean Processor	81,954	0.34
Mann+Hummel Purolator Filters	Auto Filter Manufacturer	77,730	0.30
Piedmont Natural Gas Co., Inc.	Gas Utility	69,231	0.28
DAK Americas, LLC	Textiles	63,467	0.26
South River EMC	Electric Utility	<u>53,716</u>	<u>0.22</u>
		<u>\$ 1,190,619</u>	<u>4.88%</u>

\* Amounts expressed in thousands

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

## COMPILED BUDGET - ANNUALLY BUDGETED FUNDS YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Funds	Enterprise Funds
<b>Estimated revenues:</b>			
Ad valorem taxes	\$ 193,371,264	\$ 16,710,224	\$ -
Other taxes	69,396,227	10,871,905	7,491,511
Unrestricted intergovernmental	15,809,319	4,752	-
Restricted intergovernmental	69,793,349	47,089,213	1,002,512
Licenses and permits	2,298,631	118,045	350,000
Sales and services	11,120,459	1,103,720	5,306,245
Interest earned on investments	332,482	2,500	101,000
Miscellaneous	5,368,210	5,000	8,885
Total estimated revenues	367,489,941	75,905,359	14,260,153
<b>Appropriations:</b>			
General government	132,475,100	20,500	-
Public safety	71,408,381	16,922,842	-
Economic and physical development	9,983,928	23,215,615	-
Human services	112,977,754	27,810,224	-
Cultural and recreation	11,185,708	5,293,007	-
Education	123,557,505	-	-
Salaries and employee benefits	-	-	4,568,966
Repairs and maintenance	-	-	1,501,267
Contracted services	-	-	1,596,151
Utilities	-	-	268,800
Administrative costs	-	-	4,658,926
Landfill closure and postclosure	-	-	700,000
Other operating - crown center	-	-	9,166,587
Capital outlay	-	-	3,867,379
Contingency	-	-	53,402
Water and sewer	-	-	1,683,604
Debt service:			
Principal retirement	9,396,058	-	4,173,024
Interest and fees	3,117,838	-	309,161
Reserve for debt	-	-	5,284
Total appropriations	474,102,272	73,262,188	32,552,551
Estimated revenues over (under) appropriations	(106,612,331)	2,643,171	(18,292,398)
<b>Other financing sources (uses):</b>			
Transfers from other funds:			
General fund	-	1,547,178	939,716
Special revenue funds	89,411	-	9,220,869
Capital project funds	-	-	-
Transfers to other funds:			
General fund	-	(89,411)	-
Special revenue funds	(1,547,178)	-	-
Capital project funds	(2,500,000)	(2,500,000)	-
Internal service funds	(100,000)	-	-
Enterprise funds	(939,716)	(9,220,869)	-
Proceeds of general long term debt	-	-	-
Sale of fixed assets	-	-	50,000
Appropriated fund balances	111,609,814	7,619,931	8,081,813
Total other financing sources	106,612,331	(2,643,171)	18,292,398
Estimated revenues and other sources over appropriations and other uses	\$ -	\$ -	\$ -

Compiled for the Primary Government by the Cumberland County finance department from the FY2022 budget at June 30, 2022.

The General Fund includes a legally budgeted County School Fund and a legally budgeted Capital Investment Fund which are consolidated into the General Fund for reporting purposes to comply with GASB 54. Transfers between the General Fund, the County School Fund, and the Capital Investment Fund have been eliminated.

# SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

## COMPILED BUDGET - ANNUALLY BUDGETED FUNDS YEAR ENDING JUNE 30, 2023

	General Fund	Special Revenue Funds	Enterprise Funds
<b>Estimated revenues:</b>			
Ad valorem taxes	\$ 196,868,595	\$ 16,859,556	\$ -
Other taxes	78,618,960	11,790,680	8,269,980
Unrestricted intergovernmental	19,209,407	-	-
Restricted intergovernmental	60,137,241	23,801,432	881,721
Licenses and permits	2,325,000	105,873	1,000,000
Sales and services	10,832,007	775,369	5,120,672
Interest earned on investments	304,019	1,100	100,500
Miscellaneous	5,006,764	10,000	10,385
Total estimated revenues	<u>373,301,993</u>	<u>53,344,010</u>	<u>15,383,258</u>
<b>Appropriations:</b>			
General government	45,661,723	16,500	-
Public safety	69,305,960	15,801,212	-
Economic and physical development	8,457,813	13,846,364	-
Human services	111,027,262	13,200,754	-
Cultural and recreation	11,050,341	5,256,482	-
Education	125,327,045	-	-
Salaries and employee benefits	-	-	4,803,654
Repairs and maintenance	-	-	1,294,000
Contracted services	-	-	1,461,500
Utilities	-	-	295,680
Administrative costs	-	-	4,213,841
Landfill closure and postclosure	-	-	700,000
Other operating - crown center	-	-	10,565,037
Capital outlay	-	-	2,885,000
Contingency	-	-	183,492
Water and sewer	-	-	1,602,428
<b>Debt service:</b>			
Principal retirement	9,056,786	-	4,147,296
Interest and fees	2,741,490	-	242,036
Total appropriations	<u>382,628,420</u>	<u>48,121,312</u>	<u>32,393,964</u>
Estimated revenues over (under) appropriations	<u>(9,326,427)</u>	<u>5,222,698</u>	<u>(17,010,706)</u>
<b>Other financing sources (uses):</b>			
<b>Transfers from other funds:</b>			
General fund	-	1,480,135	938,377
Special revenue funds	91,455	-	12,504,890
<b>Transfers to other funds:</b>			
General fund	-	-	-
Special revenue funds	(1,480,135)	(91,455)	-
Capital projects	-	-	-
Internal service funds	(2,100,000)	-	-
Enterprise funds	(938,377)	(12,504,890)	-
Proceeds of general long term debt	-	-	-
Sale of fixed assets	-	-	-
Appropriated fund balances	13,753,484	5,893,512	3,567,439
Total other financing sources	<u>9,326,427</u>	<u>(5,222,698)</u>	<u>17,010,706</u>
Estimated revenues and other sources over appropriations and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Compiled for the Primary Government by the Cumberland County finance department from the FY2023 adopted budget at July 1, 2022.

The General Fund includes a legally budgeted County School Fund and a legally budgeted Capital Investment Fund which are consolidated into the General Fund for reporting purposes to comply with GASB 54. Transfers between the General Fund, the County School Fund, and the Capital Investment Fund have been eliminated.

END OF REPORT

