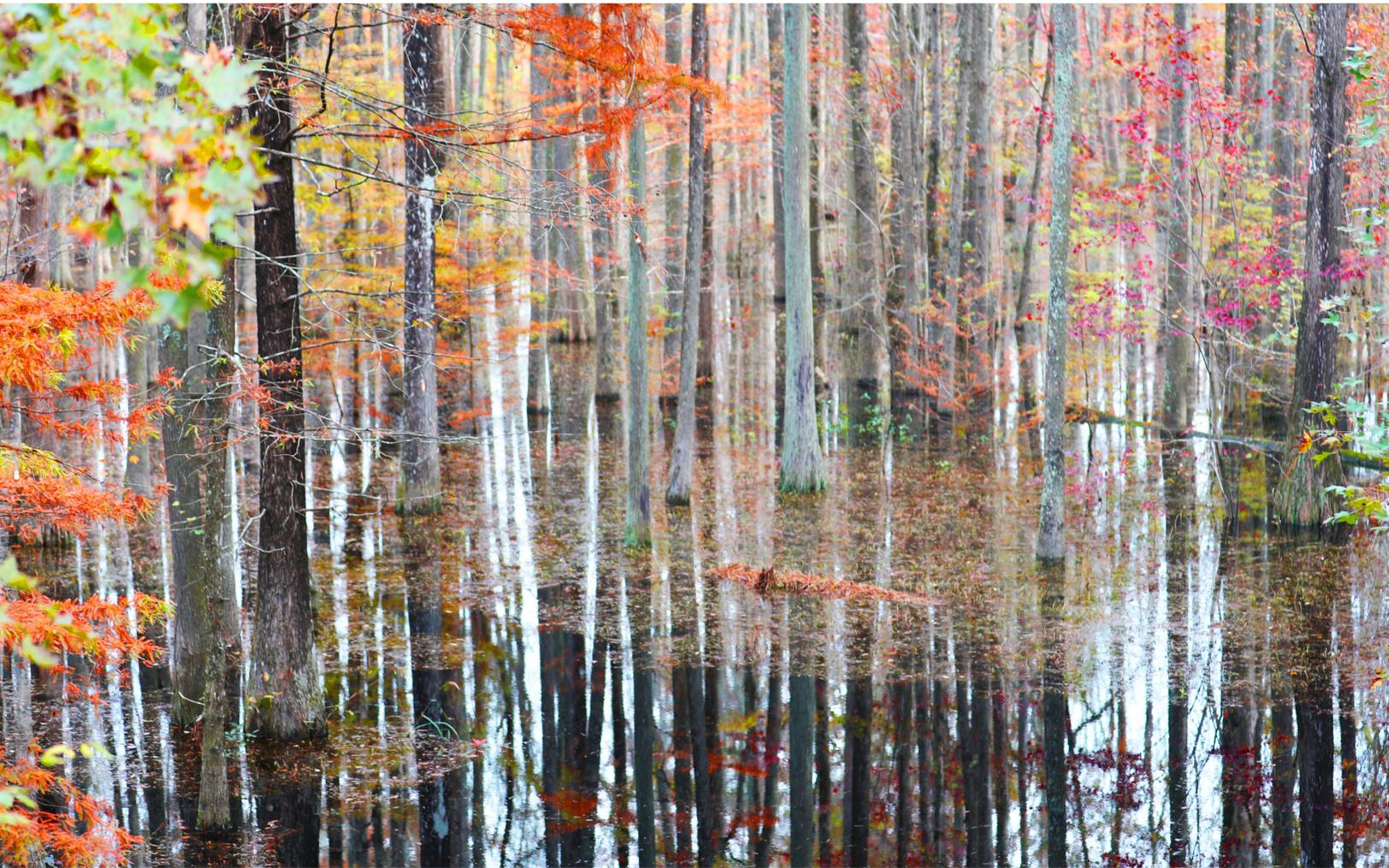




CUMBERLAND COUNTY

NORTH CAROLINA



Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION





November 19, 2021

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, 2021. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Elliott Davis LLC 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 333,531. The City of Fayetteville (the "City" or "Fayetteville") is the sixth largest municipality in the State with a population estimate of 208,878.

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 nearly 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.

ECONOMIC CONDITIONS AND OUTLOOK

MILITARY ECONOMIC IMPACT

Fort Bragg is home to roughly 50,000 troops. More than 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 276,000, including military families, retirees and others. The total direct and indirect military impact provides approximately \$8.3 billion in local spending, especially from payroll which is illustrated in Tables 1 and 2. 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
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
2016	53,050	\$2,823,327,754

Source: XVIII Airborne Corps and Garrison Public Affairs Office

**CIVILIAN EMPLOYMENT AND PAYROLL
AT FORT BRAGG**

Table 2

Year	Number of Employees	Payroll
2020	12,080	\$887,149,378
2019	14,121	\$840,091,008
2018	14,036	\$761,209,762
2017	14,036	\$767,329,661
2016	14,190	\$790,556,644

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. \$113.8 million worth of construction projects at Fort Bragg were approved in the FY21 budget. Since 1985, Fort Bragg’s buildings have grown from 20.3 million square feet to 54.6 million square feet. The major construction for fiscal year 2020 totaled \$35.6 million and the maintenance and repair construction for fiscal year 2020 totaled \$190.6 million.

The John F. Kennedy Special Warfare Center, a \$156.7 million project that will resemble a college campus on Fort Bragg, began construction of its final building in April. The 90,000-square-foot Human Performance Force Generation facility, which is

expected to be completed in 2023, 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. 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.



Photo: The Fayetteville Observer

Another large project currently underway is Freedom Crossing, a \$27 million, 83,000 square foot entertainment center that was previously scheduled to break ground on Fort Bragg in 2020. The project currently has an unclear timeline due to being delayed by the pandemic. The center will be anchored by a movie theatre and some of the confirmed tenants include: MOD Pizza, Chipotle, Black Rifle Coffee Company, Bar Louie, Firehouse Subs, iFix, Smoothie King, McAlister’s Deli, Great Clips, and Harris Jewelers.

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.

Coronavirus (COVID-19) has had a significant impact on our economy, including fewer business start-ups, higher unemployment rates, and many project delays. The pandemic didn’t slow industry interest in moving to Fayetteville and Cumberland County though. In fact, FCEDC states that 2020 brought some of their busiest quarters yet.



Photo: The Citizen Times

In May 2021, Amazon, a Fortune 100 company, announced plans to launch a delivery station in Fayetteville next year. This facility will create hundreds of new jobs and speed up deliveries for customers in the region. The company plans to transport packages to delivery stations from Amazon

fulfillment and sortation centers, and then load them into vehicles for delivery to customers. Delivery stations such as this one will offer entrepreneurs the opportunity to build their own business delivering Amazon packages, as well as independent contractors the flexibility to be their own boss and create their own schedule.

In January 2021, MetroNet, 100% fiber-optic internet, television, and phone services, selected Fayetteville and Cumberland County as their first North Carolina deployment with a \$70 million capital investment. Amid COVID-19, the community’s need for increased broadband access has become even more apparent, with virtual learning and remote work at the forefront. MetroNet will provide affordable and accessible services within Cumberland County, including much of the unincorporated areas, as well as portions of Hoke County.

In April 2021, Cargill, a soybean oil manufacturer that has been located in Cumberland County since 1970, selected Cumberland County for a significant expansion following an incentive approval by the Cumberland County Board of Commissioners. The company will invest \$5 million in real estate improvements and \$20 million in new personal property to increase production capacity at its facility. In return, the 6-year performance-based incentive grant will provide Cargill \$600 thousand to support their Cumberland County operations and keep a minimum of 70 jobs at the plant, with each position paying an annual salary of at least \$70 thousand. The incentive will be offset by the generated tax revenue and increased economic activity.

In June 2021, Triple Impact Connections, a veteran-owned customer service center that uses Cloud-based technology to connect its client companies with their customers, announced their new location in Fayetteville. The company focuses on hiring military spouses to support the Armed Forces community and offer deployment leave, flexible hours, and a guaranteed wage increase after training. The communications firm has more than 70

immediate openings for remote work. They anticipate having their new location complete and a career fair by early June 2022.

Logistics is one of the fastest growing industries in the area. The demand is so much that FCEDC estimates that by 2026, over 175,000 truck driver positions are expected to remain unfulfilled. Even amid the COVID-19 shutdown, the need for truck drivers was still prevalent. With the increased demand for goods, companies like Walmart and Taylor Express were looking to hire for additional freight handlers and drivers.



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 Summer of 2024, with the last 10-mile stretch having a planned completion date of Summer 2026. In August 2021, SkyREM, LLC, a vertically integrated real estate investor, owner, and developer, acquired 360 acres in the Cedar Creek Industrial Park. This means Cedar Creek Industrial Park is now fully privately owned. Robert Van Geons, President and CEO of FCEDC, said, "This will allow us to compete for and win projects that will likely create thousands of jobs and represent hundreds of millions of dollars in investment as these buildings get built and tilled." SkyREM has three years to build the first building and if it isn't complete the county can take the land back. This means jobs related to this project could be on their way within the next three years. This project has potential for upwards of 1.6 million square feet of Class A industrial space, which will fill a need in Cumberland County, which currently has a 5.1% industrial vacancy rate. Van Geons said the area's available workforce and business climate have been big draws for SkyREM's presence in Fayetteville, as well as Fort Bragg, which Marc Civitillo, managing director with SkyREM, calls a "demand driver."

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) have been completed. The loop is improving regional traffic flow and safety and enhancing freight access. I-295 currently runs from I-95 at U.S. 13 north of Fayetteville and Eastover to U.S. 401 (Raeford Road). An extension of the Outer Loop of Raeford Road and 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. Extending the Outer Loop south of Raeford Road to near Century Circle is expected to be completed the summer of 2022. U.S. 401 (Raeford Road) to Camden Road has been delayed due to prior funding issues and settlements. This segment is currently scheduled to be awarded for construction in October 2022. This segment will take about four years to complete. Construction on Camden Road to I-95 is already underway. 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. There have already been quite a few recent commercial and residential projects approved and completed in Hope Mills. Some of the commercial developments include: Biscuitville, Chick-fil-A, Dollar General, three Circle K convenience stores, a Coldstone Creamery, and a whiskey distillery at Dirtbag Ales. The residential developments include new apartments and six subdivisions with 400 new single-family residences expected in the next few years. In addition, the town is planning a \$16 million public safety complex a recreational complex at Golfview Greenway. 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.

2019 brought much economic growth to Downtown Fayetteville with the addition of Segra Stadium, the \$40.2 million baseball stadium (which has recently increased to a \$41.3 million price tag) 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. Unfortunately, June brought bad news for the Woodpeckers, as their 2020 season was canceled. Just as COVID-19 put a stop to the Woodpeckers 2020 season, it also halted construction on the five-story Hyatt Place hotel and seven-story office complex to be built above the new parking deck located next to the stadium. Fortunately, the 2021 season, though delayed, allowed the Woodpeckers to get back to playing ball. In this same area, the Prince Charles apartments on the other hand are nearly fully occupied and one of their tenants, The Coffee Scene, opened in early March 2021. Altogether, this series of developments represents the single largest investment in the history of downtown Fayetteville. The COVID-19 pandemic put a hold on this major project for downtown. The estimated \$100.5 million



Photo: The Fayetteville Observer

investment will support new employees and approximately \$126 million in economic activity when completed.

As shown in Taxable Sales, Table 3, fiscal year 2021 sales experienced a very significant percentage growth, showing an increase of 20.96% over the previous fiscal year taxable sales amount.

TAXABLE SALES

Table 3

Year	Cumberland County	% Change
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%
2017	\$4,040,268,838	4.97%

Source: North Carolina Department of Revenue

As shown in Table 4, Cumberland County's growth in population is showing small growth and that small growth is projected to continue through 2025. Overall County growth rates are below the state's estimated and projected growth rates.

POPULATION

Table 4

	2010		2019 Certified		2020 Estimate		2025 Projected	
	Population	Population	% Change from 2010	Population	% Change from 2019	Population	% Change from 2020	
Cumberland County	327,197	332,392	1.59%	333,531	0.34%	334,207	0.20%	
North Carolina	9,574,323	10,487,088	9.53%	10,587,440	0.96%	11,108,479	4.92%	

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
2021 (6 mo.)	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%
2017	127,387	120,687	6,700	5.3%	4.2%

Source: United States Bureau of Labor Statistics

As shown in Table 5, between 2017 and June 2021, the County’s average unemployment rate increased by 1.6%. The state’s average unemployment rate also increased during the same timeframe by 0.7%. The trend of rising unemployment rates for the County mirrors that of the State for comparable periods. The spike in unemployment between 2019 and 2021 is primarily related to COVID-19, which was first reported in the United States in January 2019.

Though COVID-19 has caused many adverse effects for the local economy, one aspect that has not suffered at the hands of COVID-19 is the housing market in Cumberland County. Utilizing statistics provided by Fayetteville Regional Association of Realtors, in comparing new and existing home sales

in June 2020 to June 2021, there was an increase of 13.26% of total closed listings and the comparative value at closing increased by 33.61%.

Table 6 focuses on permits obtained for *new* construction, as new construction permits serve as a strong indicator of the economy. The total number of new residential and non-residential building permits for 2020 exceeded the 2019 totals, though there was a decrease in new residential values as 2019 values had an extreme increase. New residential values decreased by 9.38% and new non-residential values increased by 7.48%.

BUILDING PERMITS
Table 6

Calendar Year	New Residential		New Non-Residential	
	Number	Value	Number	Value
2021 (6 mo.)	401	\$76,921,886	32	\$48,350,769
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
2016	586	\$96,476,647	106	\$86,432,613

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

The first six months of 2021 are showing an increase in the number and value of new residential building permits compared to the first six months of 2020. However, new non-residential building permits are showing a decrease in the first six months of 2021 compared to 2020. There is a 46.67% decrease in the number compared to only an 11.62% decrease in the value of new non-residential building permits.

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, 2021, was \$80,711,700 from General Fund revenues for school operations. For the fiscal year ending June 30, 2022, the County’s original budgeted current expense appropriation is \$83,033,918 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, 2021, those actual sales taxes totaled \$12,443,377. The County received \$3,349,296 in proceeds from the North Carolina Education Lottery for the fiscal year ended June 30, 2021. As of June 30, 2021, the County has received \$65,285,937 from the North Carolina Education Lottery since its inception in 2007. The proceeds are primarily to be used for school construction and reduction of class size in the early grades.

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

COUNTY SCHOOLS AVERAGE DAILY MEMBERSHIP

Table 7

School Year	Grades K-5 # Schools	Grades 6-8 # Schools	Grades 9-12 # Schools	Grades 6-12 # Schools	Total Final ADM
2020-2021	53	18	17	1	47,234
2019-2020	52	18	17	0	49,579
2018-2019	52	18	17	0	49,503
2017-2018	52	18	17	0	49,641
2016-2017	52	18	17	0	49,928

Number of schools excludes special schools and academies.

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

NON-PUBLIC SCHOOLS

There are 31 independent private and religious schools in the County. The enrollment for the 2020-2021 school year was 5,095. *Source: 2020-2021 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 32,000 students annually (according to FTCC’s 2021 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 #9 rank in the nation for the best Military Friendly large community college for 2021-22 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. FTCC was also ranked #9 nationally for the best Military Friendly Spouse large community college for 2021-22 by the Military Friendly School Program. 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 Academic Policies & Compliance, 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, 2021 totaled \$12,283,629. For the fiscal year ending June 30, 2022, the appropriations from the County to FTCC are \$13,278,659, an increase of \$995,030 or 8.1%.

Fayetteville State University: Founded in 1867, Fayetteville State University (“FSU”), a constituent institution of the University of North Carolina, is the second oldest state-supported educational institution in North Carolina. FSU has 38 buildings on a 156-acre campus. Fayetteville State University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award baccalaureate, masters, and doctorate level degrees. Top majors include nursing, psychology, and business administration. Altogether FSU boasts 33 undergraduate programs, 18 master’s degree programs, and one doctoral program in educational leadership. FSU Online offers degree completion programs in 12 undergraduate majors, an MBA, and two other graduate degree programs. FSU has off-site campuses at Fort Bragg and Seymour Johnson Air Force Base. Total undergraduate enrollment exceeded 5,600 in Fall 2020 with 1,065 enrolled in graduate programs.

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 1,426 in 2021 with 347 additional students enrolled in graduate programs. Today the University offers bachelor's degrees in over 80 fields of study including communications, justice studies, business administration, education, and social work. New majors, minors, and concentrations recently added include engineering, entrepreneurship, forensic science, graphic design, and applied communication. The University offers four graduate degree programs: Master of Medical Science in physician assistant studies; Master of Education in literacy, special education, physical education, or coaching and athletic administration; 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.

MAJOR INITIATIVES

DIVERSITY, EQUITY & INCLUSION (DE&I)

The County DE&I Advisory Committee held its inaugural meeting on September 11, 2020. The committee reviews the County government programs, policies, and initiatives and makes recommendations to County Management and the Board of County Commissioners in support of DE&I in the workplace. It is the objective of Cumberland County government to make policy decisions

through a diverse, equitable, and inclusive lens that is reflective of the community that Cumberland County represents. The development of Cumberland County's Diversity, Equity, and Inclusion (DE&I) strategic plan is a result of a collaborative effort of the DE&I Advisory Committee. In a collaborative effort, the committee identified 19 strategic priority initiatives that were organized into a 3-year DE&I strategic plan. The County will soon begin executing the 3-year strategic plan initiatives.

PUBLIC SAFETY

In 2021, Cumberland County issued debt to pay costs of acquiring, constructing, and equipping a new emergency operations center for the County as well as a portion of the cost of a regional fire training center to be operated by Fayetteville Technical Community College (FTCC).

- **Emergency Operations Center:** The Emergency Operations Center (EOC), which is estimated to be a \$17 million project, will relocate to a 17,000 square foot building at 500 Executive Place. The building will also hold the Emergency Services Department, Fire Marshal's Office, and Emergency Management. Cumberland County received a \$2.25 million grant from the North Carolina 911 Board to move and expand its 911 Call Center. This grant will help fund renovation, hardware, equipment, and associated technological costs. The current 911 Call Center, which has been located in the Law Enforcement Center on Dick Street since 1974, is cramped with only 858 square feet, but the new location will be more than 2,100 square feet. The Executive Place location will have space for 15 workstations and 5 live-training workstations. This change will make improvements in emergency response operations.

- **Fayetteville Technical Community College /Cumberland County Regional Fire & Rescue Training Center:** Cumberland County is investing \$10 million and donated 30 acres of land in the Cumberland County Industrial Park toward a \$20 million regional fire and rescue training facility to be operated by FTCC. The groundbreaking for the state-of-the-art center was on October 21, 2019. The property will be split into two campuses. One campus will be the Technical Rescue Complex, offering classrooms, rescue areas and other specialized training grounds. The second campus will be known as the “Burn Village, equipped with burn towers and structures. The future center is the first of its kind in eastern North Carolina and will allow FTCC to offer new classes including fire investigation/arson certification, thermal image school, vehicle extraction school, high angle rescue technician and other types of fire and rescue special training. Cumberland County firemen and rescue teams currently must venture out of the county and sometimes out of the state to get the most up-to-date training they need. The center will enable FTCC to add new classes and add more training for existing firefighters.

TECHNOLOGY

Technology enhancements continue to be at the forefront of Cumberland County initiatives. With COVID-19 causing many project delays, the following software enhancements are in process:

- **Document Management Expansion:** The use of Laserfiche, the County’s enterprise content management (ECM) system, is being aggressively rolled out throughout the County in an effort to allow departments to reap the many benefits. Some of the benefits offered by Laserfiche include minimizing the usage and cost of paper storage, increasing digital access to data, increasing the ability to easily share information across departments, and automating processes through workflow. This project is ongoing and will be for several years.

- **Body/In Car Camera Program:** Due to concerns regarding race relations and fair treatment by law enforcement, both Cumberland County citizens and the Sheriff’s Office are requesting that body cameras be immediately implemented. This will ensure that all parties are protected, and justice is properly served. The fiscal year 2022 budget includes \$2.6 million to purchase body cameras along with \$310 thousand for software and technology expenses to support these body worn cameras.

FLEET MANAGEMENT REVIEW

Phase 1 of a review of the County’s Fleet Management Operation was completed in fiscal year 2020. This assessment was vital to help with identifying and improving operational efficiencies. This review included preventive maintenance processes, shop labor rates, software utilization, parts procurement, life cycle of vehicles, replacement policies, workflow compared with industry best practices, and development of policies and procedures. Phase 2 of this review, a Fleet Utilization Study, was completed during fiscal year 2021. This study will provide input on the utilization of all the County’s fleet to determine how effective and efficiently the County’s assets have been utilized and included recommendations to consider for improvements. In fiscal year 2022, the consultant is scheduled to present their findings and develop a fleet replacement plan. This is an ongoing project.

ANIMAL SERVICES ORDINANCE AND PET LICENSING PROGRAM

The County’s Animal Services ordinance was reviewed in fiscal year 2021. The changes in philosophy have shifted to a more collaborative approach to assist owners in becoming compliant with the applicable laws and ordinance. The pet licensing program is still being evaluated.

MERGER OF COUNTY FUNCTIONS

During fiscal year 2021, the Information Services section of the Health Department was merged with County Innovation & Technology Services.

CORONAVIRUS DISEASE (COVID-19)

The COVID-19 pandemic has upended all our lives. Many citizens continue to struggle, and many of our communities have experienced financial hardships while demands for public services have grown. The County's business operations throughout all departments have been directly affected. Cumberland County is working continuously to respond to and prepare for the impacts from this pandemic.

- **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 are currently working on developing 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; invest in water and sewer. These funds must be obligated by December 31, 2024 and must be spent by December 31, 2026.
- **Coronavirus Relief Fund:** The State of North Carolina allocated \$12.2 million to Cumberland County in fiscal year 2021 as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act federal funding. The funds were required to be used for COVID-19 response and were spent by December 30, 2020.

The majority of the County's allocation was utilized on public safety payroll expenses for COVID-19 mitigation and response and for the payout of the federally mandated Family First Coronavirus Recovery Act leave (Emergency Paid Sick Leave and Emergency Family Medical Leave). The County also

allocated funds to support virtual learning centers, personal protective equipment for fire departments and municipalities who applied for assistance, technology improvements, and other COVID related expenses.

- **Emergency Rental Assistance:** Earlier this year, the 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). The funds must be spent before September 30, 2022.

Cumberland County has been allocated approximately \$5 million in additional funds to help mitigate the impact of COVID-19. This funding was provided directly to support the following internal departments of the County: Board of Elections, Community Development, Department of Social Services, Library, Planning/Transportation, Sheriff's Office, and Public Health.

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 of no less than 10%, which exceeds the minimum 8% recommended by the Local Government Commission. Additionally, the target goal for total General Fund Balance available will be at least 15% of the budgeted expenditures. The annual

appropriation of fund balance should not exceed 3% of budgeted recurring General Fund expenditures. Any General Fund unassigned fund balance that exceeds the 10% target goal may be assigned for one-time future projects.

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, the special revenue, the permanent, the enterprise funds, and the internal services 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 Elliott Davis LLC 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, 2020. This was the twenty-ninth 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 annual comprehensive 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, Elliott Davis LLC, 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,



Amy H. Cannon
County Manager



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, 2020

Christopher P. Morill

Executive Director/CEO

Board of County Commissioners



Charles Evans
Chairman
At-Large



Glenn Adams
Vice Chairman
District 1



Michael C. Boose
Commissioner
District 2



Dr. Jeannette M. Council
Commissioner
District 1



Jimmy Keefe
Commissioner
District 2



Larry L. Lancaster
Commissioner
At-Large



Dr. Toni Stewart
Commissioner
District 2

County Officials

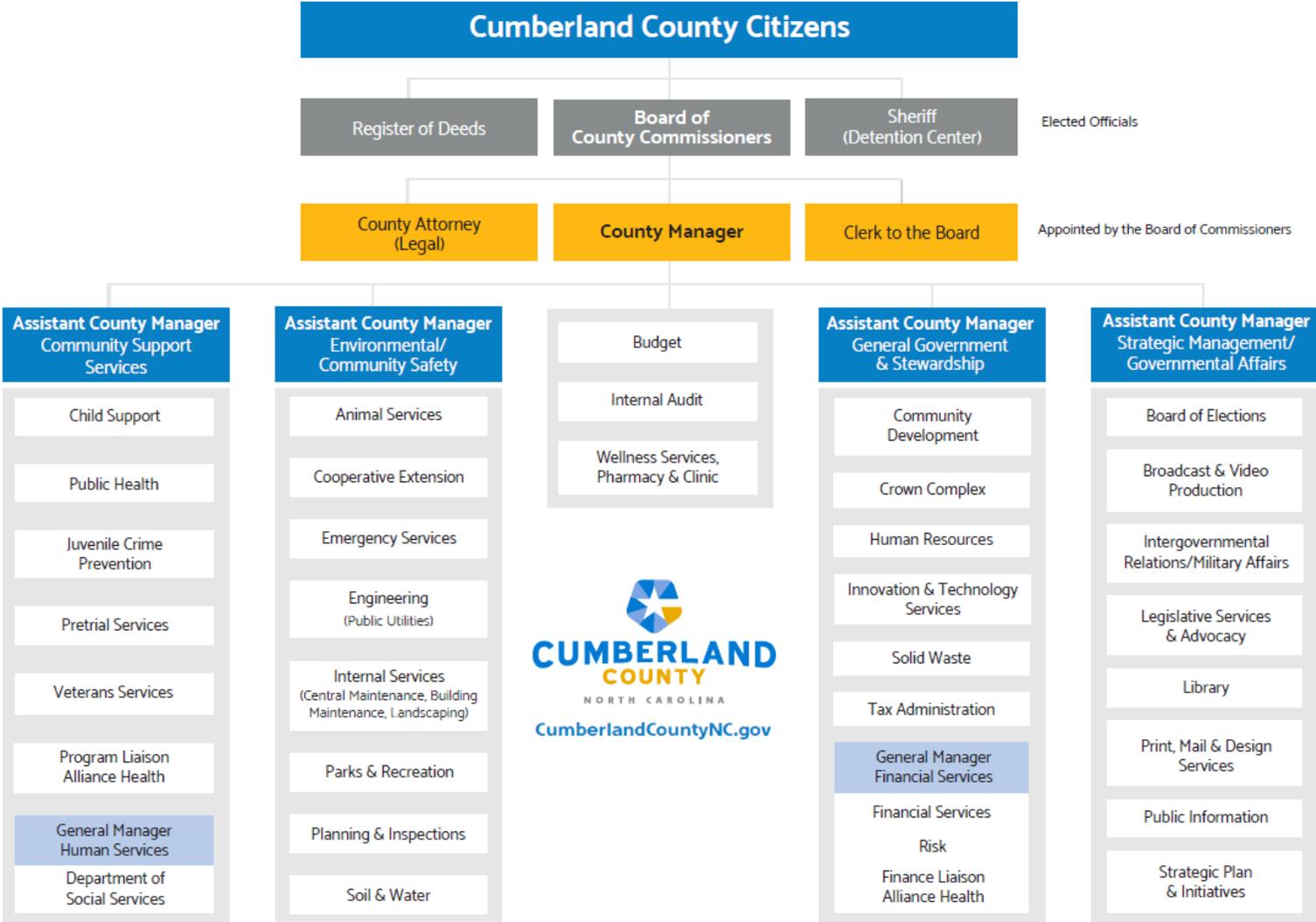
Amy H. Cannon, CPA
County Manager

Rick L. Moorefield
County Attorney

W. Tracy Jackson
Assistant County Manager

Sally Shutt
Assistant County Manager

Organizational Structure - Cumberland County, NC



AUDITOR'S OPINION



Independent Auditor's Report

To the Board of Commissioners
Cumberland County
Fayetteville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Cumberland County, North Carolina (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cumberland County ABC Board, which represents 34.7%, 42.9%, and 76.2% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units or the Fayetteville Area Convention and Visitors Bureau which represents 4.16%, 7.0%, and 5.48% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us and, our opinions, insofar as it relates to the amounts included for the Cumberland County ABC Board and the Fayetteville Area Convention and Visitors Bureau, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Cumberland County ABC Board and the Fayetteville Area Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*.

Auditor's Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Cumberland County, North Carolina, as of June 30, 2021, and the respective changes in financial position, and cash flows, where appropriate, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis beginning on page C-1, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages G-2 and G-3, respectively, and Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions for the Crown Center Fund, on pages G-5 and G-6, respectively, and Register of Deed's Supplemental Pension Fund Schedules of County Proportionate Share of the Net Pension Asset and Contributions, on pages G-7 and G-8, respectively, and Law Enforcement Officers' Special Separation Allowance Schedules of the Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages G-1 and G-2, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, on G-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy, introductory information, statistical section, and the schedule of expenditures of federal and state awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act* as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules, other supplemental financial data, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as previously described above and the reports of other auditors, the combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022 on our consideration of Cumberland County's internal control over financial reporting and 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 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 Cumberland County's internal control over financial reporting and compliance.



Raleigh, North Carolina
November 19, 2021, except for Note 17 as to
which the date is January 14, 2022

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, 2021. 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

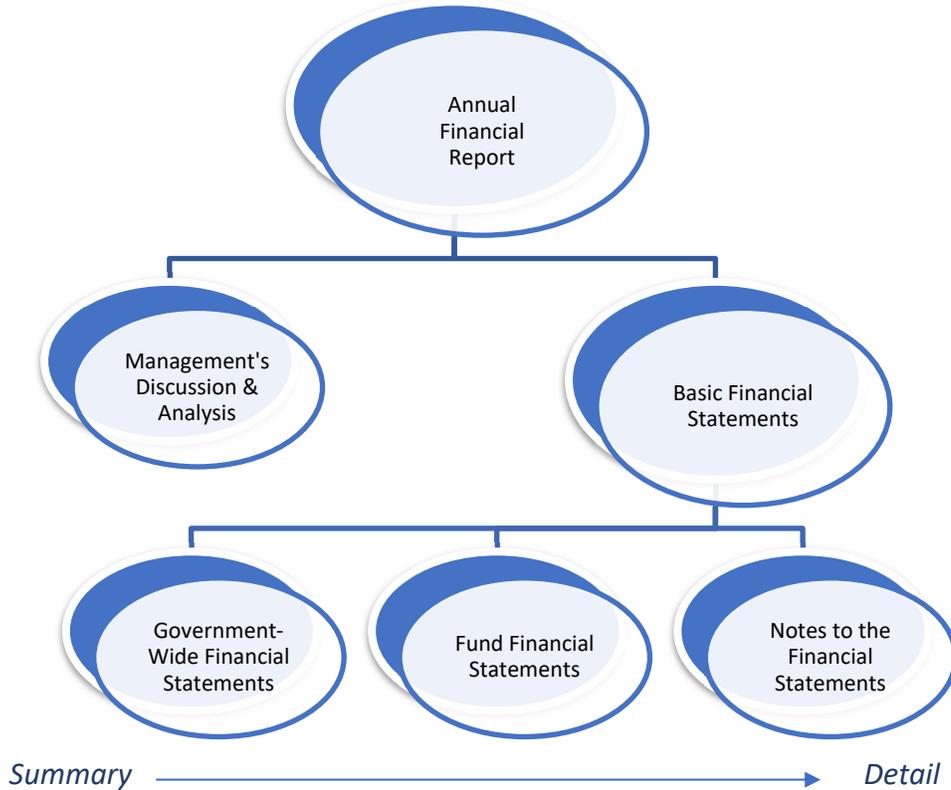
- ❖ Assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$198,092,758 (*net position*). The County's total net position increased by \$72,003,852 from the prior year.
- ❖ Fiscal year 2021 beginning net position was restated by \$563,261 because of the implementation of the Governmental Accounting Standard Board (GASB) Statement No. 84, Fiduciary Activities which created three new special revenue funds that were once treated as agency funds.
- ❖ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$259,621,643, an increase of \$72,104,174 or 38.45% from the prior year.
- ❖ In February 2021, the County completed a debt issuance of \$21,095,000 Limited Obligation Bonds, Series 2021 for the acquiring, constructing, and equipping a new Emergency Operation Center (EOC) and to provide a \$10,000,000 funding contribution to Fayetteville Technical Community College to construct a Regional Fire and Rescue Training Center.
- ❖ 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.
- ❖ The outbreak of the coronavirus disease, referred to herein as "COVID-19," was declared a pandemic by the World Health Organization in fiscal year 2020. The impact on County revenues and expenditures are continuously being monitored.
- ❖ The County closed most of its facilities in March 2020 to comply with the stay-at-home executive order issued by the Governor. Although most in-person services were not offered during this period departments continued to provide services, some electronically. In person services resumed during the full reopening of County buildings on May 3, 2021.

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 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

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

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 26 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 24 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. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. A more detailed budgetary comparison schedule elsewhere in this report is presented at the legal level of budgetary control.

Proprietary Funds – The County has two types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Crown 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

Management's Discussion and Analysis

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.

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, 2021 and 2020.

NET POSITION

Table 1

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
ASSETS						
Current and other assets	\$ 229,706,092	\$ 334,008,814	\$ 55,057,432	\$ 55,068,385	\$ 284,763,524	\$ 389,077,199
Capital assets	195,064,891	192,757,181	82,520,967	81,212,228	277,585,858	273,969,409
Total Assets	424,770,983	526,765,995	137,578,399	136,280,613	562,349,382	663,046,608
Deferred outflows of resources	45,269,316	47,710,773	1,464,526	1,370,197	46,733,842	49,080,970
LIABILITIES						
Long-term liabilities outstanding	320,345,514	351,689,911	43,052,902	39,950,786	363,398,416	391,640,697
Other liabilities	25,197,845	57,034,068	3,570,317	2,415,552	28,768,162	59,449,620
Total Liabilities	345,543,359	408,723,979	46,623,219	42,366,338	392,166,578	451,090,317
Deferred inflows of resources	88,263,488	61,184,136	2,564,252	1,760,367	90,827,740	62,944,503
NET POSITION						
Net investments in capital assets	168,045,517	145,716,170	58,831,891	61,883,882	226,877,408	207,600,052
Restricted	79,080,417	93,130,470	3,546,422	3,383,770	82,626,839	96,514,240
Unrestricted	(210,892,482)	(134,277,987)	27,477,141	28,256,453	(183,415,341)	(106,021,534)
Total Net Position (Deficit)	\$ 36,233,452	\$ 104,568,653	\$ 89,855,454	\$ 93,524,105	\$ 126,088,906	\$ 198,092,758

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 \$198,092,758 as of June 30, 2021. The County's net position increased by \$72,003,852 for the year ending June 30, 2021, compared with the prior year.

In March 2021, the US Treasury allocated American Rescue Plan Act (ARPA) of 2021 funds totaling \$65,168,690 to the County. A total of \$32,584,345 was received in the first round. No funds were expended during fiscal year 2021. The unspent amount was recorded as a liability or unearned revenue. As a result, this allocation does 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 \$103,044,354. A major contributor to this change is from an increase in cash and cash equivalents of \$96,531,596, with over \$32 million being from ARPA funds.

Total liabilities increased by \$58,923,739 which is mainly attributable to an increase in net pension liability (LGRS) of \$9,272,158; total pension liability (LEO) of \$3,813,837; OPEB Liability of \$5,089,383 and funds the County received from ARPA that were not expended by fiscal year end.

Of total net position, one of the largest portions, \$207,600,052 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

Management's Discussion and Analysis

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, \$96,514,240 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position results from debt financing related to school assets. Consistent with many other counties in the State of North Carolina, the County's *unrestricted net position* deficit is primarily due to the portion of the County's outstanding debt incurred for the County Board of Education (the school system). Under North Carolina law, the County is responsible for providing capital funding for the school systems. The County has chosen to meet its legal obligation to provide the school systems capital funding by using a mixture of County funds and general obligation and non-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 \$25,827,610 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; it 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	
	2020	2021	2020	2021	2020	2021
REVENUES						
Program revenues:						
Charges for services	\$ 15,662,066	\$ 16,335,606	\$ 6,481,016	\$ 5,219,046	\$ 22,143,082	\$ 21,554,652
Operating grants and contributions	56,832,894	75,477,079	2,938,481	947,877	59,771,375	76,424,956
Capital grants and contributions	4,344,865	4,773,232	-	-	4,344,865	4,773,232
General revenues:						
Property taxes	204,041,081	211,660,075	-	-	204,041,081	211,660,075
Other taxes	68,578,100	81,971,755	7,349,240	7,513,714	75,927,340	89,485,469
Grants and contributions not						
restricted to specific programs	15,436,689	17,617,071	-	-	15,436,689	17,617,071
Unrestricted investment	3,096,412	1,040,674	663,282	42,984	3,759,694	1,083,658
Gain on sale of assets	73,663	55,605	(218,453)	311,921	(144,790)	367,526
Miscellaneous	6,107,602	5,954,718	92,526	682,287	6,200,128	6,637,005
Total revenues	374,173,372	414,885,815	17,306,092	14,717,829	391,479,464	429,603,644
EXPENSES						
General government	29,475,147	37,908,007	-	-	29,475,147	37,908,007
Public safety	65,079,734	66,856,365	-	-	65,079,734	66,856,365
Economic and physical	17,062,941	17,019,061	-	-	17,062,941	17,019,061
Human services	89,720,840	96,908,446	-	-	89,720,840	96,908,446
Culture and recreation	14,666,048	13,998,599	-	-	14,666,048	13,998,599
Education	107,300,602	102,234,784	-	-	107,300,602	102,234,784
Interest on long-term debt	1,485,783	3,417,789	-	-	1,485,783	3,417,789
Solid Waste	-	-	9,389,797	11,705,481	9,389,797	11,705,481
Crown Center	-	-	7,886,548	6,860,973	7,886,548	6,860,973
Kelly Hills W&S District	-	-	107,610	99,996	107,610	99,996
Norcross W&S District	-	-	719,659	655,658	719,659	655,658
Southpoint W&S District	-	-	24,359	21,713	24,359	21,713
Overhills Park W&S District	-	-	123,767	214,108	123,767	214,108
Bragg Estates WS District	-	-	-	162,073	-	162,073
Total expenses	324,791,095	338,343,051	18,251,740	19,720,002	343,042,835	358,063,053
Increase in net position before transfers	49,382,277	76,542,764	(945,648)	(5,002,173)	48,436,629	71,540,591
Transfers	(7,362,068)	(8,770,824)	7,362,068	8,670,824	-	(100,000)
Change in net position	42,020,209	67,771,940	6,416,420	3,668,651	48,436,629	71,440,591
Net position - beginning	(8,039,749)	36,233,452	83,371,752	89,855,454	75,332,003	126,088,906
Restatement OPEB	2,252,992	563,261	67,282	-	2,320,274	563,261
Net position - beginning as restated	(5,786,757)	36,796,713	83,439,034	89,855,454	77,652,277	126,652,167
Net position - ending	\$ 36,233,452	\$ 104,568,653	\$ 89,855,454	\$ 93,524,105	\$ 126,088,906	\$ 198,092,758

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

Management's Discussion and Analysis

financial cushion to accommodate unforeseen expenses that may occur for any reason during the fiscal year.

- ❖ An increase in operating grants and contributions primarily due to funding from the CARES Act, and other revenue increases attributable to additional relief funds to mitigate the impact of COVID-19.
- ❖ Continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.13% for real and personal property.

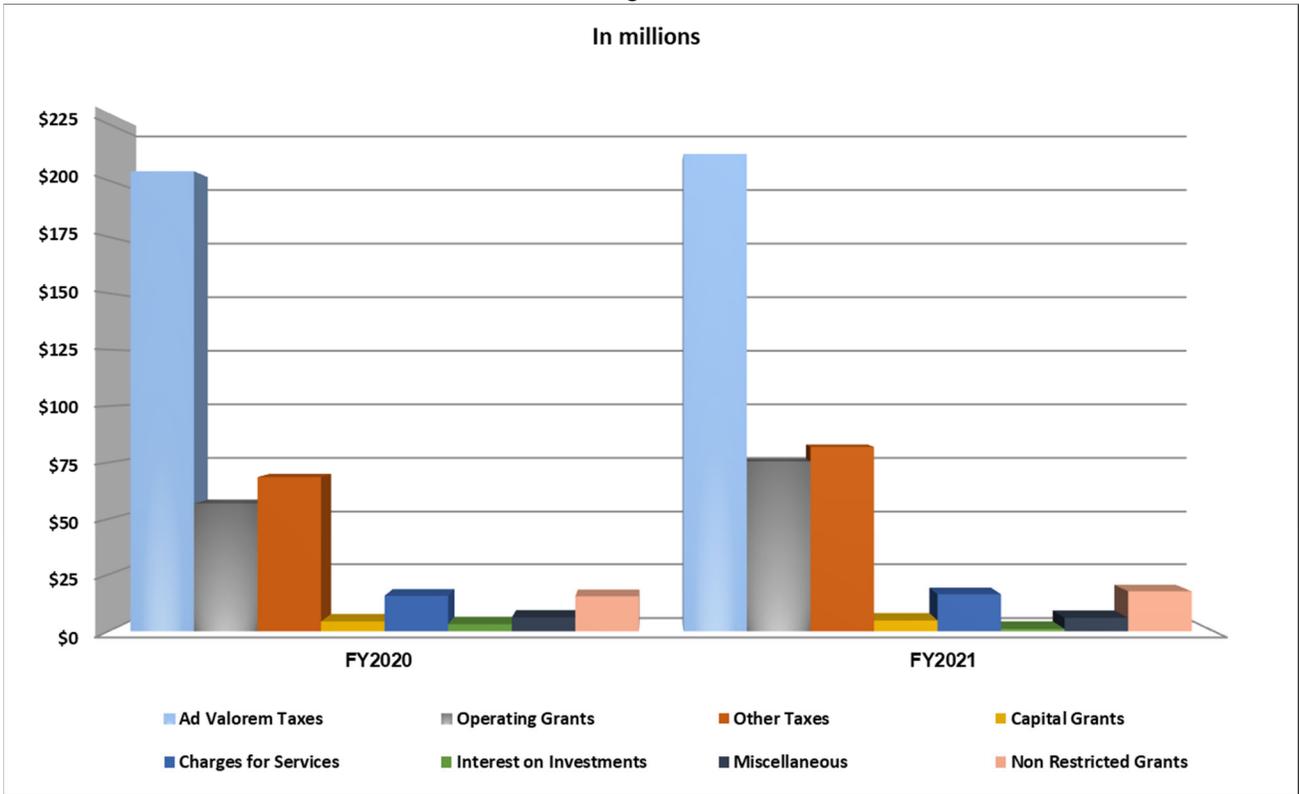
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Management's Discussion and Analysis

GOVERNMENTAL ACTIVITIES REVENUE

Figure 2

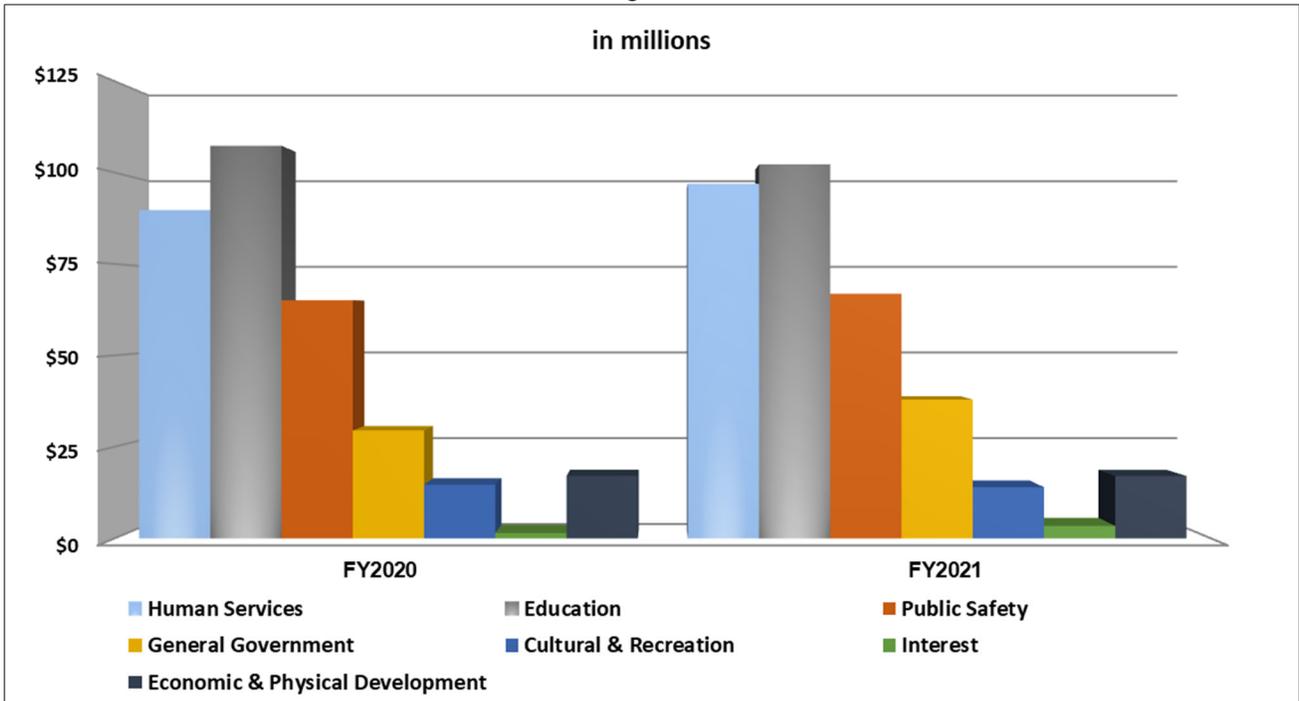
In millions



GOVERNMENTAL ACTIVITIES EXPENSES

Figure 3

in millions



Management's Discussion and Analysis

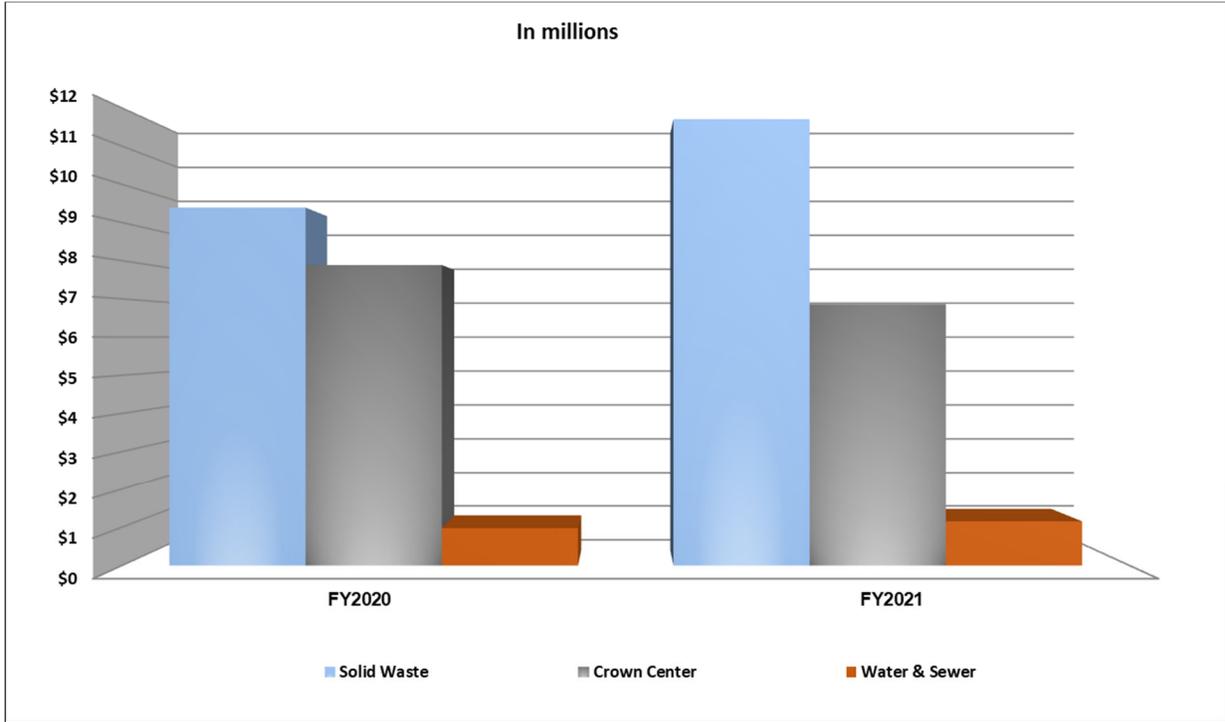
Governmental Activities Governmental activities increased the County's net position by \$68,335,201 (See Figures 2 and 3). Key elements of this increase are as follows:

- ❖ Program revenues totaled \$96,585,917, an increase of \$19,746,092 over the previous year.
 - Charges for services in General Government increased by \$673,540 primarily because of an increase in Planning and Inspection permit fees.
 - Operating Grants and Contributions increased by \$18,644,185. The increase is mainly attributable to additional revenues received and dedicated to providing additional resources to help to mitigate the impact of COVID-19 on the economy
- ❖ General revenues increased by \$20,966,351, which is mainly attributable to an increase in property tax and other taxes.
 - Property tax revenue totaled \$211,660,075 an increase of \$7,618,994 or 3.73% 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 \$13,393,655 or 19.53%. 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. According to the North Carolina Department of Revenue, the increase in sales taxes collected and remitted by marketplace facilitators helped to offset the loss of sales tax revenues from business closures due to COVID-19.
- ❖ General Government and Human Services functional expenses increased by \$15,620,466 which is mainly attributable to an increase in expenses to mitigate the impact of COVID-19, offset by CARES Act grants and contributions.
- ❖ Governmental activities expenses increased by \$13,551,966. This increase was mainly related to the County's need to react to COVID-19 and take immediate action to minimize the impact on the community and workforce. These expenses were offset by the increase in operating grants and contributions.

Management's Discussion and Analysis

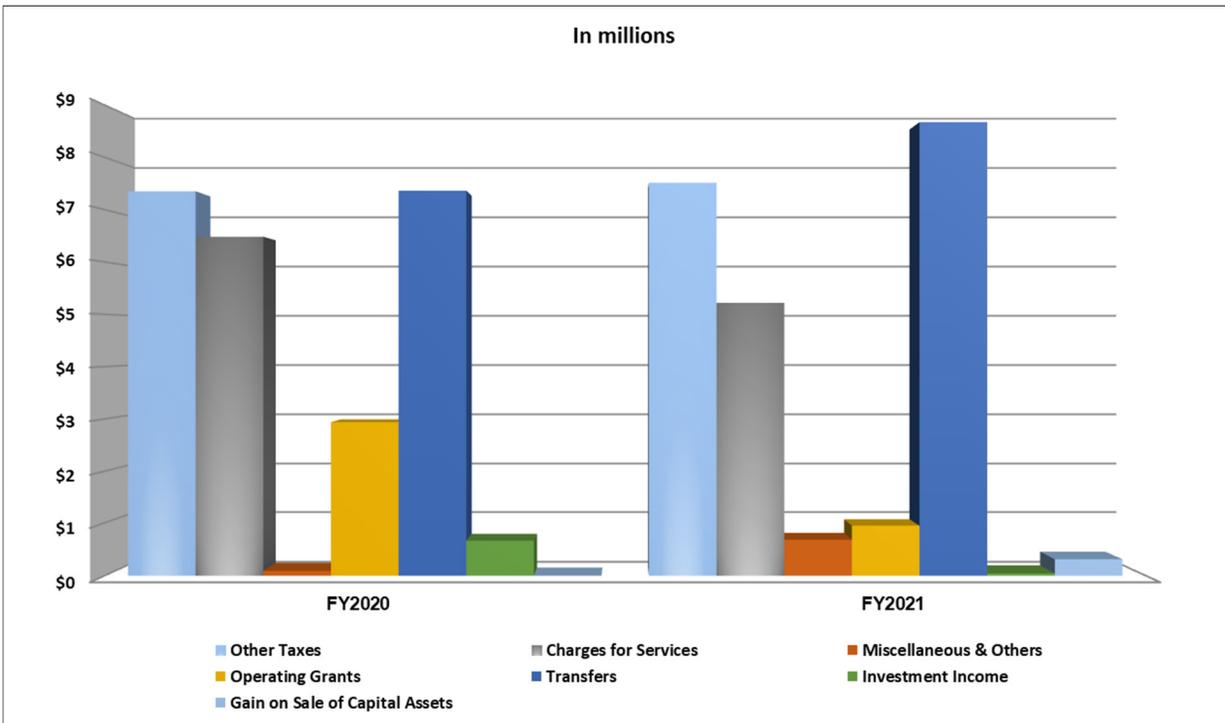
BUSINESS-TYPE REVENUE

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 \$3,668,651 (See figures 4 and 5). Key elements of this increase are as follows:

- ❖ The Solid Waste net position decreased by \$284,969, or 0.61% to \$46,770,108. This is primarily due to an increase in operational expenses from COVID-19.
- ❖ The Crown Center's net position increased by \$4,460,794 to \$36,558,034. Capital improvement projects have experienced delays as a result of COVID-19.
- ❖ The Kelly Hills Water and Sewer District had a decrease in net position of \$5,340 as a result of expenses exceeding revenues for a total net position of \$1,997,946.
- ❖ The Norcross Water and Sewer District had a decrease in net position of \$288,080 to \$4,709,100. The primary reason for this decrease is an ongoing project related to a sewer line clean up.
- ❖ The Southpoint Water and Sewer District had an increase in net position of \$22,851 to \$509,590. Operating revenues and expenses have remained consistent.
- ❖ The Overhills Park Water and Sewer District had a decrease in net position of \$74,532 to \$3,091,400. The water and sewer district began operations in fiscal year 2020.
- ❖ The Bragg Estates Water and Sewer District Fund had a decrease in fund balance of \$112,073. The Board of County Commissioners and Bragg Estates W & S District Board approved the capital project closeout during fiscal year 2021. All capital project related expenses were transferred to the operating fund. 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 \$259,621,643, an increase of \$72,104,174 from the previous year. The unassigned fund balance is \$109,392,217 or 42.14% which is not restricted, committed, or assigned for specific purposes. Another \$11,159,873 or 4.30% is assigned for specific purposes: \$9,159,873 for subsequent years' expenditures; \$2,000,000 for economic development incentives. Committed fund balance totals \$63,755,618 or 24.56% and includes: \$2,296,335 for tax revaluation per state statute and \$61,459,283 for the capital investment fund. Non-spendable fund balance accounts for another \$200,715 or 0.08% for inventories and pre-paid. The remainder of fund balance, \$75,113,220 or 28.93% 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, 2021, the major special revenue fund, ARPA, reported a fund balance of \$994. The restricted balance of \$255 represents the balance is not available for spending.

Management's Discussion and Analysis

As of June 30, 2021, the non-major governmental funds of the County reported a fund balance of \$24,697,958 an increase of \$9,334,774 from previous year. The non-major governmental fund balance represents 9.51% 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 \$234,922,691; unassigned fund balance of the General Fund is \$110,366,459; non spendable fund balance is \$200,715; assigned and committed fund balance is \$74,915,491 while restricted fund balance is \$49,440,026.

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 Governing Body of the County has adopted a policy that the County should maintain an unassigned fund balance of at least 10% of General Fund expenditures. In addition, their policy recommends that both assigned and unassigned fund balances should be at least 15% in case of unforeseen needs, to meet the cash flow needs of the County or to take advantage of opportunities that might arise. At the end of fiscal year 2021, unassigned fund balance represents 34.75% of total General Fund expenditures adjusted for transfers. Available fund balance which includes unassigned, assigned, and committed fund balance is 58.33% while total fund balance represents 73.96% 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 \$364,502,612 an increase of \$24,283,846 or 7.14% from previous year. Highlights of significant areas of change include:

- ❖ Ad valorem property tax revenues have increased by \$6,140,340 or 3.24% to \$195,646,766.
- ❖ Other taxes increased by \$10,216,784 or 16.55% to \$71,954,276. A major reason for this increase for this was an increase in sales tax revenue driven primarily by an increase in general taxable sales. These upward trends in sales tax revenues are indicative of a steady continued economic recovery during the pandemic.
- ❖ Unrestricted Intergovernmental revenue increased by \$2,180,382 or 14.12% to \$17,617,071. This increase is primarily due to new funding available to the County during the year which until used is not restricted.
- ❖ Restricted intergovernmental revenues increased by \$7,419,378 or 14.61% to \$58,189,148. The use of these funds is restricted by state statute or as established by the grantor.
- ❖ Licenses and permit revenue increased by \$664,275 or 25.27% to \$3,293,488. Planning and Inspection permit fees and an overall increase to the Register of Deeds services account for those increases.
- ❖ Sales and services decreased by \$570,099 or 4.79% to \$11,325,071, mostly due to the impact of COVID-19 closures of County facilities.
- ❖ Interest earned on investments for the General Fund decreased by \$1,653,061 or 61.52% to \$1,033,993. This change is based on significantly lower interest rates and the COVID-19 impact on the global economy.

Management's Discussion and Analysis

General Fund actual expenditures including a legally budgeted County School Fund and Capital Investment Fund, but excluding other financing uses and transfers were \$317,623,181, an increase of \$366,012 or 0.12% from last year. Highlights of significant areas of change include:

- ❖ The General Government expenditures increased by \$6,295,267 or 21.16%, mostly due to an increase in expenditures directly related to mitigating the impact of COVID-19. The expenditures were offset by grants and contribution revenues.
- ❖ Public Safety had a slight decrease of \$1,290,425, or 2.26%, attributable to reductions in personnel cost as a result of high vacancy rates.
- ❖ Economic and Physical development decreased by \$2,960,892 or 28.29%, attributable to the delays caused by COVID-19.
- ❖ Cultural and recreation expenditures decreased by \$631,192 or 6.05% from previous year. This change reflects a reduction in personnel costs due to a merge of County functions combined into general government services to create efficiencies and savings.

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 improvement and capital technology and vehicle costs. At the end of the fiscal year the CIF has an ending net position of \$61,385,217.

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 \$11,335,386 to a total of \$330,858,039. Actual General Fund expenditures excluding transfers were less than final amended budget by \$38,839,085.

- ❖ Budgeting of Fund Balance - A total of \$8,663,701 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 2020 and were on-going in fiscal year 2021.
- ❖ 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 \$13,533,609 or 30.33%. A conservative budgeting approach was used during fiscal year 2021 which included a projected revenue loss due to COVID-19. However, actual collections did not reflect a negative impact. Sales tax collections for fiscal year 2021 were strong and showed substantial growth.
- ❖ Unrestricted Intergovernmental revenue- These revenues cover those funds that are received from other governmental agencies which are not restricted as to use. At the end of the year, revenues were \$16,064,378, a variance of \$3,411,908 from the revised budget.

Management's Discussion and Analysis

- ❖ Restricted intergovernmental revenue - This category which includes federal and state funding fell short of revised budget by \$10,945,707. 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 2022 to allow 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 \$29,534, this is a negative variance of \$818,466 from final budget. This reflects the significant drop-in interest rates and current market conditions.

Total actual revenues for the General Fund, excluding the County School Capital Fund, Capital Investment Fund, and other financing sources, were \$344,753,385. This amount exceeded the final budgeted amount by \$13,895,346, **(page E-5)**.

- ❖ Ad Valorem taxes collected exceeded the budget by \$7,148,579 or 3.79%. 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 \$13,533,609 or 30.33% to \$58,147,620. Sales tax and real estate tax collections accounted for most of the increase.
- ❖ Unrestricted intergovernmental revenues were \$3,411,908 or 26.97% 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 \$10,945,707 as stated earlier.
- ❖ Licenses and permit fees totaled \$3,293,488, an excess of \$1,088,795 or 49.39% from the final revised budget due to over realization of Register of Deeds and Inspection fees.
- ❖ Sales and services fees slightly exceed the revised budget by \$182,115 or 1.63% to \$11,325,071. This overall increase was spread over several different revenue sources from different County departments.
- ❖ Miscellaneous revenue was \$294,513 or 5.76% above budget of \$5,406,677.

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 \$38,839,085 resulting in an expenditure rate of 88.18% of final budget. In general, variances usually result from conservative budget practices such as, budgeting fully for positions in most departments; the need to allow for fluctuation in Human Services, grant programs and management's efforts to maintain statutory compliance in keeping expenditures under the budget amounts. COVID-19 closures, in-person program cancellations, projects being delayed and management's commitment to effectively manage the operating budget by encouraging departments to reduce non-essential expenditures all contributed to keeping expenditures well under budget.

- ❖ Personnel expenditures including fringe benefits, were \$18,006,785 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 including the following: travel costs totaling \$1,101,671, because of travel restrictions established by management as a measure to mitigate the spread of COVID-19; contracted services totaling \$7,175,323; maintenance and repairs in the amount of \$681,514; utilities in the amount of \$784,553, among others.

Management's Discussion and Analysis

- ❖ Cultural and recreational expenditures were less than budget by \$966,817. The library branches were closed to the public since March 2020 resulting in a decrease in operating expenses.

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 \$46,770,108. The Crown Center Fund had a net position of \$36,558,034. The other five enterprise funds, (water and sewer funds), had a combined net position of \$10,195,963. The Solid Waste operating revenues decreased by \$126,299, primarily because of a reduction in charges for services revenues. The Crown Center's change in net position before transfers was \$4,210,029, primarily because of facilities closure and event cancellations due to COVID-19. The water and sewer funds had combined operating revenues of \$646,202. The operational expenses for Solid Waste increased by \$2,315,683 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 a decrease in expenses of \$729,585. The five internal service funds had a combined net position of \$12,160,042.

CAPITAL ASSETS
Table 3
net of depreciation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Capital Assets						
Land	\$ 17,550,579	\$ 17,463,119	\$ 6,892,536	\$ 6,892,536	\$ 24,443,115	\$ 24,355,655
Construction in progress	5,712,104	4,739,506	8,272,005	688,462	13,984,109	5,427,968
Landfill	-	-	4,048,508	11,832,903	4,048,508	11,832,903
Buildings and improvements	161,928,579	160,462,612	42,793,163	41,318,856	204,721,742	201,781,468
Equipment, furniture and fixtures	6,825,965	7,760,345	7,297,924	7,746,172	14,123,889	15,506,517
Vehicles and motorized equipment	3,047,664	2,331,599	916,401	747,026	3,964,065	3,078,625
Plant and distribution system	-	-	12,300,430	11,986,273	12,300,430	11,986,273
Total net assets	<u>\$ 195,064,891</u>	<u>\$ 192,757,181</u>	<u>\$ 82,520,967</u>	<u>\$ 81,212,228</u>	<u>\$ 277,585,858</u>	<u>\$ 273,969,409</u>

Capital Asset and Debt Administration

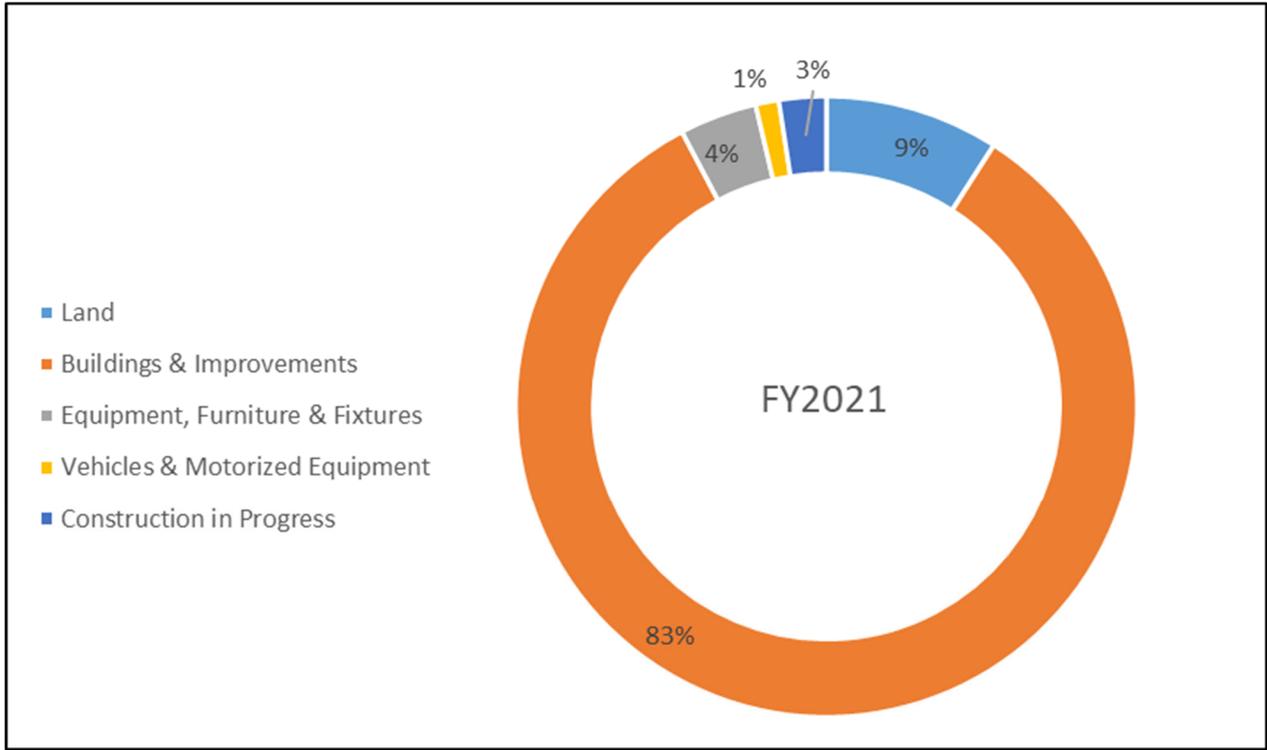
Capital Assets. The County's capital assets, shown in Table 3, for its governmental and business-type activities as of June 30, 2021, totals \$273,969,409 (net of accumulated depreciation). Capital assets include land, buildings and improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, plant and distribution systems, and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise fund financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. Major capital transactions during the year include the purchase of vehicles, purchases of various equipment for day-to-day operations. Additional information on the County's capital assets can be found in Note #4 in the Notes to the Financial Statements. (See figure 6 and 7 for current fiscal year distribution).

As of June 30, 2021, the County has construction contracts in progress in the amount of \$7,330,437 for various capital projects and improvements including construction of additional cells and a scale house at the County landfill.

Management's Discussion and Analysis

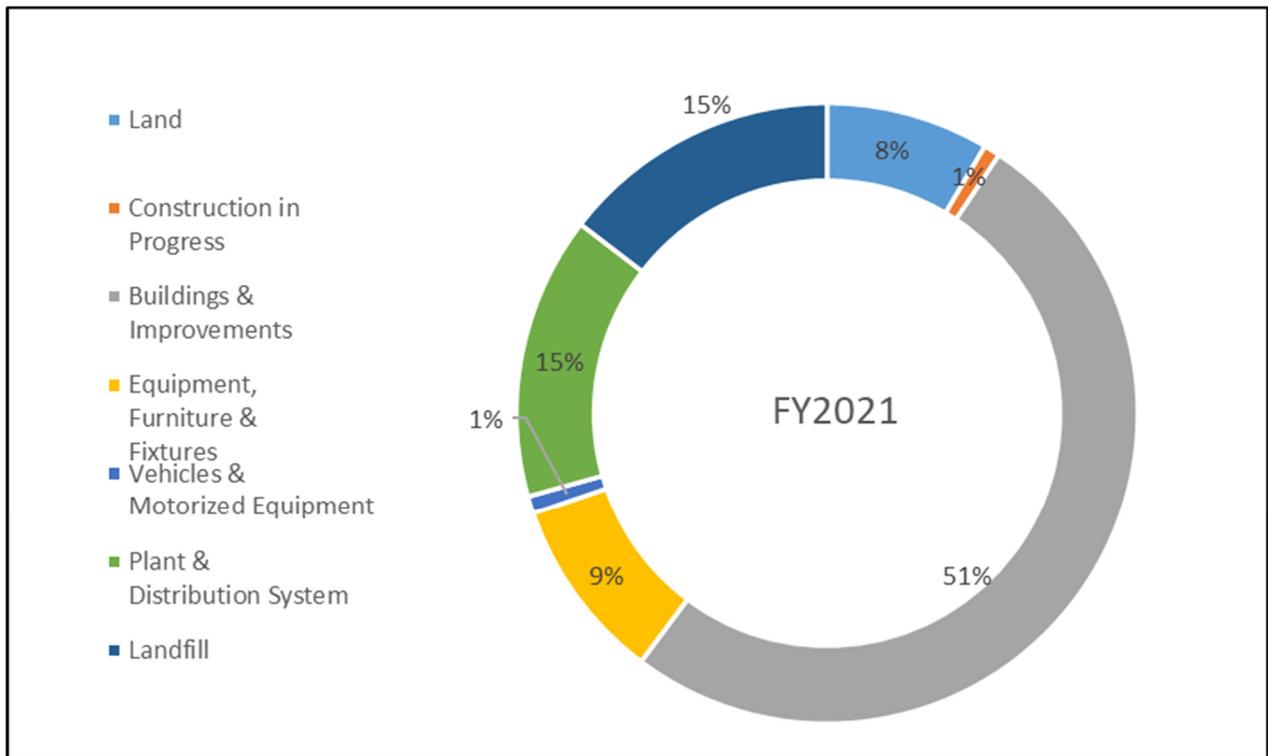
GOVERNMENTAL ACTIVITIES- CAPITAL ASSETS

Figure 6



BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS

Figure 7



Management's Discussion and Analysis

OUTSTANDING DEBT

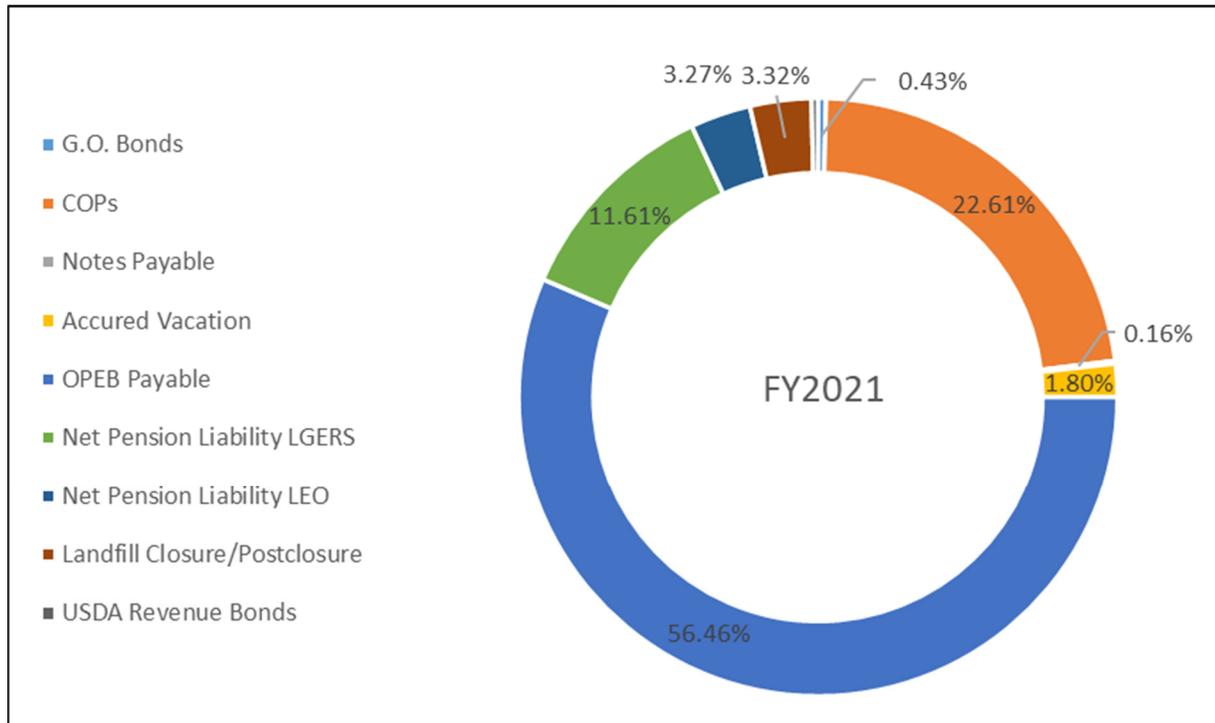
Table 4

DESCRIPTION	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
General obligation bonds (net)	\$ 3,056,994	\$ 713,102	\$ 1,009,000	\$ 985,000	\$ 4,065,994	\$ 1,698,102
USDA Revenue Bonds (direct)	-	-	1,379,000	1,354,000	1,379,000	1,354,000
Certificates of participation/LOBS (net)	36,709,633	56,289,169	-	-	\$ 36,709,633	56,289,169
Certificates of participation (direct)	18,740,300	15,316,350	21,072,200	16,929,400	39,812,500	32,245,750
Notes Payable (direct)	733,333	550,000	64,942	59,946	\$ 798,275	609,946
Compensated absences	6,956,803	6,859,778	164,132	184,395	7,120,935	7,044,173
OPEB liability	209,746,192	214,689,702	6,298,097	6,443,970	\$ 216,044,289	221,133,672
Net Pension Liability (LGERS)	35,428,826	44,484,540	782,654	999,098	36,211,480	45,483,638
Net Pension Liability (LEO)	8,973,433	12,787,270	-	-	\$ 8,973,433	12,787,270
Accrued landfill closure and postclosure costs	-	-	12,282,877	12,994,977	\$ 12,282,877	12,994,977
Total debt	\$ 320,345,514	\$ 351,689,911	\$ 43,052,902	\$ 39,950,786	\$ 363,398,416	\$ 391,640,697

Long-Term Obligations. As of June 30, 2021, Cumberland County had total bonded debt outstanding of \$1,698,102; of this amount \$713,002 is backed by the full faith and credit of the County and \$985,000 is USDA GO Bonds. The County's total debt, Table 4, increased by \$28,242,281. In February 2021, the County issued \$21,095,000 Limited Obligation Bonds Series 2021 to provide funds for a new Emergency Operations Center (EOC) and a Fire Training Facility. 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



Management's Discussion and Analysis

Impact of Coronavirus (COVID-19) on the County

During calendar year 2020, the World Health Organization announced a global health emergency from a new strain of coronavirus (COVID-19) that has resulted in a global pandemic outbreak. This pandemic has adversely affected global economic activity and greatly contributed to uncertainty and instability in financial markets. The Governor of North Carolina declared a state of emergency on March 10, 2020, and the Board of Commissioners declared a state of emergency in the County on March 16, 2020, each of which is still in effect.

In April 2020, Congress and the President approved the Coronavirus Aid, Relief and Economic Security (CARES) Act. The County received \$12.5 million from the CARES Act. These funds are to be used for necessary expenditures due to the public health emergency with respect to COVID-19; the County developed a funding plan to ensure the funds were spent appropriately and in alignment with goals set by the Board of County Commissioners.

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 on aid to state and local governments, hard-hit industries and communities, tax changes affecting individuals and businesses, and other provisions. The County's allocation is \$65 million. The Board of Commissioners established a three-member ARPA committee, who are taking the lead in developing a plan to identify allowable uses under federal and state law for those funds.

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 98.87% to 99.13%.
- ❖ Changes in taxable sales for the County over the past five years: fiscal year 2021 20.96%; fiscal year 2020, 0.27%, fiscal year 2019, 6.65% fiscal year 2018, 0.22%; and fiscal year 2017, 4.97%.
- ❖ 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 cents per \$100 valuation.
- ❖ The ultimate impact of the COVID-19 pandemic on the amount and timing of collections of County revenues and County expenditures is continuously being monitored. Conservative budget estimates were utilized throughout the budget to help in preparing for this unprecedented time.

These factors, as well as others, were considered when management prepared the County's budget ordinance for fiscal year 2022.

Management's Discussion and Analysis

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Budget planning and preparation has changed dramatically because of the COVID-19 pandemic. Our budget for fiscal year 2022 was developed with a very conservative approach.

The County approved a \$342,529,307 General Fund budget, including an appropriation of \$9,159,873 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 4.33% increase over the past fiscal year adopted budget.

- ❖ Ad Valorem Taxes for fiscal year 2022 were budgeted at \$168,721,614 an increase of \$2,812,939 or 1.70% over the fiscal year 2021.
- ❖ Motor vehicle tax collections are budgeted at \$22,292,691 under the Tax and Tag Together initiative.
- ❖ Sales Taxes are budgeted at \$53,023,227, an increase of \$11,480,516 or 27.64% from fiscal year 2021.
- ❖ Federal and State Intergovernmental revenue has been budgeted at \$65,576,949 an increase of 1.21% from adopted budget from fiscal year 2021.
- ❖ The budget for fiscal year 2022 includes a cost-of-living adjustment of 3% for all permanent full-time and part-time employees. The budget also includes an initiative that no county employee will make less than \$15 per hour. As a result, employees in grades 55-61 of the salary schedule will now have a minimum annual salary of \$31,200.
- ❖ Charges and Services are projected to experience an increase of \$339,63 or 2.02% from fiscal year 2021 adopted budget to \$13,407,090.
- ❖ Miscellaneous Revenue has been budgeted at \$5,202,384 which is a decrease of 43.52% from the original fiscal year 2020 budget. The primary reason for this decrease is related to the revenue from the CARES Act, awarded to the County and recognized during fiscal year 2021.

Budgeted expenditures in the General Fund, excluding the legally adopted County School Fund and Capital Investment Fund are \$342,529,307 which represents a 4.33% increase over the past fiscal year adopted budget.

- ❖ Personnel expenditures includes a total of 10 new positions, which represents an annual cost of \$548,254.
- ❖ Public Safety expenditures has been budgeted to increase by \$5,272,494 or 8.37%. This increase includes \$2.6 million in capital outlay equipment for the purchase of law enforcement body worn cameras; and funding for a position to provide critical service to the Detention Center population which is expected to improved inmate outcomes and a cost savings for the County.
- ❖ Economic & Physical Development are projected to increase by \$2,753,048. This increase is primarily related to economic incentives approved during fiscal year 2021, grants awards and salary adjustments.
- ❖ Education expenditures for the fiscal year have been budgeted at \$98,053,453.
- ❖ Human Services expenditures were budgeted at \$102,596,533 an increase of 2.45% from fiscal year 2021 primarily because of new positions and an increase in contracted services.
- ❖ Expenditures related to debt service, vehicle acquisition, technology items which include Countywide enhancement; information services initiative, servers, and future projects approved by the Board of Commissioners are now presented in the Capital Investment Fund (CIF).

Management's Discussion and Analysis

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 910-678-7753 or visit our website www.co.cumberland.nc.us.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



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Statement of Net Position
June 30, 2021

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Cash and cash equivalents	\$ 263,532,807	\$ 49,006,216	\$ 312,539,023
Taxes receivable, net	3,132,473	221,895	3,354,368
Accounts receivable, net	-	-	-
Sales tax receivable	19,798,858	-	19,798,858
Due from other governments	15,949,335	1,154,006	17,103,341
Other receivables, net	1,885,176	1,295,690	3,180,866
Internal balances	137,276	(137,276)	-
Due from component units	1,424,145	-	1,424,145
Inventories	353,759	-	353,759
Prepaid expenses	150,210	144,084	294,294
Restricted cash and cash equivalents	26,927,536	3,383,770	30,311,306
Net pension asset - ROD	717,239	-	717,239
Security deposits	-	-	-
Capital assets:			
Nondepreciable	22,202,625	7,580,998	29,783,623
Depreciable, net	170,554,556	73,631,230	244,185,786
Total capital assets	<u>192,757,181</u>	<u>81,212,228</u>	<u>273,969,409</u>
Total assets	<u>526,765,995</u>	<u>136,280,613</u>	<u>663,046,608</u>
Deferred outflows of resources			
Pension	28,705,029	572,479	29,277,508
OPEB	17,597,612	519,100	18,116,712
Debt	1,408,132	278,618	1,686,750
Total Deferred outflows of resources	<u>47,710,773</u>	<u>1,370,197</u>	<u>49,080,970</u>
Liabilities			
Accounts and vouchers payable	13,407,204	1,559,039	14,966,243
Due to other governments	37,862,288	-	37,862,288
Accrued payroll	5,017,707	99,608	5,117,315
Accrued interest payable	702,016	28,505	730,521
Other payables	44,853	-	44,853
Due to primary government	-	142,706	142,706
Unearned revenue	-	585,694	585,694
Long-term liabilities:			
Due in less than one year	16,589,860	4,348,198	20,938,058
Due in more than one year	63,138,539	28,159,520	91,298,059
Net pension liability - LGERS	44,484,540	999,098	45,483,638
Total pension liability - LEOSSA	12,787,270	-	12,787,270
OPEB liability	214,689,702	6,443,970	221,133,672
Total long-term liabilities	<u>351,689,911</u>	<u>39,950,786</u>	<u>391,640,697</u>
Total liabilities	<u>408,723,979</u>	<u>42,366,338</u>	<u>451,090,317</u>
Deferred inflows of resources			
Pension	1,275,855	18,087	1,293,942
OPEB	59,162,584	1,742,280	60,904,864
Taxes	745,697	-	745,697
Total Deferred inflows of resources	<u>61,184,136</u>	<u>1,760,367</u>	<u>62,944,503</u>
Net position			
Net investment in capital assets	145,716,170	61,883,882	207,600,052
Restricted for:			
Stabilization by State statute	40,604,950	-	40,604,950
Human services	180,335	-	180,335
Register of deeds	987,528	-	987,528
Inmates	920,943	-	920,943
Cemetery	57,254	-	57,254
School capital	5,982,196	-	5,982,196
Public health	6,052,823	-	6,052,823
Public safety	12,828,946	-	12,828,946
Economic and physical development	79,084	-	79,084
Cultural and recreation	7,419,161	-	7,419,161
Debt service	-	3,383,770	3,383,770
Capital	-	-	-
Facility investment fee	-	-	-
Claims	18,017,250	-	18,017,250
Unrestricted	<u>(134,277,987)</u>	<u>28,256,453</u>	<u>(106,021,534)</u>
Total net position	<u>\$ 104,568,653</u>	<u>\$ 93,524,105</u>	<u>\$ 198,092,758</u>

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

Statement of Net Position (continued)
June 30, 2021

	Component Units				
	Cumberland County ABC Board	Eastover Sanitary District	Tourism Development Authority	Fayetteville Area Convention and Visitors Bureau	Fayetteville Cumberland Economic Development Corporation
Assets					
Cash and cash equivalents	\$ 4,964,423	\$ 3,447,877	\$ 2,151,723	\$ 1,059,365	\$ 355,711
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	193,438	-	-	3
Sales tax receivable	-	-	-	-	-
Due from other governments	-	-	-	620,941	-
Other receivables, net	-	29	15	-	-
Internal balances	-	-	-	-	-
Due from component units	-	-	-	-	-
Inventories	3,793,732	-	-	15,477	-
Prepaid expenses	5,297	-	-	4,213	5,465
Restricted cash and cash equivalents	53,600	317,070	-	-	-
Net pension asset - ROD	-	-	-	-	-
Security deposits	17,279	-	-	-	-
Capital assets:					
Nondepreciable	2,207,306	1,238,179	-	-	-
Depreciable, net	3,094,313	17,070,154	-	170,201	2,844
Total capital assets	5,301,619	18,308,333	-	170,201	2,844
Total assets	14,135,950	22,266,747	2,151,738	1,870,197	364,023
Deferred outflows of resources					
Pension	844,278	-	-	-	-
OPEB	70,276	-	-	-	-
Debt	-	-	-	-	-
	914,554	-	-	-	-
Liabilities					
Accounts and vouchers payable	13,224	188,422	865,635	138,901	19,814
Due to other governments	-	-	-	-	-
Accrued payroll	-	5,457	-	-	15,922
Accrued interest payable	-	45,306	-	-	-
Other payables	1,398,863	18,322	-	36,064	-
Due to primary government	1,409,954	-	-	-	-
Unearned revenue	-	-	-	-	-
Long-term liabilities:					
Due in less than one year	-	1,725,707	-	-	-
Due in more than one year	-	9,798,384	-	-	-
Net pension liability - LGERS	1,300,370	-	-	-	-
Total pension liability - LEOSSA	280,879	-	-	-	-
OPEB liability	254,864	-	-	-	-
Total long-term liabilities	1,836,113	11,524,091	-	-	-
Total liabilities	4,658,154	11,781,598	865,635	174,965	35,736
Deferred inflows of resources					
Pension	22,092	-	-	-	-
OPEB	11,606	-	-	-	-
Taxes	-	-	-	-	-
	33,698	-	-	-	-
Net position					
Net investment in capital assets	5,301,619	6,799,547	-	170,201	2,844
Restricted for:					
Stabilization by State statute	-	-	-	-	-
Human services	-	-	-	-	-
Register of deeds	-	-	-	-	-
Inmates	-	-	-	-	-
Cemetery	-	-	-	-	-
School capital	-	-	-	-	-
Public health	-	-	-	-	-
Public safety	1,632,229	-	-	-	-
Economic and physical development	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Debt service	-	317,070	-	-	-
Capital	-	464,000	-	-	-
Facility investment fee	-	182,320	-	-	-
Claims	-	-	-	-	-
Unrestricted	3,424,804	2,722,212	1,286,103	1,525,031	325,443
Total net position	\$ 10,358,652	\$ 10,485,149	\$ 1,286,103	\$ 1,695,232	\$ 328,287

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

Statement of Activities
Year Ended June 30, 2021

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	\$ 37,908,007	\$ 6,876,279	\$ 63,914,742	\$ -	\$ 32,883,014	\$ -	\$ 32,883,014
Public safety	66,856,365	4,193,222	1,205,346	293,298	(61,164,499)	-	(61,164,499)
Economic and physical development	17,019,061	-	-	966,802	(16,052,259)	-	(16,052,259)
Human services	96,908,446	5,251,431	10,331,353	3,513,132	(77,812,530)	-	(77,812,530)
Cultural and recreational	13,998,599	14,674	25,638	-	(13,958,287)	-	(13,958,287)
Education	102,234,784	-	-	-	(102,234,784)	-	(102,234,784)
Interest on long-term debt	3,417,789	-	-	-	(3,417,789)	-	(3,417,789)
Total governmental activities	338,343,051	16,335,606	75,477,079	4,773,232	(241,757,134)	-	(241,757,134)
Business-type activities:							
Solid Waste	11,705,481	3,979,863	513,208	-	-	(7,212,410)	(7,212,410)
Crown Center	6,860,973	592,981	434,669	-	-	(5,833,323)	(5,833,323)
Kelly Hills Water and Sewer District	99,996	94,603	-	-	-	(5,393)	(5,393)
NORCRESS Water and Sewer District	655,658	367,566	-	-	-	(288,092)	(288,092)
Southpoint Water and Sewer District	21,713	44,528	-	-	-	22,815	22,815
Overhills Park Water and Sewer District	214,108	139,505	-	-	-	(74,603)	(74,603)
Bragg Estates Water and Sewer District	162,073	-	-	-	-	(162,073)	(162,073)
Total business-type activities	19,720,002	5,219,046	947,877	-	-	(13,553,079)	(13,553,079)
Total primary government	\$ 358,063,053	\$ 21,554,652	\$ 76,424,956	\$ 4,773,232	(241,757,134)	(13,553,079)	(255,310,213)
Component unit:							
ABC Board	\$ 39,882,269	\$ 41,044,358	\$ -	\$ -	-	-	-
Eastover Sanitary District	2,263,429	2,411,958	-	-	-	-	-
Tourism Development Authority	6,327,122	6,565,293	-	-	-	-	-
Fayetteville Area Convention and Visitors Bureau	2,744,547	2,950,663	-	-	-	-	-
Fayetteville Cumberland Economic Development Commission	1,119,333	-	-	884,000	-	-	-
Total component unit	\$ 52,336,700	\$ 52,972,272	\$ -	\$ 884,000	-	-	-
General revenues:							
Property taxes					211,660,075	-	211,660,075
Other taxes:							
Sales tax					69,329,841	-	69,329,841
Animal registration					39,052	-	39,052
Real estate transfer					2,215,078	-	2,215,078
Beer and wine					370,305	-	370,305
Solid waste					-	5,907,549	5,907,549
Food and beverage					10,017,479	-	10,017,479
Room and occupancy					-	1,606,165	1,606,165
Grants and contributions not restricted to specific programs					17,617,071	-	17,617,071
Unrestricted investment earnings					1,040,674	42,984	1,083,658
Gain (loss) on sale of capital assets					55,605	311,921	367,526
Miscellaneous					5,954,718	682,287	6,637,005
Transfers					(8,770,824)	8,670,824	(100,000)
Total general revenues and transfers					309,529,074	17,221,730	326,750,804
Change in net position					67,771,940	3,668,651	71,440,591
Net position - beginning					36,233,452	89,855,454	126,088,906
Restatement - change in accounting principle					563,261	-	563,261
Net position - beginning, as restated					36,796,713	89,855,454	126,652,167
Net position - ending					\$ 104,568,653	\$ 93,524,105	\$ 198,092,758

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

Statement of Activities (continued)
Year Ended June 30, 2021

<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 Commission
Governmental activities:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Education	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total governmental activities	-	-	-	-	-
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	-	-	-	-	-
Bragg Estates Water and Sewer District	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	-	-	-	-	-
Component unit:					
ABC Board	1,162,089	-	-	-	-
Eastover Sanitary District	-	148,529	-	-	-
Tourism Development Authority	-	-	238,171	-	-
Fayetteville Area Convention and Visitors Bureau	-	-	-	206,116	-
Fayetteville Cumberland Economic Development Commission	-	-	-	-	(235,333)
Total component unit	1,162,089	148,529	238,171	206,116	(235,333)
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	-	741	277	9,180	146
Gain (loss) on sale of capital assets	2,032	-	-	(5,015)	-
Miscellaneous	1,909	29	-	-	-
Transfers	-	-	-	-	-
Total general revenues and transfers	3,941	770	277	4,165	146
Change in net position	1,166,030	149,299	238,448	210,281	(235,187)
Net position - beginning	9,192,622	10,335,850	1,047,655	1,484,951	563,474
Restatement - change in accounting principle	-	-	-	-	-
Net position - beginning, as restated	9,192,622	10,335,850	1,047,655	1,484,951	563,474
Net position - ending	\$ 10,358,652	\$ 10,485,149	\$ 1,286,103	\$ 1,695,232	\$ 328,287

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

FUND FINANCIAL STATEMENTS

**Balance Sheet
Governmental Funds
June 30, 2021**

	General	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 209,118,537	\$ 32,585,084	\$ 21,829,186	\$ 263,532,807
Taxes receivable, net	2,666,132	-	466,341	3,132,473
Sales tax receivable	19,798,858	-	-	19,798,858
Due from other governments	11,717,904	-	4,231,431	15,949,335
Other receivables, net	1,351,132	255	319,336	1,670,723
Due from other funds	3,401,734	-	-	3,401,734
Due from component units	1,424,145	-	-	1,424,145
Inventories	200,505	-	-	200,505
Prepays	210	-	-	210
Restricted assets:				
Cash and cash equivalents	-	-	8,910,286	8,910,286
Total assets	\$ 249,679,157	\$ 32,585,339	\$ 35,756,580	\$ 318,021,076
Liabilities:				
Accounts and vouchers payable	\$ 5,717,669	\$ -	\$ 2,375,644	\$ 8,093,313
Due to other governments	361,045	32,584,345	4,916,898	37,862,288
Accrued payroll	4,917,160	-	66,864	4,984,024
Other payables	44,653	-	200	44,853
Due to other funds	-	-	3,216,919	3,216,919
Total liabilities	11,040,527	32,584,345	10,576,525	54,201,397
Deferred inflows of resources - taxes	3,715,939	-	482,097	4,198,036
Fund balances:				
Nonspendable:				
Inventories	200,505	-	-	200,505
Prepays	210	-	-	210
Restricted:				
Stabilization by State Statute	36,417,479	255	4,187,216	40,604,950
Register of Deeds	987,528	-	-	987,528
Public health	6,052,823	-	-	6,052,823
Inmates	-	-	920,943	920,943
Cemetery	-	-	57,254	57,254
County School	5,982,196	-	-	5,982,196
Fire protection	-	-	1,612,940	1,612,940
Public safety	-	-	11,216,006	11,216,006
Economic and physical development	-	-	79,084	79,084
Human services	-	-	180,335	180,335
Cultural and recreational	-	-	7,419,161	7,419,161
Committed:				
Tax revaluation	2,296,335	-	-	2,296,335
Capital investment fund	61,459,283	-	-	61,459,283
Assigned:				
Subsequent year's expenditures	9,159,873	-	-	9,159,873
Economic development incentives	2,000,000	-	-	2,000,000
Unassigned:	110,366,459	739	(974,981)	109,392,217
Total fund balances	234,922,691	994	24,697,958	259,621,643
Total liabilities, deferred inflows of resources and fund balances	\$ 249,679,157	\$ 32,585,339	\$ 35,756,580	\$ 318,021,076

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, 2021**

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

Ending fund balance - governmental funds		\$	259,621,643
Capital assets are not financial resources, and therefore, are not reported in the funds (see note 4).			192,757,181
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	\$	28,591,189	
Deferred outflows of resources related to OPEB		17,537,358	
Defeasance of long-term debt		<u>1,408,132</u>	
			47,536,679
Deferred inflows of resources for taxes			
Accrued Tax Penalties		<u>3,404,801</u>	
			3,404,801
Deferred inflows of resources related to pensions are not reported in the funds.			(1,224,482)
Deferred inflows of resources related to OPEB are not reported in the funds.			(59,036,890)
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.			12,160,042
Net pension asset-ROD			717,239
Net pension liability-LGERS			(44,315,909)
Total OPEB liability			(213,872,950)
Total pension liability-LEOSSA			(12,787,270)
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		(79,689,415)	
Accrued interest payable		<u>(702,016)</u>	
			<u>(80,391,431)</u>
Net position of governmental activities		\$	<u><u>104,568,653</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Ad valorem taxes	\$ 195,646,766	\$ -	\$ 16,054,732	\$ 211,701,498
Other taxes	71,954,276	-	10,017,479	81,971,755
Unrestricted intergovernmental revenue	17,617,071	-	-	17,617,071
Restricted intergovernmental revenue	58,189,148	-	22,322,646	80,511,794
Licenses and permits	3,293,488	-	93,415	3,386,903
Sales and services	11,325,071	-	1,362,149	12,687,220
Interest earned on investments	1,033,993	994	5,687	1,040,674
Miscellaneous	5,442,799	-	511,919	5,954,718
Total revenues	<u>364,502,612</u>	<u>994</u>	<u>50,368,027</u>	<u>414,871,633</u>
Expenditures				
Current:				
General government	36,046,493	-	2,766,126	38,812,619
Public safety	55,917,660	-	12,978,707	68,896,367
Economic and physical development	7,504,466	-	8,204,102	15,708,568
Human services	89,134,847	-	13,182,438	102,317,285
Cultural and recreation	9,798,936	-	4,558,630	14,357,566
Education	106,519,640	-	-	106,519,640
Debt service:				
Principal payments	10,144,283	-	-	10,144,283
Interest and fees	2,556,856	-	-	2,556,856
Total expenditures	<u>317,623,181</u>	<u>-</u>	<u>41,690,003</u>	<u>359,313,184</u>
Excess of revenues over expenditures	<u>46,879,431</u>	<u>994</u>	<u>8,678,024</u>	<u>55,558,449</u>
Other financing sources (uses)				
Sale of capital assets	566,009	-	6,576	572,585
Issuance of debt	10,000,000	-	14,507,300	24,507,300
Debt issuance costs	-	-	(326,597)	(326,597)
Transfers in	6,482,607	-	1,051,343	7,533,950
Transfers out	(1,159,641)	-	(15,145,133)	(16,304,774)
Total other financing sources (uses)	<u>15,888,975</u>	<u>-</u>	<u>93,489</u>	<u>15,982,464</u>
Net change in fund balances	62,768,406	994	8,771,513	71,540,913
Fund balance - beginning	172,154,285	-	15,363,184	187,517,469
Restatement - GASB 84	-	-	563,261	563,261
Fund balance - beginning, as restated	<u>172,154,285</u>	<u>-</u>	<u>15,926,445</u>	<u>188,080,730</u>
Fund balance - ending	<u>\$ 234,922,691</u>	<u>\$ 994</u>	<u>\$ 24,697,958</u>	<u>\$ 259,621,643</u>

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

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

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2021**

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

Net change in fund balances - total governmental funds		\$ 71,540,913
<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	\$ 7,940,564	
Depreciation	(9,731,294)	
Disposed capital assets, net of accumulated depreciation	<u>(516,980)</u>	(2,307,710)
<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 unavailable revenue for taxes	<u>(88,961)</u>	(88,961)
<p>Contributions to pension plans subsequent to the measurement date</p>		
LGERS		9,462,286
ROD		35,644
<p>Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities</p>		
		373,498
<p>OPEB related deferrals</p>		
		23,359,410
<p>Pension related deferrals</p>		
		(3,409,870)
<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	10,144,283	
Issuance of debt	(24,507,300)	
Charges related to advance refunding	(275,286)	
Accrued interest payable	<u>(259,050)</u>	(14,897,353)
<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	743,608	
OPEB plan expense	(4,923,997)	
Pension expense	<u>(12,665,824)</u>	(16,846,213)
<p>The net revenue of certain activities of the internal service fund is reported with governmental activities. (includes restatement)</p>		
		550,296
Change in net position of governmental activities		<u>\$ 67,771,940</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, 2021

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 188,498,187	\$ 188,498,187	\$ 195,646,766	\$ 7,148,579
Other taxes	43,951,711	44,614,011	58,147,620	13,533,609
Unrestricted intergovernmental revenue	12,624,989	12,652,470	16,064,378	3,411,908
Restricted intergovernmental revenue	55,353,275	65,785,558	54,839,851	(10,945,707)
Licenses and permits	2,099,500	2,204,693	3,293,488	1,088,795
Sales and services	11,142,956	11,142,956	11,325,071	182,115
Interest earned on investments	848,000	848,000	29,534	(818,466)
Miscellaneous	5,004,035	5,112,164	5,406,677	294,513
Total revenues	<u>319,522,653</u>	<u>330,858,039</u>	<u>344,753,385</u>	<u>13,895,346</u>
Expenditures:				
Current:				
General government	35,523,121	41,755,252	34,639,505	7,115,747
Public safety	63,027,938	65,303,684	55,917,660	9,386,024
Economic and physical development	5,886,937	8,961,582	5,353,755	3,607,827
Human services	99,182,756	106,700,620	89,134,847	17,565,773
Cultural and recreational	10,296,777	10,765,753	9,798,936	966,817
Education	94,411,029	95,073,329	94,876,432	196,897
Total expenditures	<u>308,328,558</u>	<u>328,560,220</u>	<u>289,721,135</u>	<u>38,839,085</u>
Revenues over (under) expenditures	<u>11,194,095</u>	<u>2,297,819</u>	<u>55,032,250</u>	<u>52,734,431</u>
Other financing sources (uses):				
Sale of capital assets	-	7,500	424,465	416,965
Transfers in	111,778	161,778	111,778	(50,000)
Transfers out	(19,969,574)	(21,141,352)	(20,391,447)	749,905
Fund balance appropriated	8,663,701	18,674,255	-	(18,674,255)
Total other financing sources (uses)	<u>(11,194,095)</u>	<u>(2,297,819)</u>	<u>(19,855,204)</u>	<u>(17,557,385)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>35,177,046</u>	<u>\$ 35,177,046</u>
Fund balance - beginning			<u>127,030,969</u>	
Fund balance - ending			<u>\$ 162,208,015</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, 2021

	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	\$ 10,607,770	\$ 12,900,000	\$ 13,806,656	\$ 906,656
Unrestricted intergovernmental revenue	1,250,000	930,000	1,552,693	622,693
Restricted intergovernmental revenue	3,349,297	3,349,297	3,349,297	-
Interest earned on investments	-	-	1,941	1,941
Miscellaneous	75,000	75,000	-	(75,000)
Education	(10,226,970)	(21,199,200)	(11,521,907)	9,677,293
Transfers out	(5,055,097)	(5,055,097)	(4,954,618)	100,479
Sales of capital assets	-	-	45,370	45,370
Fund balance appropriated	-	9,000,000	-	(9,000,000)
	-	-	2,279,432	2,279,432
Fund balance - beginning	-	-	9,050,027	-
Fund balance - ending	\$ -	\$ -	11,329,459	\$ 2,279,432

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

Interest income	\$ 997,865	\$ 997,865	\$ 1,002,518	4,653
Insurance proceeds	-	109,165	36,122	(73,043)
General government	(3,262,025)	(4,500,293)	(1,406,988)	3,093,305
Economic and physical development	(7,798,151)	(16,277,621)	(2,150,711)	14,126,910
Education - community college capital outlay	(945,000)	(11,267,048)	(121,301)	11,145,747
Debt service - principal	(10,144,285)	(10,144,285)	(10,144,283)	2
Debt service - interest	(2,556,857)	(2,556,857)	(2,556,856)	1
Issuance of debt	-	10,000,000	10,000,000	-
Transfers in	23,731,453	30,088,721	30,580,253	491,532
Transfers out	(23,000)	(73,000)	(23,000)	50,000
Sales of capital assets	-	-	96,174	96,174
Fund balance appropriated	-	3,623,353	-	(3,623,353)
	-	-	25,311,928	25,311,928
Fund balance - beginning	-	-	36,073,289	-
	\$ -	\$ -	61,385,217	\$ 25,311,928
Fund balance - ending			<u>\$ 234,922,691</u>	

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

**Statement of Net Position
Proprietary Funds
June 30, 2021**

	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		
Assets									
Current assets									
Cash and cash equivalents	\$ 41,096,426	\$ 7,408,967	\$ 312,931	\$ -	\$ 187,892	\$ -	\$ -	\$ 49,006,216	\$ -
Taxes receivable, net	221,895	-	-	-	-	-	-	221,895	-
Due from other governments	638,946	515,060	-	-	-	-	-	1,154,006	-
Other receivables, net	539,337	633,388	28,467	53,104	10,755	30,639	-	1,295,690	214,453
Due from other funds	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	153,254
Prepays	-	144,084	-	-	-	-	-	144,084	150,000
Total current assets	42,496,604	8,701,499	341,398	53,104	198,647	30,639	-	51,821,891	517,707
Noncurrent assets									
Restricted:									
Cash and cash equivalents	-	3,242,346	-	-	-	141,424	-	3,383,770	18,017,250
Capital assets, net of accumulated depreciation	26,690,995	42,505,997	1,660,714	5,678,528	377,386	4,286,568	12,040	81,212,228	-
Total noncurrent assets	26,690,995	45,748,343	1,660,714	5,678,528	377,386	4,427,992	12,040	84,595,998	18,017,250
Total assets	69,187,599	54,449,842	2,002,112	5,731,632	576,033	4,458,631	12,040	136,417,889	18,534,957
Deferred outflows of resources									
Pension	572,479	-	-	-	-	-	-	572,479	113,840
OPEB	519,100	-	-	-	-	-	-	519,100	60,254
Debt	-	278,618	-	-	-	-	-	278,618	-
	1,091,579	278,618	-	-	-	-	-	1,370,197	174,094
Liabilities									
Current liabilities									
Accounts and vouchers payable	995,043	530,607	2,217	26,483	695	3,994	-	1,559,039	218,797
Accrued payroll	99,608	-	-	-	-	-	-	99,608	33,683
Accrued interest payable	-	22,782	-	3,386	-	2,337	-	28,505	-
Other payables	31,612	96,443	1,949	-	5,802	6,900	-	142,706	260,295
Incurred but not reported	-	-	-	-	-	-	-	-	4,834,800
Unearned revenue	-	585,694	-	-	-	-	-	585,694	-
Current portion of long-term debt and compensated absences	175,175	4,118,027	-	25,000	4,996	25,000	-	4,348,198	37,035
Due to other funds	-	5,500	-	7,663	-	-	124,113	137,276	-
Total current liabilities	1,301,438	5,359,053	4,166	62,532	11,493	38,231	124,113	6,901,026	5,384,610

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

**Statement of Net Position
Proprietary Funds
June 30, 2021**

	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		
Noncurrent liabilities									
Post closing liability	12,994,977	-	-	-	-	-	-	12,994,977	-
Net pension liability	999,098	-	-	-	-	-	-	999,098	168,631
Long-term debt	-	12,811,373	-	960,000	54,950	1,329,000	-	15,155,323	-
Compensated absences	9,220	-	-	-	-	-	-	9,220	1,949
OPEB liability	6,443,970	-	-	-	-	-	-	6,443,970	816,752
Total noncurrent liabilities	20,447,265	12,811,373	-	960,000	54,950	1,329,000	-	35,602,588	987,332
Total liabilities	21,748,703	18,170,426	4,166	1,022,532	66,443	1,367,231	124,113	42,503,614	6,371,942
Deferred inflows of resources									
Pension	18,087	-	-	-	-	-	-	18,087	51,373
OPEB	1,742,280	-	-	-	-	-	-	1,742,280	125,694
	1,760,367	-	-	-	-	-	-	1,760,367	177,067
Net position									
Net investment in capital assets	26,690,995	25,576,597	1,660,714	4,693,528	317,440	2,932,568	12,040	61,883,882	-
Restricted net position - debt service	-	3,242,346	-	-	-	141,424	-	3,383,770	-
Restricted net position - capital	-	-	-	-	-	-	-	-	-
Restricted net position - claims	-	-	-	-	-	-	-	-	18,017,250
Unrestricted	20,079,113	7,739,091	337,232	15,572	192,150	17,408	(124,113)	28,256,453	(5,857,208)
Total net position	\$ 46,770,108	\$ 36,558,034	\$ 1,997,946	\$ 4,709,100	\$ 509,590	\$ 3,091,400	\$ (112,073)	\$ 93,524,105	\$ 12,160,042

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, 2021

	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		
Operating revenues									
Charges for services	\$ 3,979,863	\$ 592,981	\$ 94,603	\$ 367,566	\$ 44,528	\$ 139,505	\$ -	\$ 5,219,046	\$ -
Contributions	-	-	-	-	-	-	-	-	3,526,902
Other operating revenue	200,029	-	-	-	-	-	-	200,029	-
Contributions - Group health insurance	-	-	-	-	-	-	-	-	23,328,372
Solid waste fees	5,907,549	-	-	-	-	-	-	5,907,549	-
Pharmacy services	-	-	-	-	-	-	-	-	2,630,112
Total operating revenues	10,087,441	592,981	94,603	367,566	44,528	139,505	-	11,326,624	29,485,386
Operating expenses									
Salaries and employee benefits	3,111,925	-	-	-	-	-	-	3,111,925	595,110
Repairs and maintenance	1,212,400	707,121	29,779	122,527	1,488	-	-	2,073,315	-
Utilities	219,614	-	-	230,809	-	69,169	-	519,592	-
Administrative costs	4,688,213	-	3,788	31,249	5,184	5,530	162,073	4,896,037	1,115,970
Workers' compensation claims	-	-	-	-	-	-	-	-	1,066,603
Global Spectrum, LP	-	3,643,575	-	-	-	-	-	3,643,575	-
Miscellaneous	-	-	-	-	3,247	-	-	3,247	-
Depreciation	1,761,228	2,131,456	66,429	229,534	11,794	110,900	-	4,311,341	-
Landfill closure and postclosure care costs	712,100	-	-	-	-	-	-	712,100	-
Group health insurance	-	-	-	-	-	-	-	-	22,639,702
Employee pharmacy	-	-	-	-	-	-	-	-	3,175,260
Employee clinic	-	-	-	-	-	-	-	-	351,576
Employee wellness program	-	-	-	-	-	-	-	-	88,259
Total operating expenses	11,705,480	6,482,152	99,996	614,119	21,713	185,599	162,073	19,271,132	29,032,480
Operating income (loss)	(1,618,039)	(5,889,171)	(5,393)	(246,553)	22,815	(46,094)	(162,073)	(7,944,508)	452,906
Nonoperating revenue (expense)									
Interest earned on investments	40,951	1,861	53	12	36	71	-	42,984	4,192
Motel occupancy tax	-	1,606,165	-	-	-	-	-	1,606,165	-
Gain (loss) on disposal of capital assets	311,921	-	-	-	-	-	-	311,921	-
Insurance proceeds	-	15,268	-	-	-	-	-	15,268	-
Miscellaneous	8,583	-	-	-	-	-	-	8,583	(6,802)
Grant revenue	513,208	434,669	-	-	-	-	-	947,877	-
Interest expense	-	(378,821)	-	(41,539)	-	(28,509)	-	(448,869)	-
Debt issuance costs	-	-	-	-	-	-	-	-	-
Closed Projects	458,407	-	-	-	-	-	-	458,407	-
Total nonoperating revenue (expense)	1,333,070	1,679,142	53	(41,527)	36	(28,438)	-	2,942,336	(2,610)
Income (loss) before transfers and contributions	(284,969)	(4,210,029)	(5,340)	(288,080)	22,851	(74,532)	(162,073)	(5,002,172)	450,296
Transfers in	-	8,806,549	-	-	-	-	-	8,806,549	100,000
Transfers out	-	(135,726)	-	-	-	-	-	(135,726)	-
Change in net position	(284,969)	4,460,794	(5,340)	(288,080)	22,851	(74,532)	(162,073)	3,668,651	550,296
Total net position - beginning	47,055,077	32,097,240	2,003,286	4,997,180	486,739	3,165,932	50,000	89,855,454	11,609,746
Total net position - ending	\$ 46,770,108	\$ 36,558,034	\$ 1,997,946	\$ 4,709,100	\$ 509,590	\$ 3,091,400	\$ (112,073)	\$ 93,524,105	\$ 12,160,042

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

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

	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		
Operating activities									
Cash received from customers	\$ 9,897,999	\$ 420,417	\$ 94,603	\$ 367,566	\$ 44,528	\$ 139,610	\$ -	\$ 10,964,723	\$ -
Other operating revenue	249,477	-	-	-	-	-	-	249,477	-
Cash received from contributions	458,407	-	-	-	-	-	-	458,407	26,856,572
Cash paid to employees	(3,509,047)	-	-	-	-	-	-	(3,509,047)	(399,777)
Cash paid for goods and services	(7,203,411)	(4,908,389)	(39,849)	(438,120)	(10,107)	(81,995)	(162,073)	(12,843,944)	(1,105,463)
Cash received for goods and services	-	-	-	-	-	-	16,188	16,188	2,512,316
Cash paid for claims	-	-	-	-	-	-	-	-	(27,494,672)
Net cash from operating activities	(106,575)	(4,487,972)	54,754	(70,554)	34,421	57,615	(145,885)	(4,664,196)	368,976
Noncapital financing activities									
Transfers in	-	8,806,549	-	-	-	-	-	8,806,549	100,000
Transfers out	-	(135,726)	-	-	-	-	-	(135,726)	-
Operating grants	513,208	434,669	-	-	-	-	-	947,877	-
Net cash from noncapital financing activities	513,208	9,105,492	-	-	-	-	-	9,618,700	100,000
Capital and related financing activities									
Acquisition and construction of capital assets	(3,622,772)	(1,213,887)	-	(104,500)	-	-	-	(4,941,159)	-
Other capital transactions	-	-	-	-	-	-	145,885	145,885	-
Proceeds from sales of capital assets	2,104,593	15,268	-	-	-	-	-	2,119,861	-
Proceeds from issuance of long-term debt	-	-	-	-	-	-	-	-	-
Principal paid on long-term debt	-	(4,142,800)	-	(24,000)	(4,996)	(25,000)	-	(4,196,796)	-
Interest paid on bonds	-	(384,336)	-	(41,621)	-	(28,551)	-	(454,508)	-
Motel occupancy tax	-	1,606,165	-	-	-	-	-	1,606,165	-
Net cash from capital and related financing activities	(1,518,179)	(4,119,590)	-	(170,121)	(4,996)	(53,551)	145,885	(5,720,552)	-
Investing activities									
Investment earnings	40,951	1,861	53	12	36	71	-	42,984	4,481
Net cash from investing activities	40,951	1,861	53	12	36	71	-	42,984	4,481
Net increase (decrease) in cash and cash equivalents	(1,070,595)	499,791	54,807	(240,663)	29,461	4,135	-	(723,064)	473,457
Cash and cash equivalents									
Beginning of year	42,167,021	10,151,522	258,124	240,663	158,431	137,289	-	53,113,050	17,543,793
End of year	\$ 41,096,426	\$ 10,651,313	\$ 312,931	\$ -	\$ 187,892	\$ 141,424	\$ -	\$ 52,389,986	\$ 18,017,250

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

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

	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		
Reconciliation of operating income (loss) to net cash from operating activities									
Operating income (loss)	\$ (1,618,039)	\$ (5,889,171)	\$ (5,393)	\$ (246,553)	\$ 22,815	\$ (46,094)	\$ (162,073)	\$ (7,944,508)	\$ 452,906
Adjustments to reconcile operating income (loss) to net cash from operating activities:									
Depreciation	1,761,228	2,131,456	66,429	229,534	11,794	110,900	-	4,311,341	-
Landfill closure and post closure care costs	712,100	-	-	-	-	-	-	712,100	-
Closed Capital Projects	458,407	-	-	-	-	-	-	458,407	-
Changes in operating assets and liabilities									
Accounts receivable	10,587	-	-	-	-	-	-	10,587	-
Other receivables	40,865	(749,265)	(3,598)	28,318	896	(8,661)	-	(691,445)	15,318
Inventories	-	-	-	-	-	-	-	-	1,322
Prepays	-	(58,804)	-	-	-	-	-	(58,804)	(48,158)
Due to other funds	-	-	-	-	-	-	43,266	43,266	-
Accounts payable and accrued liabilities	(1,066,881)	(159,925)	(2,684)	(89,516)	(1,084)	1,470	(27,078)	(1,345,698)	(3,374)
Accrued landfill	-	(45,284)	-	-	-	-	-	(45,284)	-
Compensated absences payable	20,263	-	-	-	-	-	-	20,263	986
Net pension liability	216,444	-	-	-	-	-	-	216,444	44,693
Deferred outflows -pensions	(98,151)	-	-	-	-	-	-	(98,151)	22,227
Deferred inflows - pensions	2,750	-	-	-	-	-	-	2,750	567
Deferred outflows - debt	-	77,866	-	-	-	-	-	77,866	-
OPEB liability	145,873	-	-	-	-	-	-	145,873	19,513
Deferred outflows -OPEB	114,614	-	-	-	-	-	-	114,614	(29,123)
Deferred inflows - OPEB	(806,635)	-	-	-	-	-	-	(806,635)	(107,901)
Unearned revenue	-	205,155	-	-	-	-	-	205,155	-
Total adjustments	1,511,464	1,401,199	60,147	175,999	11,606	103,709	16,188	3,280,312	(83,930)
Net cash from operating activities	\$ (106,575)	\$ (4,487,972)	\$ 54,754	\$ (70,554)	\$ 34,421	\$ 57,615	\$ (145,885)	\$ (4,664,196)	\$ 368,976
Noncash investing, capital, and financing activities:									
Capital outlay adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents									
Unrestricted	\$ 41,096,426	\$ 7,408,967	\$ 312,931	\$ -	\$ 187,892	\$ -	\$ -	\$ 49,006,216	\$ -
Restricted	-	3,242,346	-	-	-	141,424	-	3,383,770	18,017,250
Total	\$ 41,096,426	\$ 10,651,313	\$ 312,931	\$ -	\$ 187,892	\$ 141,424	\$ -	\$ 52,389,986	\$ 18,017,250

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	OPEB Irrevocable Trust Fund	Custodial Funds
Assets		
Taxes receivable	\$ -	\$ 3,505,577
Due from other governments	-	966,769
Restricted cash and cash equivalents	2,008,252	419,252
Total assets	\$ 2,008,252	\$ 4,891,598
Liabilities		
Accounts and vouchers payable	\$ -	\$ 1,110,391
Due to other governments	-	44,417
Reserve for taxes receivable	-	3,506,007
Deferred revenue	354	-
Total liabilities	\$ 354	\$ 4,660,815
Net Position		
Restricted for:		
Postemployment benefits other than pensions	\$ 2,007,898	\$ -
Individuals, organization, and other governments	-	144,281
Unassigned	-	86,502
Total liabilities	\$ 2,007,898	\$ 230,783

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	OPEB Irrevocable Trust Fund	Custodial Funds
Additions		
Employer Contributions	\$ 1,000,000	\$ -
Investment Income	7,047	-
Ad valorem taxes for other governments	-	113,085,369
Collections on behalf of inmates and other governments	-	1,210,865
Total additions	\$ 1,007,047	\$ 114,296,234
Deductions		
Tax distributions to other governments	\$ -	\$ 113,085,505
Payments on behalf of inmates	-	1,184,526
Total deductions	\$ -	\$ 114,270,031
Net Increase in fiduciary net position	\$ 1,007,047	\$ 26,203
Total net position - beginning	1,000,851	204,580
Total net position - ending	\$ 2,007,898	\$ 230,783

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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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 that data will be presented in one or more separate columns to the right of the primary government data columns. Blending means that 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 & 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.

Notes to the 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. 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.

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Notes to the Financial Statements

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.
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

Notes to the Financial Statements

B - BASIS OF PRESENTATION - BASIS OF ACCOUNTING

Basis of Presentation

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

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

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

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

Notes to the Financial Statements

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; the CDBG Disaster Recovery Fund; CARES Relief Fund; Fines and Forfeitures Fund; Deeds of Trust Fund; Emergency Rental Assistance Fund; and the DSS Representative Payee 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 Governmental Capital Improvement Fund, and the Emergency Operations Center Fund.

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

The County reports the following major enterprise funds:

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

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

The County reports the following non-major enterprise funds:

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.

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

Notes to the Financial Statements

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.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on

Notes to the Financial Statements

capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under 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. Since September 1, 2013, the State of North Carolina has been 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. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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.

C - BUDGETARY DATA

The County's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, the special revenue, the permanent, the enterprise funds, and the internal services funds. The budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Multi-year capital project funds are approved via a balanced project ordinance for the life of the project.

Notes to the Financial Statements

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.

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).

Notes to the Financial Statements

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 two SEC-registered funds, 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 S&P 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 post-employment 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.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are 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, 2021 of 1.3 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.

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.

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

Notes to the Financial Statements

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, 2020.

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. 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.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. 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 that 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

Notes to the Financial Statements

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

8. 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 position 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 position 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, and other OPEB or pension related deferrals.

9. Long-term Obligations

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

Notes to the Financial Statements

10. 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.

11. 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.

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.

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 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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 that 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's in the best interest of the County.

The County will maintain a General Fund unassigned fund balance of no less than 10% 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 following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation. This presentation includes the legally adopted County School and Capital Investment Funds that have been incorporated into the General Fund for reporting purposes:

Notes to the Financial Statements

Total fund balance - General Fund	\$ 234,922,691
Less:	
Inventories	200,505
Prepays	210
Restricted	13,022,547
Stabilization by State Statute	36,417,479
Committed	63,755,618
Assigned	2,000,000
Fund balance appropriated in FY2021 budget	9,159,873
≥10% fund balance policy	<u>110,366,459</u>
Remaining fund balance	<u>\$ -</u>

The County required all open purchase orders as of June 30, 2021 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 2022 budget. Therefore, the balance of encumbrances as of June 30, 2021 is zero for all funds.

12. 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.

13. 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.

Notes to the Financial Statements

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.

At June 30, 2021 the County's deposits had a carrying amount of \$242,032,392 and a bank balance of \$244,025,477. Included in the County's deposits is cash of \$3,735,424 for the District, \$2,151,723 for the TDA and \$355,711 for FCEDC. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$242,775,477 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, 2021, the ABC Board's deposits had a carrying amount of \$4,984,623 and a bank balance of \$7,436,994. Of the bank balance, \$250,000 was covered by federal depository insurance and \$7,186,994 was covered by collateral under the Pooling Method. The ABC Board cash on hand total \$33,400.

At June 30, 2021, the Bureau's deposits had a carrying amount of \$516,145. As of June 30, 2021, the Bureau had \$237,536, which exceed the federal depository insurance amount.

Notes to the Financial Statements

B - INVESTMENTS – COUNTY

As of June 30, 2021, 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
US Government Agencies/Securities	Fair Value - Level 1	\$ 7,499,179	\$ 7,499,179	\$ -	\$ -
NC Capital Management Trust - Governmental Portfolio	Fair Value - Level 1	99,999,615	N/A	N/A	N/A
Total		\$ 107,498,794	\$ 7,499,179	\$ -	\$ -

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, 2021, 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, 2021. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poors and Aaa by Moody's Investor Service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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

Notes to the Financial Statements

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 post-employment 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, 2021, the Cumberland County OPEB Trust Fund had \$2,008,252 invested in the Ancillary Governmental Participants Investment Program (“AGPIP”), established by the Treasurer of the State of North Carolina. The AGPIP 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 1.3 years at June 30, 2021.

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. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

C - RECONCILIATION TO CASH AND CASH EQUIVALENTS

	Eastover Sanitary					
	County	ABC Board	District	TDA	Bureau	FCEDC
Cash and cash equivalents - Unrestricted	\$ 312,539,023	\$ 4,964,423	\$ 3,447,877	\$ 2,151,723	\$ 1,059,365	\$ 355,711
Cash and cash equivalents - Restricted	30,311,306	53,600	317,070	-	-	-
Cash and cash equivalent - Restricted Fiduciary funds	2,427,504	-	-	-	-	-
Total cash and cash equivalents	\$ 345,277,833	\$ 5,018,023	\$ 3,764,947	\$ 2,151,723	\$ 1,059,365	\$ 355,711

D - INVESTMENTS – EASTOVER SANITARY DISTRICT

At June 30, 2021, Eastover Sanitary District, a discretely presented component unit, had investments of \$29,523 held at North Carolina Capital Management Trust.

Notes to the Financial Statements

NOTE 3 - RECEIVABLES - ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts at the government-wide level at June 30, 2021 are as follows:

	Governmental Activities	Business Type Activities
Taxes receivable	\$ 3,761,740	\$ 827
Other receivables	17,373	-
	<u>\$ 3,779,113</u>	<u>\$ 827</u>

The allowance for doubtful accounts for Eastover Sanitary District at June 30, 2021 is \$197,362.

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, 2021 was as follows:

	Beginning Balances	Increases & Adjustments	Decreases & Adjustments	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,550,579	\$ -	\$ 87,460	\$ 17,463,119
Construction in progress	5,712,104	3,502,376	4,474,974	4,739,506
Total capital assets not being depreciated	<u>23,262,683</u>	<u>3,502,376</u>	<u>4,562,434</u>	<u>22,202,625</u>
Capital assets being depreciated:				
Buildings and improvements	284,839,214	5,636,066	-	290,475,280
Equipment, furniture and fixtures	26,712,399	2,477,645	333,394	28,856,650
Vehicles	13,856,250	425,536	838,329	13,443,457
Total capital assets being depreciated	<u>325,407,863</u>	<u>8,539,247</u>	<u>1,171,723</u>	<u>332,775,387</u>
Less accumulated depreciation for:				
Buildings and improvements	122,910,635	7,102,033	-	130,012,668
Equipment, furniture and fixtures	19,886,434	1,530,898	321,027	21,096,305
Vehicles	10,808,586	1,098,363	795,091	11,111,858
Total accumulated depreciation	<u>153,605,655</u>	<u>\$ 9,731,294</u>	<u>\$ 1,116,118</u>	<u>162,220,831</u>
Total capital assets being depreciated, net	<u>171,802,208</u>			<u>170,554,556</u>
Governmental activity capital assets, net	<u>\$ 195,064,891</u>			<u>\$ 192,757,181</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	\$ 3,252,571
Public safety	3,217,374
Human services	2,054,730
Economic and physical development	176,623
Cultural and recreational	1,029,996
Total depreciation expense	<u>\$ 9,731,294</u>

Notes to the Financial Statements

Capital asset activity for the business-type activities for the year ended June 30, 2021 was as follows:

Business-type activities:	Beginning Balances	Increases	Decreases & Transfers	Ending Balances
<i>Cumberland County Solid Waste</i>				
Capital assets not being depreciated:				
Land	\$ 3,360,411	\$ -	\$ -	\$ 3,360,411
Construction in progress	8,126,120	644,999	8,088,019	683,100
Total capital assets not being depreciated	<u>11,486,531</u>	<u>644,999</u>	<u>8,088,019</u>	<u>4,043,511</u>
Capital assets being depreciated:				
Landfill	15,389,276	8,088,019	-	23,477,295
Buildings and building improvements	8,625,120	-	-	8,625,120
Furniture, fixtures and equipment	16,515,779	2,778,275	3,368,510	15,925,544
Vehicles	3,866,813	199,498	180,118	3,886,193
Total capital assets being depreciated	<u>44,396,988</u>	<u>11,065,792</u>	<u>3,548,628</u>	<u>51,914,152</u>
Less accumulated depreciation for:				
Landfill	11,340,768	303,624	-	11,644,392
Building and building improvements	5,363,233	87,911	-	5,451,144
Furniture, fixtures and equipment	9,606,983	1,090,879	1,665,897	9,031,965
Vehicles	2,950,412	278,813	90,058	3,139,167
Total accumulated depreciation	<u>29,261,396</u>	<u>\$ 1,761,227</u>	<u>\$ 1,755,955</u>	<u>29,266,668</u>
Total capital assets being depreciated, net	<u>15,135,592</u>			<u>22,647,484</u>
Cumberland County Solid Waste capital assets, net	<u>\$ 26,622,123</u>			<u>\$ 26,690,995</u>
<i>Cumberland County Crown Center</i>				
Capital assets not being depreciated:				
Land	\$ 3,503,162	\$ -	\$ -	\$ 3,503,162
Construction in progress	-	5,362	-	5,362
Total capital assets not being depreciated	<u>3,503,162</u>	<u>5,362</u>	<u>-</u>	<u>3,508,524</u>
Capital assets being depreciated:				
Buildings and building improvements	82,426,777	681,718	-	83,108,495
Furniture, fixtures and equipment	4,233,335	526,807	-	4,760,142
Vehicles	26,619	-	-	26,619
Total capital assets being depreciated	<u>86,686,731</u>	<u>1,208,525</u>	<u>-</u>	<u>87,895,256</u>
Less accumulated depreciation for:				
Building and building improvements	42,895,501	2,068,114	-	44,963,615
Furniture, fixtures and equipment	3,844,207	63,342	-	3,907,549
Vehicles	26,619	-	-	26,619
Total accumulated depreciation	<u>46,766,327</u>	<u>\$ 2,131,456</u>	<u>\$ -</u>	<u>48,897,783</u>
Total capital assets being depreciated, net	<u>39,920,404</u>			<u>38,997,473</u>
Cumberland County Crown Center capital assets, net	<u>\$ 43,423,566</u>			<u>\$ 42,505,997</u>
<i>Kelly Hills Water and Sewer District</i>				
Capital assets being depreciated:				
Plant and distribution system	\$ 2,676,498	\$ -	\$ -	\$ 2,676,498
Total capital assets being depreciated	<u>2,676,498</u>	<u>-</u>	<u>-</u>	<u>2,676,498</u>
Less accumulated depreciation for:				
Plant and distribution system	949,355	66,429	-	1,015,784
Total accumulated depreciation	<u>949,355</u>	<u>\$ 66,429</u>	<u>\$ -</u>	<u>1,015,784</u>
Total capital assets being depreciated, net	<u>1,727,143</u>			<u>1,660,714</u>
Kelly Hills Water and Sewer District capital assets, net	<u>\$ 1,727,143</u>			<u>\$ 1,660,714</u>

Notes to the Financial Statements

Business-type activities: (continued)	Beginning Balances	Increases	Decreases & Transfers	Ending Balances
Norcross Water and Sewer District				
Capital assets being depreciated:				
Plant and distribution system	\$ 9,523,623	\$ 104,500	\$ -	\$ 9,628,123
Total capital assets being depreciated	<u>9,523,623</u>	<u>104,500</u>	<u>-</u>	<u>9,628,123</u>
Less accumulated depreciation for:				
Plant and distribution system	3,720,061	229,534	-	3,949,595
Total accumulated depreciation	<u>3,720,061</u>	<u>\$ 229,534</u>	<u>\$ -</u>	<u>3,949,595</u>
Total capital assets being depreciated, net	5,803,562			5,678,528
Norcross Water and Sewer District capital assets, net	<u>\$ 5,803,562</u>			<u>\$ 5,678,528</u>
Southpoint Water and Sewer District				
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	82,553	11,794	-	94,347
Total accumulated depreciation	<u>82,553</u>	<u>\$ 11,794</u>	<u>\$ -</u>	<u>94,347</u>
Total capital assets being depreciated, net	389,180			377,386
Southpoint Water and Sewer District capital assets, net	<u>\$ 389,180</u>			<u>\$ 377,386</u>
Overhills Park Water and Sewer District				
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	55,450	110,900	-	166,350
Total accumulated depreciation	<u>55,450</u>	<u>\$ 110,900</u>	<u>\$ -</u>	<u>166,350</u>
Total capital assets not being depreciated, net	4,380,545			4,269,645
Overhills Parks Water and Sewer District capital assets, net	<u>\$ 4,397,468</u>			<u>\$ 4,286,568</u>
Bragg Estates Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 12,040	\$ -	\$ -	\$ 12,040
Construction in progress	145,885	-	145,885	-
Total capital assets not being depreciated	<u>157,925</u>	<u>\$ -</u>	<u>\$ 145,885</u>	<u>12,040</u>
Bragg Estates Water and Sewer District capital assets, net	<u>\$ 157,925</u>			<u>\$ 12,040</u>
Total Business-type activities capital assets, net	<u>\$ 82,520,967</u>			<u>\$ 81,212,228</u>

At June 30, 2021, the County has construction contracts in progress in the amount of \$7,330,437 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 \$5,499,742.

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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:

ABC Board	Beginning Balances	Increases	Decreases & Transfers	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,138,260	\$ 69,046	\$ -	\$ 2,207,306
Capital assets being depreciated:				
Buildings and building improvements	3,668,724	769,212	-	4,437,936
Leasehold improvements	1,121,054	271,113	41,843	1,350,324
Furniture and equipment	1,381,802	275,452	107,167	1,550,087
Vehicles	485,102	84,656	97,755	472,003
Total capital assets being depreciated	6,656,682	1,400,433	246,765	7,810,350
Less accumulated depreciation	4,592,805	368,485	245,253	4,716,037
Total capital assets being depreciated, net	2,063,877	\$ 1,031,948	\$ 1,512	3,094,313
ABC capital assets, net	<u>\$ 4,202,137</u>			<u>\$ 5,301,619</u>

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

Eastover Sanitary District	Beginning Balances	Increases	Decreases & Transfers	Ending Balances
Capital assets not being depreciated:				
Land	\$ 109,799	\$ -	\$ -	\$ 109,799
Construction in progress	94,024	1,034,356	-	1,128,380
Total capital assets not being depreciated	203,823	1,034,356	-	1,238,179
Capital assets being depreciated:				
Water lines	24,580,426	-	-	24,580,426
Furniture, fixtures and equipment	23,874	-	-	23,874
Total capital assets being depreciated	24,604,300	-	-	24,604,300
Less accumulated depreciation	6,927,180	606,966	-	7,534,146
Total capital assets being depreciated, net	17,677,120	\$ 606,966	\$ -	17,070,154
Eastover Sanitary District capital assets, net	<u>\$ 17,880,943</u>			<u>\$ 18,308,333</u>

Eastover Sanitary District is currently in the process of constructing a new administrative office building at an estimated cost of \$1,600,000. At June 30, 2021, the construction contract has a remaining commitment of \$361,609. The District expects to take occupancy of the building in December 2021.

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Notes to the Financial Statements

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

Fayetteville Area Visitors and Convention Bureau	Beginning Balances	Increases	Decreases & Transfers	Ending Balances
Capital assets being depreciated:				
Furniture and fixtures	\$ 32,553	\$ 18,059	\$ -	\$ 50,612
Equipment	163,550	2,203	15,187	150,566
Software	1,406	-	-	1,406
Capital improvements	163,340	-	-	163,340
Total capital assets being depreciated	360,849	20,262	15,187	365,924
Less accumulated depreciation	192,405	13,490	10,172	195,723
Total capital assets being depreciated, net	168,444	\$ 6,772	\$ 5,015	170,201
FAVCB capital assets, net	<u>\$ 168,444</u>			<u>\$ 170,201</u>

NOTE 5 - PENSION PLAN AND OTHER POST EMPLOYMENT 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, 2019 (Valuation Date) the Separation Allowance’s membership consisted of:

Retirees receiving benefits	39
Active plan members	<u>282</u>
Total	<u><u>321</u></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

Actuarial Assumptions

The “Entry Age Normal” (EAN) actuarial cost method was used in the December 31, 2019 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	1.93%

The discount rate used to measure the TPL was the S&P Municipal Bond 20-year High Grade Rate Index.

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

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

Deaths 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 3 years. Rates for female members are Set Forward 1 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 3 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 \$638,884 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$12,787,270. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$1,462,243.

Notes to the Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 428,878	\$ -
Changes of assumptions and other inputs	3,147,126	164,413
County benefit payments and plan admin expense made subsequent to the measurement date	373,498	-
Total	\$ 3,949,502	\$ 164,413

The County paid \$371,469 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, 2022. 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:

Year Ended June 30:	
2022	\$ 778,187
2023	739,769
2024	706,677
2025	689,465
2026	497,493
Thereafter	-
	\$ 3,411,591

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of (1.93%), as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 13,794,222	\$ 12,787,270	\$ 11,858,646

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Notes to the Financial Statements

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

	<u>2021</u>
Beginning balance	\$ 8,973,433
Service Cost	400,153
Interest on the total pension liability	282,120
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	326,375
Changes of assumptions or other inputs	3,444,073
Benefit payments	(638,884)
Other changes	-
Ending balance of the total pension liability	<u>\$ 12,787,270</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at the December 31, 2019 Measurement Date (MD) to 1.93% at December 31, 2020 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, 2019, 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 \$65,022 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, NC 28303; or calling (910) 484-8167.

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

Notes to the Financial Statements

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.

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 post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

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, 2021, was 10.84% of compensation for law enforcement officers and 10.21% 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 \$9,750,751 for the year ended June 30, 2021.

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

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, 2021, the County reported a liability of \$45,483,638 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing 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, 2021 (measured as of June 30, 2020), the County's proportion was 1.273%, which was a decrease of 0.053% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$15,358,263. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,743,785	\$ -
Changes of assumptions	3,384,875	-
Net difference between projected and actual earnings on pension plan investments	6,400,603	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	1,015,294
County contributions subsequent to the measurement date	9,750,651	
Total	\$ 25,279,914	\$ 1,015,294

\$9,750,651 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 3,938,681
2023	5,399,336
2024	3,281,701
2025	1,894,251
2026	-
Thereafter	-
	\$ 14,513,969

Notes to the Financial Statements

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

Inflation	3.00%
Salary increases	3.50%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

The plan actuary uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 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 3.05%. All rates of return and inflation are annualized.

Notes to the Financial Statements

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.00%, 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 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 92,281,346	\$ 45,483,638	\$ 6,591,452

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

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.

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, 2021 were \$1,150,558 which consisted of \$799,424 from the County and \$351,134 from the law enforcement officers.

Article 12E of G.S. Chapter 143 requires the ABC Board to contribute each month an amount equal to five percent 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, 2021, contributions for law enforcement officers were \$10,371 which consisted of \$9,071 from the ABC Board and \$1,300 from the law enforcement officers. Total contributions for employees not engaged in law enforcement for the year ended June 30, 2021 were \$156,564 which consisted of \$112,899 from the ABC Board and \$43,665 from the employees.

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.

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

Notes to the Financial Statements

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 \$35,644 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$717,239 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension asset was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 3.130%, which was an increase of 0.302% from its proportion measured as of June 30, 2019.

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Notes to the Financial Statements

For the year ended June 30, 2021, the County recognized pension expense of (\$7,082). At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,615
Changes of Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	61,371
Changes in proportion and differences between County contributions and proportionate share of contributions	12,448	38,249
County contributions subsequent to the measurement date	35,644	-
Total	\$ 48,092	\$ 114,235

\$35,644 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (23,571)
2023	(35,059)
2024	(27,697)
2025	(15,460)
2026	-
Thereafter	-
	\$ (101,787)

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

Inflation	3.00%
Salary increases	3.50% to 7.75% including inflation and productivity factors
Investment rate of return	3.75%, 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

Notes to the Financial Statements

assumptions used in the December 31, 2019 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 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, 2021 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 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, 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 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (609,206)	\$ (717,239)	\$ (808,655)

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.

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

Notes to the Financial Statements

The net pension liability/asset for LGERS and ROD was measured as of June 30, 2020. The total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability/asset was then rolled forward to the measurement date of June 30, 2020 utilizing updated procedures incorporating the actuarial assumptions. The total pension liability for LEOSSA liability was measured as December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 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:

At June 30, 2021, 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>
Proportionate Share of Net Pension Liability (Asset)	\$ 45,483,638	\$ 717,239	n/a	\$ 46,200,877
Proportion of the Net Pension Liability (Asset)	1.273%	3.130%	n/a	
Total Pension Liability	n/a	n/a	12,787,270	12,787,270
Pension Expense	15,358,263	(7,082)	1,462,243	16,813,424
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 5,743,785	\$ -	\$ 428,878	\$ 6,172,663
Changes of assumptions	3,384,875	-	3,147,126	6,532,001
Net difference between projected and actual earnings on pension plan investments	6,400,603	-	-	6,400,603
Changes in proportion and differences between County contributions and proportionate share of contributions	-	12,448	-	12,448
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	9,750,651	35,644	373,498	10,159,793
Total Deferred Outflows	\$ 25,279,914	\$ 48,092	\$ 3,949,502	\$ 29,277,508
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 14,615	\$ -	\$ 14,615
Net difference between projected and actual earnings on pension plan investments	-	61,371	-	61,371
Changes of assumptions	-	-	164,413	164,413
Changes in proportion and differences between County contributions and proportionate share of contributions	1,015,294	38,249	-	1,053,543
Total Deferred Inflows	\$ 1,015,294	\$ 114,235	\$ 164,413	\$ 1,293,942

F - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description - Under the terms of a County resolution, the County administers a single-employer defined benefit Health Care Benefits Plan (the HCB Plan). The County has discontinued offering retiree health insurance for employees hired after June 30, 2016. For employees hired between July 1, 2008 and June 30, 2016 this plan provides postemployment healthcare benefits to retirees of the County, provided

Notes to the Financial Statements

they participate in the North Carolina Local Governmental Employees Retirement System and have at least twenty-five years of consecutive years of creditable service with the County. Prior to July 1, 2008, employees qualified for a similar level of benefits after ten years of creditable service with the County. The plan, which has a June 30, 2021 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, 2019 Valuation Date. The HCB Plan Membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	863
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	<u>1,299</u>
Total	<u><u>2,162</u></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 & 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 2021, a \$1,000,000 contribution was paid into the Cumberland County OPEB Trust. This irrevocable trust was established for the purpose of paying future post-employment benefits (OPEB) for which the County is liable. The Fiscal Year 2022 Budget includes an additional \$1,000,000 contribution to be deposited into the OPEB Trust.

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 \$2,008,252 invested in the State Treasurer's Local Government Other Post Employment Benefits (OPEB) Trust at June 30, 2021. 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, 2021.

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Asset Class	Target Allocation 2021	Long-Term Expected Real Rate of Return 2021
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, 2021, the annual money weighted rate of return on investments, net of investment expense, was 2.92 percent. 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, 2021 were as follows:

Total OPEB Liability	\$ 223,141,924
Plan fiduciary net position	2,008,252
County's net OPEB liability	221,133,672
Plan fiduciary net position as a percentage of the total OPEB Liability	0.90%

Actuarial assumptions. The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2019 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% - 8.41%
Law Enforcement Officers	3.25% - 7.90%
Municipal Bond Index	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026
Medicare	5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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, 2019 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, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2019 valuation.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.16% which was a change from the discount rate of 2.21% at June 30, 2020. 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 2.16% at June 30, 2021 per the S&P Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2020, the S&P Municipal Bond 20 Year High Grade rate was 2.21%.

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

The following presents the NOL of the County reported at June 30, 2021, as well as what the County’s NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(1.16%)	(2.16%)	(3.16%)
Net OPEB liability (asset)	\$ 262,957,110	\$ 221,133,672	\$ 188,554,990

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

The following presents the NOL of the County, determined using current health care cost trend rates, as well as what the County’s NOL would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ 182,366,071	\$ 221,133,672	\$ 272,048,683

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County Reported a net OPEB liability of \$221,133,672. The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing updated procedures incorporating the actuarial assumptions.

Notes to the Financial Statements

At June 30, 2021, the components of the Net OPEB Liability of the County, measured as of June 30, 2021 were as follows:

	Plan Fiduciary Net		
	Total OPEB Liability (a)	Position (b)	Net OPEB Liability (a) - (b)
Total OPEB Liability as of June 30, 2020	\$ 217,045,140	\$ 1,000,851	\$ 216,044,289
Changes for the year			
Service cost	6,785,884	-	6,785,884
Interest	4,730,960	-	4,730,960
Differences between expected and actual experience	(615,627)	-	(615,627)
Changes in assumptions or other inputs	1,177,366	-	1,177,366
Contributions - employer	-	6,981,799	(6,981,799)
Net Investment Income	-	7,401	(7,401)
Benefit payments	(5,981,799)	(5,981,799)	-
Net changes	6,096,784	1,007,401	5,089,383
Balance at June 30, 2021	\$ 223,141,924	\$ 2,008,252	\$ 221,133,672

Changes in Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16% in 2021. Medical claims cost and rates were changed based on the most recent experience and changed to the current schedule. The Excise Tax of 40 percent on health care 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, 2021, the County recognized OPEB expense of \$(12,072,819). At June 30, 2021, 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	\$ -	\$ 51,299,084
Changes of assumptions	18,084,392	9,605,780
Net difference between projected and actual earnings on plan investments	32,320	-
Total	<u>\$ 18,116,712</u>	<u>\$ 60,904,864</u>

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:	
2022	\$ (23,550,874)
2023	(19,571,204)
2024	(1,387,315)
2025	1,684,492
2026	36,749
Thereafter	-
	<u><u>\$ (42,788,152)</u></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 thirty 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, NC 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.

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 thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used

Notes to the Financial Statements

as of each balance sheet date. The \$12,994,977 reported as landfill closure and post-closure care liability at June 30, 2021 represents a closed landfill with estimated costs of \$151,768, a Construction & Demolition (C&D) landfill with estimated costs of \$2,148,270 and the subtitle D landfill with estimated costs of \$10,694,940. 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 55.33% and 71.67%, respectively, of the total estimated capacity. The County will recognize the remaining estimated post-closure costs of \$402,696 for the old unlined landfill and the cost of closure and post-closure care of \$1,734,370 and \$4,227,473 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 2021. The life expectancy of the C & D landfill is estimated at 9 years and the subtitle D landfill at 10 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred charge of refunding of debt	\$ 1,686,750	\$ -
(Pensions, OPEB) - difference between expected and actual experiences	6,172,663	51,313,699
(Pensions, OPEB) - Changes of Assumptions	24,616,393	9,770,193
(Pensions, OPEB) - difference between projected and actual earnings on plan investments	6,432,923	61,371
(Pensions, OPEB) - Change in proportion and difference between employer (County) contributions and proportionate share of contributions	12,448	1,053,543
(Pensions, OPEB) - Employer (County) contributions subsequent to the measurement date	10,159,793	-
Prepaid Taxes not yet earned (General)	-	745,697
Total	\$ 49,080,970	\$ 62,944,503

NOTE 8 - RISK MANAGEMENT

The County is self-insured with respect to health insurance (up to \$175,000 per occurrence), worker's compensation (up to \$850,000 per occurrence), unemployment compensation and some general liability risks. Losses from asserted claims and from un-asserted 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.

Notes to the Financial Statements

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, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported, if information prior to the issuance of the financial statements indicates that 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, 2020 and 2021 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2020-2021	\$ 5,077,241	\$ 18,972,472	\$ (19,202,662)	\$ 4,847,051
2019-2020	5,565,711	17,215,255	(17,703,725)	5,077,241

Note: The County contracted with an Actuary to perform a Loss Reserve Analysis for fiscal year 2020. The total loss reserve estimate is \$2,929,705. The actuarial report states that a reasonable range for the reserve is plus or minus ten percent which is \$2,636,735 to \$3,222,676. The County's reserve of \$3,622,800 will remain the same for fiscal year 2021.

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, 2021:

Name of Debt Issue	Issue Date	Purpose of Debt Issue	Interest Rates	Issue Amount	Principal 6/30/21
General Obligation Bonds					
Refunding Series 2011	7/12/2011	Refund Schools	2.0 - 5.0%	\$ 12,735,000	\$ 665,000
General Obligation Bonds - Direct Borrowings and Direct Placements					
Sanitary Sewer Series 2005 (USDA)	8/22/2005	NORCRESS Sewer	4.125%	\$ 1,250,000	\$ 985,000
Revenue Bonds - Direct Borrowings and Direct Placements					
2018A USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer	2.375%	\$ 819,000	\$ 805,000
2018B USDA Revenue Bonds (USDA)	6/11/2018	Overhills Park Sewer	1.625%	560,000	549,000
				\$ 1,379,000	\$ 1,354,000
Certificates of Participation & Limited Obligation Bonds					
LOBS Series 2011A (QSCB) (Regions Bank) (1)	1/26/2011	New Century Middle School	6.1%	\$ 14,805,000	\$ 4,935,000
LOBS Refunding Series 2011B (partially refunded by LOBS Ref 2017)	7/14/2011	Refund Public Health Facility Refund Gray's Creek Middle Schl	2.0 - 5.0%	21,125,000 16,630,000	1,220,000 930,000
				\$ 37,755,000	\$ 2,150,000
LOBS Refunding Series 2017	8/2/2017	Partial Refund of COPS 2009A Partial Refund of LOBS Ref 2011B	2.0 - 5.0%	9,815,000 13,190,000	9,815,000 12,070,000
				\$ 23,005,000	\$ 21,885,000
LOBS Series 2021	2/24/2021	Emergency Operations Center FTCC Fire Training Center	1.0 - 4.0%	11,095,000 10,000,000	11,095,000 10,000,000
				\$ 21,095,000	\$ 21,095,000
				\$ 96,660,000	\$ 50,065,000
Certificates of Participation - Direct Borrowings and Direct Placements					
COPS Tax Credit Series 2009 (QSCB) (Wachovia)	12/1/2009	Various School Projects	1.25%	\$ 15,900,000	\$ 4,968,750
LOBS Refunding Series 2019A	10/15/2019	Refund 2017 CIP Draw Prgm	1.73%	11,300,000	9,685,000
LOBS Refunding Series 2019B	10/15/2019	Partial refund 2009B ref COPS	1.56%	22,550,000	17,592,000
				\$ 33,850,000	\$ 27,277,000
				\$ 49,750,000	\$ 32,245,750
Installment Financing Notes - Direct Borrowings and Direct Placements					
NC Clean Drinking Water Loan	11/1/2013	Southpoint Water Project	0.00%	100,323	59,946
Governmental Capital Improvements (PNC Bank)	6/15/2016	Governmental Capital Projects	1.84%	1,100,000	550,000
				\$ 1,200,323	\$ 609,946
Total				\$ 162,974,323	\$ 85,924,696

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

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, 2021 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, 2013 through August 1, 2022 in amounts ranging from \$130,000 to \$2,405,000; interest ranges from 2.0% to 5.0%.

Bond premium

\$	665,000
	<u>48,102</u>
\$	<u>713,102</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, 2009 through June 1, 2045 in amounts from \$14,000 to \$52,000; interest of 4.125%

\$	<u>985,000</u>
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At June 30, 2021, the County had no bonds authorized but unissued and a legal debt margin of \$2,253,919,000.

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 & 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, 2021 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 \$28,000. Interest is paid annually at a rate of 2.375%

\$	805,000
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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>549,000</u>
\$	<u>1,354,000</u>

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, 2021 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, 2026. Interest is paid semiannually at the rate of 6.10% prior to a federal interest subsidy of 5.49%. \$ 4,935,000

\$37,755,000 Current Interest Serial 2011B Limited Obligation Refunding Bonds

Partially refunded in amount of \$13,530,000 on August 2, 2017. Due in annual installments ranging from \$2,130,000 to \$2,150,000, from November 1, 2017 through November 1, 2021. Interest is paid semiannually at a rate of 5.0% 2,150,000

\$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, 2021 through November 1, 2028. Interest is paid semiannually at rates ranging from 2.0% - 5.0%. 21,885,000

\$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% - 4.0%.
21,095,000
50,065,000
Premium 6,224,169
\$ 56,289,169

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%. \$ 4,968,750

\$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, 2021 to December 1, 2026. Interest is paid semi-annually at 1.73%. 4,223,946

Notes to the Financial Statements

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

Due in annual installments ranging from of \$1,028,615 to \$1,725,846 from December 1, 2021 to December 1, 2024.

Interest is paid semi-annually at 1.56%.

6,123,654
\$ 15,316,350

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 of \$907,826 to \$910,646 from December 1, 2021 to December 1, 2026.

Interest is paid semi-annually at 1.73%

\$ 5,461,054

\$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, 2021 to December 1, 2024.

Interest is paid semi-annually at 1.56%.

11,468,346
\$ 16,929,400

E - INSTALLMENT FINANCING OBLIGATIONS

Installment financing notes payable at June 30, 2021 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%.

\$ 550,000

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.

\$ 59,946

Notes to the Financial Statements

F - LONG-TERM OBLIGATION ACTIVITY

The following is a summary of changes in the County's long-term obligations as of June 30, 2021:

	Balance				Current	
	June 30, 2020	Additions	Refundings	Decreases	Balance	Portion of
					June 30, 2021	Long-term
						Liabilities
Governmental activities:						
General obligation bonds	\$ 2,950,000	\$ -	\$ -	\$ 2,285,000	\$ 665,000	\$ 500,000
Premium	106,994	-	-	58,892	48,102	44,395
COPS & limited obligation bonds	33,222,000	21,095,000	-	4,252,000	50,065,000	5,302,000
Premium	3,487,633	3,412,300	-	675,764	6,224,169	632,620
COPS from direct borrowings and placements	18,740,300	-	-	3,423,950	15,316,350	3,410,723
Notes from direct borrowings and placements	733,333	-	-	183,333	550,000	183,333
Compensated absences	6,956,803	6,511,939	-	6,608,964	6,859,778	6,516,789
Total OPEB liability	209,746,192	4,943,510	-	-	214,689,702	-
Net pension liability (LGRS)	35,428,826	9,055,714	-	-	44,484,540	-
Total pension liability (LEO)	8,973,433	3,813,837	-	-	12,787,270	-
Total governmental activities	\$ 320,345,514	\$ 48,832,300	\$ -	\$ 17,487,903	\$ 351,689,911	\$ 16,589,860

The Board of Education holds title to certain schools even though the related debt is held by the County. At June 30, 2021, the County owes \$25,827,610 for projects for which the Board of Education holds title.

Unspent debt proceeds related to governmental activities shown above is \$18,933,564.

	Balance				Current	
	June 30, 2020	Additions	Refundings	Decreases	Balance	Portion of
					June 30, 2021	Long-term
						Liabilities
Business-type activities:						
GO bonds from direct borrowings and placements	\$ 1,009,000	\$ -	\$ -	\$ 24,000	\$ 985,000	\$ 25,000
USDA Revenue bonds from direct borrowings and placements	1,379,000	-	-	25,000	1,354,000	25,000
COPS & limited obligation bonds from direct borrowings and placements	21,072,200	-	-	4,142,800	16,929,400	4,118,027
Notes from direct borrowings and placements	64,942	-	-	4,996	59,946	4,995
Accrued landfill closure and postclosure costs	12,282,877	712,100	-	-	12,994,977	-
Compensated absences	164,132	176,188	-	155,925	184,395	175,176
Total OPEB liability	6,298,097	145,873	-	-	6,443,970	-
Net pension liability (LGRS)	782,654	216,444	-	-	999,098	-
Total business-type activities	\$ 43,052,902	\$ 1,250,605	\$ -	\$ 4,352,721	\$ 39,950,786	\$ 4,348,198

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.

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		Certificates of Participation		Certificates of Participation		Revenue Bonds		Notes from		Total	
	Obligation Bonds		from Direct Borrowings and Direct Placements		and Limited Obligation Bonds		from Direct Borrowings and Direct Placements		from Direct Borrowings and Direct Placements		Direct Borrowings and Direct Placements		Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities:														
2022	\$ 500,000	\$ 16,600	\$ -	\$ -	\$ 5,302,000	\$ 2,743,214	\$ 3,410,722	\$ 347,902	\$ -	\$ -	\$ 183,333	\$ 10,120	\$ 9,396,055	\$ 3,117,836
2023	165,000	3,300	-	-	5,312,000	2,422,330	3,396,451	309,111	-	-	183,334	6,747	9,056,785	2,741,488
2024	-	-	-	-	5,322,000	2,221,655	3,382,179	270,543	-	-	183,333	3,373	8,887,512	2,495,571
2025	-	-	-	-	5,277,000	2,065,105	2,726,720	237,199	-	-	-	-	8,003,720	2,302,304
2026	-	-	-	-	5,232,000	1,459,253	1,698,104	117,615	-	-	-	-	6,930,104	1,576,868
2027-2031	-	-	-	-	13,075,000	2,554,000	702,174	6,074	-	-	-	-	13,777,174	2,560,074
2032-2036	-	-	-	-	5,275,000	1,117,800	-	-	-	-	-	-	5,275,000	1,117,800
2037-2041	-	-	-	-	5,270,000	310,775	-	-	-	-	-	-	5,270,000	310,775
	<u>665,000</u>	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>50,065,000</u>	<u>14,894,132</u>	<u>15,316,350</u>	<u>1,288,444</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>20,240</u>	<u>66,596,350</u>	<u>16,222,716</u>
Premium	48,102	-	-	-	6,224,169	-	-	-	-	-	-	-	6,272,271	-
(Total net of amortization)	<u>\$ 713,102</u>	<u>\$ 19,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,289,169</u>	<u>\$ 14,894,132</u>	<u>\$ 15,316,350</u>	<u>\$ 1,288,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,000</u>	<u>\$ 20,240</u>	<u>\$ 72,868,621</u>	<u>\$ 16,222,716</u>
Business-type Activities:														
2022	\$ -	\$ -	\$ 25,000	\$ 40,631	\$ -	\$ -	\$ 4,118,028	\$ 240,488	\$ 25,000	\$ 28,040	\$ 4,995	\$ -	\$ 4,173,023	\$ 309,159
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
2027-2031	-	-	168,000	161,576	-	-	907,826	7,853	143,000	121,207	24,978	-	1,243,804	290,636
2032-2036	-	-	206,000	123,998	-	-	-	-	158,000	105,876	9,991	-	373,991	229,874
2037-2041	-	-	250,000	77,962	-	-	-	-	176,000	88,887	-	-	426,000	166,849
2042-2046	-	-	224,000	23,100	-	-	-	-	194,000	69,923	-	-	418,000	93,023
2047-2051	-	-	-	-	-	-	-	-	215,000	48,887	-	-	215,000	48,887
2052-2056	-	-	-	-	-	-	-	-	239,000	25,549	-	-	239,000	25,549
2057-2061	-	-	-	-	-	-	-	-	100,000	3,081	-	-	100,000	3,081
	<u>-</u>	<u>-</u>	<u>985,000</u>	<u>579,027</u>	<u>-</u>	<u>-</u>	<u>16,929,400</u>	<u>610,936</u>	<u>1,354,000</u>	<u>598,427</u>	<u>59,946</u>	<u>-</u>	<u>19,328,346</u>	<u>1,788,390</u>
Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Total net of amortization)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,000</u>	<u>\$ 579,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,929,400</u>	<u>\$ 610,936</u>	<u>\$ 1,354,000</u>	<u>\$ 598,427</u>	<u>\$ 59,946</u>	<u>\$ -</u>	<u>\$ 19,328,346</u>	<u>\$ 1,788,390</u>

Notes to the Financial Statements

G - 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
\$37,755,000 Refunding LOBS, Series 2011B	7/14/2011	Public	Refinance two Installment Financing Contracts with RBC (Gray's Creek Middle School and Public Health Facility)	Deed of Trust on New Century Middle School, Gray's Creek Middle School, and Central Maintenance Facility
\$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)	10/15/19	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 Intallment 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 Cumberland County Limited Obligation Bonds, Series 2021	2/24/2021	Public	Fund acquisition construction and equipping of new Emergency Operations Center (EOC) and provide a portion of the cost of the Fire Training Facility at Fayetteville Technical Community College	Deed of Trust on Emergency Operations Center

Notes to the Financial Statements

H - DEBT OBLIGATIONS FOR SOUTHPPOINT 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 NC 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, 2021, the outstanding loan balance is \$59,946. Annual loan payments are \$4,996 ending May 1, 2033.

I - 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, 2021, there were no industrial revenue bonds outstanding.

J - DEFEASANCE OF DEBT

Current Year Defeasance of Debt

There were no defeasances of debt during the fiscal year ended June 30, 2021.

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. At June 30, 2021, the balance of defeased debt which has not been 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, 2021, the County has unamortized net losses on defeasances totaling \$1,686,749 related to prior year refundings. Unamortized net losses on defeasance related to governmental activities debt consists of \$56,211 for general obligation bonds and \$1,351,920 for certificates of participation and other limited obligation bonds. Unamortized losses on defeasance related to business-type activities debt consist of \$278,618 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, 2021, the County has unamortized premium totaling \$6,272,271. The carrying value of prior years'

Notes to the Financial Statements

governmental activities general obligation refunding bonds has been adjusted for unamortized premium of \$48,102. The carrying value of prior years' governmental activities certificates of participation and other limited obligation bonds has been adjusted for unamortized premium of \$6,224,169. At June 30, 2021, the County has no unamortized premium related to business-type activities debt.

K - ABC BOARD NOTES PAYABLE

The following is a summary of changes in the ABC Board's long-term obligations as of June 30, 2021:

	Balance June 30, 2020	Additions	Payments	Balance June 30, 2021	Current Portion of Long-term Liabilities
Net Pension Liability (LGERS)	\$ 956,096	\$ 344,274	\$ -	\$ 1,300,370	\$ -
Net Pension Liability (LEO)	317,148	-	36,269	280,879	-
OPEB liability	212,308	42,556	-	254,864	-
	<u>\$ 1,485,552</u>	<u>\$ 386,830</u>	<u>\$ 36,269</u>	<u>\$ 1,836,113</u>	<u>\$ -</u>

L - 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 2021. Principal payments amounted to \$85,500 during fiscal year 2021.

The District's general obligation bonds payable at June 30, 2021 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%.

\$ 2,050,500

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

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

810,500

Total 2,861,000

Less current portion (89,000)

Noncurrent portion \$ 2,772,000

Notes to the Financial Statements

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

Fiscal Year	Principal	Interest
2022	\$ 89,000	\$ 128,208
2023	93,000	124,219
2024	97,000	120,050
2025	101,500	115,702
2026	106,000	111,150
2027-2031	606,000	480,030
2032-2036	751,500	331,461
2037-2041	847,000	152,069
2042-2046	170,000	7,610
	\$ 2,861,000	\$ 1,570,499

M - 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, 2021 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%.

\$ 4,463,000

\$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%.

	1,057,000
Total	5,520,000
Less current portion	(97,000)
Noncurrent portion	\$ 5,423,000

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.

Notes to the Financial Statements

The District's installment financing note payable at June 30, 2021 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	\$	1,727,786
Less current portion		<u>(125,167)</u>
Noncurrent portion		<u><u>\$ 1,602,619</u></u>

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 and no later than January 26, 2022, the bonds will be satisfied from the proceeds of a 40-year low interest rate USDA loan.

\$1,400,000 Bond Anticipation Note, 2020

Payable in a single installment due no later than maturity date of January 26, 2022. Interest at rate of 1.3% is due on July 10, 2021 and again upon satisfaction of the debt.

Total	\$	1,400,000
Less current portion		<u>(1,400,000)</u>
Noncurrent portion		<u><u>\$ 0</u></u>

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

Fiscal Year	Principal	Interest
2022	\$ 1,622,167	\$ 300,772
2023	232,266	281,852
2024	241,573	272,429
2025	251,097	262,631
2026	260,845	252,447
2027-2031	1,474,995	1,094,343
2032-2036	1,005,843	827,304
2037-2041	959,000	648,910
2042-2046	1,172,000	437,642
2047-2051	1,428,000	179,180
	<u><u>\$ 8,647,786</u></u>	<u><u>\$ 4,557,510</u></u>

Fiscal Year 2022 shown above includes \$1,400,000 principal and \$9,909 interest due on the bond anticipation notes. The principal will be paid from proceeds of upcoming USDA loan. Interest will be paid from District funds.

Notes to the Financial Statements

N - 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, 2021:

	Balance June 30, 2020	Additions	Decreases	Balance June 30, 2021	Current Portion of Long-term Liabilities
USDA general obligation bonds	\$ 2,946,500	\$ -	\$ 85,500	\$ 2,861,000	\$ 89,000
USDA revenue bonds	5,614,000	-	94,000	5,520,000	97,000
Bond anticipation note	-	1,400,000	-	1,400,000	1,400,000
Installment notes	1,848,053	-	120,267	1,727,786	125,167
Accrued Vacation	10,444	7,788	2,927	15,305	14,540
Total	\$ 10,418,997	\$ 1,407,788	\$ 302,694	\$ 11,524,091	\$ 1,725,707

Unspent bond anticipation notes shown above are \$554,067.

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, 2021 is as follows:

	Payable Fund				Total
	Nonmajor Governmental	Cumberland County Crown Center	Norcross Sewer Project	Bragg Estates Sewer Project	
Receivable Fund					
General Fund	\$ 3,216,916	\$ 5,500	7,663	\$ 124,114	\$ 3,354,193
Total	\$ 3,216,916	\$ 5,500	\$ 7,663	\$ 124,114	\$ 3,354,193

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

Notes to the Financial Statements

Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2021 are summarized below:

	Transfers in				Total
	General	Nonmajor Governmental	Cumberland County Crown Center	Internal Service	
Transfers out					
General	\$ -	\$ 1,051,343	\$ 8,297	\$ 100,000	\$ 1,159,640
Nonmajor governmental	6,346,882	-	8,798,251	-	15,145,133
Crown Center (Enterprise)	135,726	-	-	-	135,726
Total Transfers	\$ 6,482,608	\$ 1,051,343	\$ 8,806,548	\$ 100,000	\$ 16,440,499

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

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 thirteen-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 \$12,283,629 and \$121,301 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. Fiscal year 2021 budgeted, but unspent capital funds in the amount of \$1,145,747 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, 2021. 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.

Notes to the Financial Statements

NOTE 12 - LEASES

A - LESSEE ARRANGEMENTS

Operating Leases

The Bureau leases its building from Cumberland County for \$6,168 per month for ten years, ending November 30, 2022. The lease includes no provision for increases in rent. The Bureau leases the Cape Fear and Yadkin Valley Passenger Train Depot from the City of Fayetteville, for \$11,180 per year for 25 years, ending June 30, 2028, and month-to-month thereafter. The annual rental payment is subject to a cost of living increase after the first five years of the original term. Minimum future rental payments under non-cancelable leases having remaining terms in excess of one year as of June 30, 2021 for each of the next five years and in the aggregate are:

Fiscal Year	Amount
Ended	
2022	\$ 85,196
2023	42,020
2024	11,180
2025	11,180
2026	11,180
2027-2028	22,360
	<u>\$ 183,116</u>

Rental expense for leases was \$85,196 in 2021 and 2020.

The ABC Board leases real property for three store locations under operating leases expiring at various times through the year 2028. Total rent expense, including amounts for common area maintenance, under leases for the years ended June 30, 2021 and June 30, 2010 was \$283,381 and \$254,419, respectively.

At June 30, 2021, future minimum lease payments under all leases are as follows:

Fiscal Year	Amount
Ended	
2022	\$ 279,506
2023	255,635
2024	258,635
2025	261,635
2026	264,634
2027 and thereafter	656,176
	<u>\$ 1,976,221</u>

Notes to the Financial Statements

NOTE 13 - CONTINGENT LIABILITIES

Federal and State Assisted Programs

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

Claims and Judgments

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

Arbitrage

The County's bond issues are subject to federal arbitrage regulations, and the County has elected to review its potential arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year after that date. At June 30, 2021, the County has no arbitrage liability. Although future amounts to be paid, if any, are not presently determinable, the County believes that arbitrage payables have been adequately provided for in the accompanying financial statements.

Accrued interest

Eastover Sanitary District is currently in the process of closing permanent financing of \$1,400,000 for construction to its office building. At June 30, 2021, the amount loan has accrued interest of \$11,633. Between June 30, 2021 and the closing on January 25, 2022, the loan will accrue additional interest of \$10,409.

Coronavirus Disease (COVID-19)

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

Notes to the Financial Statements

NOTE 14 - 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 15 - 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 16 - SUBSEQUENT EVENTS

The County, Board, and District have evaluated subsequent events for potential recognition and disclosure through November 19, 2021, the date the financial statements were available to be issued.

NOTE 17 - RESTATEMENT/ CHANGE IN ACCOUNTING PRINCIPLES

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

Continued on next page

Notes to the Financial Statements

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

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Explanation
\$ 27,674	\$ -	\$ 27,674	The Deeds of Trust (Intergovernmental) Fund was reclassified from an agency fund to a Special Revenue Fund.
<u>535,587</u>	<u>-</u>	<u>535,587</u>	The Representative Payee Fund was reclassified from an agency fund to a Special Revenue Fund.
<u>\$ 563,261</u>	<u>\$ -</u>	<u>\$ 563,261</u>	

In addition, the financial statements for the year ended June 30, 2021 were reissued on January 14, 2022 to correct an error in the calculation of net investment in capital assets for the government activities reported on the Statement of Net Position. Total long-term debt was used to calculate net investment in capital assets instead of the debt related only to assets the County holds title to. This resulted in net investment in capital assets being understated by \$32,687,388 and unrestricted net position being overstated by the same amount.

NOTE 18 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Negative Fund Balance in Special Revenue Fund

The CDBG Disaster Recovery Fund has a fund balance on June 30, 2021 totaling (\$26,275). The fund is supported by federal and/or state funds on a reimbursement basis. For fiscal year 2021 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 2021. 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.

Excess of Expenditures over Appropriations

Expenses for the Bragg Estates Water and Sewer District Fund exceeded budget by \$174,113. The Bragg Estates Water and Sewer capital project ordinance was adopted in fiscal year 2014 to bring public sewer to a small area of Cumberland County that borders Fort Bragg on all sides. The County applied for and was approved to receive a grant and low-interest loan from the United States Department of Agriculture (USDA), as well as a small county funding contribution to fund the project. Since project inception, multiple attempts were made by the County to secure permanent easements from the Secretary of the Army so the project could begin. None of those attempts were successful. During fiscal year 2021, the Board of Commissioners and the Bragg Estates Water and Sewer District Board relinquished the funds previously approved by USDA and halted the project as it was no longer viable. For accounting purposes, paid project costs were moved from the capital project fund, construction in process into a Bragg Estates Water and Sewer District operating fund. The District will continue to maintain ownership of the land but there are no additional costs expected. The Board of Commissioners and Bragg Estates Water and Sewer District Board approved the capital project closeout during the fiscal year. However, movement of the costs into the Bragg Estates Water and Sewer District fund occurred without an approved budget amendment.

REQUIRED SUPPLEMENTARY INFORMATION



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

Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970	\$ 7,819,888
Service Cost	400,153	384,671	412,469	365,895	392,574
Interest on the total pension liability	282,120	297,705	264,882	291,307	270,277
Differences between expected and actual experience in the measurement of the total pension liability	326,375	165,417	3,481	194,482	-
Changes of assumptions or other inputs	3,444,073	248,522	(303,123)	528,706	(172,562)
Benefit payments	(638,884)	(603,201)	(559,449)	(530,301)	(498,207)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<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.

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

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

Last Five Fiscal Years

	2021	2020	2019	2018	2017
Total pension liability	\$ 12,787,270	\$ 8,973,433	\$ 8,480,319	\$ 8,662,059	\$ 7,811,970
Covered-employee payroll	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	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.

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

**Schedule of the County's Proportionate Share of the Net Pension
Liability (Asset)**

Local Government Employees' Retirement Fund

Last Eight Fiscal Years *

	<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) %	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) \$	\$ 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	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	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	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.

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

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

Last Seven Fiscal Years

	<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	\$ 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	9,750,651	8,507,911	7,277,190	6,772,970	6,987,172	6,390,360	6,314,854	6,340,214
Contribution deficiency (excess)	<u>\$ -</u>							
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
Contributions as a percentage of covered payroll	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.

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

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

Last Seven Fiscal Years*

	<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) %	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%	24.95%
Plan fiduciary net position as a percentage of the total pension liability	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.

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

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

Last Seven Fiscal Years

	<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>							
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%	3.048%

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

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

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

Last Eight Fiscal Years *

	<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) %	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) \$	\$ (717,239)	\$ (558,205)	\$ (489,604)	\$ (558,321)	\$ (620,657)	\$ (800,785)	\$ (796,558)	\$ (747,653)
County's covered payroll	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	(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	173.62%	164.11%	153.31%	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.

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

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

Last Eight Fiscal Years

	<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	\$ 35,644	\$ 29,966	\$ 27,291	\$ 27,333	\$ 28,420	\$ 27,120	\$ 27,651	\$ 28,693
Contributions in relation to the contractually required contribution	35,644	29,966	27,291	27,333	28,420	27,120	27,651	28,693
Contribution deficiency (excess)	<u>\$ -</u>							
County's covered payroll	\$ 144,877	\$ 143,072	\$ 140,216	\$ 133,835	\$ 138,455	\$ 132,630	\$ 128,767	\$ 128,767
Contributions as a percentage of covered payroll	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.

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

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

Last Four Fiscal Years

TOTAL OPEB Liability	2021	2020	2019	2018
Service cost	\$ 6,785,884	\$ 6,444,733	\$ 9,517,173	\$ 10,922,897
Interest	4,730,960	6,554,732	10,410,855	9,344,450
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(615,627)	(7,634,053)	(128,191,230)	(433,811)
Changes of assumptions	1,177,366	27,084,706	(9,315,098)	(31,765,312)
Benefit payments	(5,981,799)	(5,320,327)	(6,264,272)	(5,897,406)
Net change in total OPEB liability	6,096,784	27,129,791	(123,842,572)	(17,829,182)
Total OPEB liability - beginning, as restated	217,045,140	189,915,349	295,544,503	313,373,685
Total OPEB liability - ending	\$ 223,141,924	\$ 217,045,140	\$ 171,701,931	\$ 295,544,503
Plan fiduciary net position				
Contributions - employer	\$ 6,981,799	\$ 6,320,327	\$ -	\$ -
Net investment income	7,401	851	-	-
Benefit payments	(5,981,799)	(5,320,327)	-	-
Net change in plan fiduciary net position	1,007,401	1,000,851	-	-
Plan fiduciary net position - beginning	1,000,851	-	-	-
Plan fiduciary net position - ending	\$ 2,008,252	\$ 1,000,851	\$ -	\$ -
County's net OPEB liability - ending	\$ 221,133,672	\$ 216,044,289	\$ 171,701,931	\$ 295,544,503
Plan fiduciary net position as a percentage of the total OPEB liability	0.90%	0.46%	0.00%	0.00%
Covered payroll	\$ 61,103,256	\$ 61,103,256	\$ 77,093,623	\$ 77,093,623
Net OPEB liability as a percentage of covered payroll	365%	355%	223%	383%

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:

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	2.21%
2021	2.16%

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

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

MAJOR FUNDS



**Comparative Balance Sheets
General Fund
June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 209,118,537	\$ 154,191,230
Taxes receivable, net	2,666,132	2,087,256
Sales tax receivable	19,798,858	16,868,635
Due from other governments	11,717,904	10,672,599
Other receivables, net	1,351,132	1,250,308
Due from other funds	3,401,734	1,494,157
Due from component units	1,424,145	1,386,683
Inventories	200,505	151,916
Prepays	210	1,472
Total assets	<u><u>\$ 249,679,157</u></u>	<u><u>\$ 188,104,256</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts and vouchers payable	\$ 5,717,669	\$ 7,836,391
Due to other governments	361,045	360,145
Accrued payroll	4,917,160	4,496,355
Other payables	44,653	91,653
Total liabilities	<u>11,040,527</u>	<u>12,784,544</u>
Deferred inflows of resources	<u>3,715,939</u>	<u>3,165,427</u>
Fund balance		
Nonspendable:		
Inventories	200,505	151,916
Prepays	210	1,472
Restricted:		
Stabilization by State statute	36,417,479	33,873,984
Register of Deeds	987,528	925,163
Public health	6,052,823	4,728,362
County school	5,982,196	5,533,695
Committed:		
Tax revaluation	2,296,335	2,158,423
Capital investment fund	61,459,283	36,073,289
Assigned:		
Subsequent year's expenditures	9,159,873	8,663,701
Economic development incentives	2,000,000	2,000,000
Unassigned	110,366,459	78,044,280
Total fund balance	<u>234,922,691</u>	<u>172,154,285</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 249,679,157</u></u>	<u><u>\$ 188,104,256</u></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.

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (continued)
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Ad valorem taxes				
Current year	\$ 165,908,675	\$ 169,200,461	\$ 3,291,786	\$ 166,739,244
Prior years	897,000	1,629,364	732,364	817,964
Penalties and interest	837,000	788,466	(48,534)	773,447
Motor vehicle - current	19,841,512	23,041,995	3,200,483	20,227,090
Motor vehicle - prior	114,000	59,701	(54,299)	113,093
Other	900,000	926,779	26,779	835,588
Total ad valorem taxes	188,498,187	195,646,766	7,148,579	189,506,426
Other taxes				
Pet registration fees	122,000	39,052	(82,948)	77,299
Real estate transfer	1,450,000	2,215,078	765,078	1,689,875
Beer and wine	377,000	370,305	(6,695)	380,596
Sales	42,205,011	55,084,708	12,879,697	47,282,838
Other	460,000	438,477	(21,523)	451,664
Total other taxes	44,614,011	58,147,620	13,533,609	49,882,272
Unrestricted intergovernmental revenues				
Federal	45,000	42,760	(2,240)	31,720
State government	400,000	504,324	104,324	398,881
Fayetteville	7,679,500	9,036,881	1,357,381	8,679,491
Municipalities	1,224,970	1,277,739	52,769	1,137,816
Other governmental	3,303,000	5,202,674	1,899,674	3,837,105
Total unrestricted intergovernmental revenues	12,652,470	16,064,378	3,411,908	14,085,013
Restricted intergovernmental revenues				
Federal	4,278,643	8,364,511	4,085,868	1,983,710
NC health programs	11,362,150	7,655,520	(3,706,630)	5,290,844
NC mental health programs	492,895	558,013	65,118	439,225
NC social services programs	40,939,781	31,907,288	(9,032,493)	33,283,762
NC library programs	369,314	373,041	3,727	421,902
NC other restricted revenue	7,552,315	5,367,062	(2,185,253)	5,340,084
Other restricted revenue	790,460	614,416	(176,044)	593,355
Total restricted intergovernmental revenues	65,785,558	54,839,851	(10,945,707)	47,352,882
Licenses and permits				
Inspection department permits	892,200	1,155,047	262,847	886,188
Marriage licenses	75,623	66,725	(8,898)	67,975
Register of Deeds fees	1,236,870	2,071,716	834,846	1,675,050
Total licenses and permits	2,204,693	3,293,488	1,088,795	2,629,213
Sales and services				
Health department fees	4,263,941	5,230,131	966,190	5,222,600
Library fees	123,600	14,674	(108,926)	102,259
Sheriff department fees	4,501,500	4,193,222	(308,278)	4,348,952
Social services fees	187,163	21,300	(165,863)	79,624
Other department fees	2,066,752	1,865,744	(201,008)	2,141,735
Total sales and services	11,142,956	11,325,071	182,115	11,895,170
Interest earned on investments				
	848,000	29,534	(818,466)	1,561,972
Miscellaneous				
Miscellaneous	618,087	563,805	(54,282)	542,792
Rent, land, and buildings	4,494,077	4,842,872	348,795	4,587,964
Total miscellaneous	5,112,164	5,406,677	294,513	5,130,756
Total revenues	330,858,039	344,753,385	13,895,346	322,043,704

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (continued)
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Expenditures				
Current				
General government				
Governing body	\$ 693,619	\$ 612,166	\$ 81,453	\$ 612,702
Administration	2,733,995	2,434,458	299,537	2,343,630
Court facilities	156,220	111,108	45,112	114,371
Human resources	1,028,519	948,963	79,556	1,009,126
Innovation and technology services	6,073,408	4,941,565	1,131,843	5,552,864
Elections	2,183,209	1,924,356	258,853	1,400,349
Financial services	1,449,215	1,366,775	82,440	1,299,307
Legal	936,155	738,495	197,660	631,925
Register of Deeds	3,115,363	2,366,082	749,281	2,435,628
Tax Assessor	5,983,441	5,423,658	559,783	5,317,584
Print, mail & design	795,391	732,642	62,749	643,314
Public building	1,419,688	1,209,766	209,922	967,335
Carpenter shop	234,890	218,864	16,026	211,909
Public buildings - equipment maintenance	1,572,880	1,471,010	101,870	1,259,321
Public buildings - janitorial	1,044,344	878,654	165,690	784,441
Central maintenance	711,468	704,021	7,447	590,365
Landscaping and grounds	727,182	703,267	23,915	690,227
Property revaluation	483,082	345,171	137,911	307,569
General government - other	10,413,183	7,508,484	2,904,699	2,976,609
Total general government	41,755,252	34,639,505	7,115,747	29,148,576
Public safety				
Emergency services	4,562,457	3,979,703	582,754	3,655,978
Sheriff	27,803,437	25,257,628	2,545,809	25,992,566
Jail	20,640,523	16,424,482	4,216,041	16,873,693
School law enforcement-local	5,441,091	4,323,264	1,117,827	4,959,197
Sheriff's grants	350,987	86,548	264,439	152,092
Animal services	3,786,204	3,296,041	490,163	3,283,993
Public safety other	1,382,505	1,303,113	79,392	1,062,544
LEO Separation Allowance	671,500	678,739	(7,239)	632,732
Criminal justice unit	629,211	537,704	91,507	563,625
Youth diversion program	35,769	30,438	5,331	31,665
Total public safety	65,303,684	55,917,660	9,386,024	57,208,085
Economic and physical development				
Planning and inspections department	3,335,814	2,968,616	367,198	2,711,212
Engineering	592,711	409,892	182,819	978,925
NC cooperative extension service	809,742	622,080	187,662	558,569
Soil conservation district	2,624,800	132,457	2,492,343	108,221
Soil conservation cost share	83,297	75,745	7,552	74,990
Economic physical development - other	20,000	20,000	-	20,000
Industrial park	20,087	17,535	2,552	2,220
Location services	269,929	204,386	65,543	192,231
Economic incentives	709,947	632,132	77,815	402,406
Water & sewer industrial expansion	400,189	179,456	220,733	20,287
Public utilities	95,066	91,456	3,610	85,108
Total economic and physical development	8,961,582	5,353,755	3,607,827	5,154,169

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (continued)
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Human services				
Mental Health				
Mental health other	\$ 5,065,003	\$ 5,038,133	\$ 26,870	\$ 5,041,498
Court ordered evaluations	321,368	321,367	1	181,339
Sobriety court	138,571	70,103	68,468	94,151
Subtotal - mental health	5,524,942	5,429,603	95,339	5,316,988
Health				
Health - administration	2,496,570	1,993,303	503,267	2,024,799
Laboratory	456,464	411,479	44,985	428,486
Pharmacy	634,103	446,528	187,575	561,429
C. C. Jail health program	3,457,000	3,049,985	407,015	2,822,266
Management support	231,293	171,148	60,145	206,640
NC environmental health	1,764,300	1,560,854	203,446	1,639,680
Immunization clinic	871,599	622,725	248,874	722,307
School health program	1,842,148	1,692,074	150,074	1,577,468
Child health clinic	943,956	807,620	136,336	833,740
Dental clinic	-	381	(381)	432
Health promotion	421,671	265,508	156,163	419,000
Maternal health clinic	941,717	731,559	210,158	778,731
Medical records	270,354	247,278	23,076	255,459
Breast/cervical cancer	127,534	106,903	20,631	106,746
Child service coordination	951,142	693,159	257,983	818,297
Child fatality prevention	14,175	5,761	8,414	-
Chest TB clinic	176,321	143,771	32,550	145,282
Family planning clinic	1,073,405	838,162	235,243	991,072
NC general communicable disease	275,115	107,878	167,237	428,327
NC AIDS	75,891	60,420	15,471	65,071
Adult health clinic	318,635	248,288	70,347	255,711
School health	957,765	505,376	452,389	559,149
WIC - clinic services	2,605,109	2,291,867	313,242	2,202,996
Health - other	83,771	80,322	3,449	76,638
Bioterrorism preparedness and response	72,500	41,806	30,694	73,229
STD clinic	1,630,797	1,194,906	435,891	1,298,188
Maternal care coordination	1,292,934	1,120,937	171,997	1,077,841
Community transformation grant	132,594	122,155	10,439	75,700
Claims Processing	248,762	211,509	37,253	238,300
Teen Pregnancy Preventive Initiative	71,086	62,524	8,562	78,466
Triple P Program	296,715	300,898	(4,183)	293,398
Comprehensive opioid abuse	298,522	102,483	196,039	13,721
American Public Health Association	50,000	23,740	26,260	-
NC Partnership for the Children	56,520	7,362	49,158	-
COVID-19 response	5,305,474	2,759,890	2,545,584	-
Subtotal - health	30,445,942	23,030,559	7,415,383	21,068,569
Welfare				
Social services department	49,593,731	42,928,678	6,665,053	43,419,052
Social services - other	14,063,427	11,404,733	2,658,694	12,582,360
Grant - FV care center	599,263	464,166	135,097	437,951
Welfare - other	380,064	301,052	79,012	333,557
Subtotal - welfare	64,636,485	55,098,629	9,537,856	56,772,920

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (continued)
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Human services (continued)				
Other human services				
Veterans' services	\$ 465,142	\$ 437,822	\$ 27,320	\$ 426,127
Spring Lake Resource Center	34,542	28,155	6,387	29,503
Child support enforcement	5,593,567	5,110,079	483,488	4,929,310
Subtotal - other human services	<u>6,093,251</u>	<u>5,576,056</u>	<u>517,195</u>	<u>5,384,940</u>
Total human services	<u>106,700,620</u>	<u>89,134,847</u>	<u>17,565,773</u>	<u>88,543,417</u>
Cultural and recreational				
Library	10,256,034	9,500,400	755,634	10,010,495
Stadium maintenance	-	-	-	1,398
Culture recreation other	260,569	260,569	-	260,568
Library - grants	249,150	37,967	211,183	157,667
Total cultural and recreational	<u>10,765,753</u>	<u>9,798,936</u>	<u>966,817</u>	<u>10,430,128</u>
Education				
Public schools - current	80,711,700	80,711,700	-	80,550,000
Public schools - other contractual	2,050,000	1,856,579	193,421	1,646,787
Community colleges - current	12,283,629	12,283,629	-	12,184,126
Community colleges -other contractual	28,000	24,524	3,476	27,261
Total education	<u>95,073,329</u>	<u>94,876,432</u>	<u>196,897</u>	<u>94,408,174</u>
Total expenditures	<u>328,560,220</u>	<u>289,721,135</u>	<u>38,839,085</u>	<u>284,892,549</u>
Revenues over (under) expenditures	<u>2,297,819</u>	<u>55,032,250</u>	<u>52,734,431</u>	<u>37,151,155</u>
Other financing sources (uses)				
Sale of capital assets	7,500	424,465	416,965	72,807
Transfers in	161,778	111,778	(50,000)	294,687
Transfers out	(21,141,352)	(20,391,447)	749,905	(30,131,528)
Fund balance appropriated	18,674,255	-	(18,674,255)	-
Total other financing sources (uses)	<u>(2,297,819)</u>	<u>(19,855,204)</u>	<u>(17,557,385)</u>	<u>(29,764,034)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>35,177,046</u>	<u>\$ 35,177,046</u>	<u>7,387,121</u>
Fund balance - beginning		127,030,969		119,643,848
Fund balance - ending		<u>\$ 162,208,015</u>		<u>\$ 127,030,969</u>
Reconciliation to H-1:				
General Fund - ending fund balance		\$ 162,208,015		\$ 127,030,969
County School Fund - ending fund balance (H-6)		11,329,459		9,050,027
Capital Investment Fund - ending fund balance (H-7)		61,385,217		36,073,289
		<u>\$ 234,922,691</u>		<u>\$ 172,154,285</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - County School Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Other taxes	\$ 12,900,000	\$ 13,806,656	\$ 906,656	\$ 11,855,220
Unrestricted intergovernmental revenue	930,000	1,552,693	622,693	1,351,676
Restricted intergovernmental revenue	3,349,297	3,349,297	-	3,416,888
Interest earned on investments	-	1,941	1,941	137,589
Miscellaneous	75,000	-	(75,000)	137,347
Total revenues	<u>17,254,297</u>	<u>18,710,587</u>	<u>1,456,290</u>	<u>16,898,720</u>
Expenditures				
Education				
School capital outlay I	18,014,825	9,517,693	8,497,132	10,085,545
School capital outlay II	2,434,375	1,795,554	638,821	2,335,000
School capital outlay III	750,000	208,660	541,340	320,979
Total expenditures	<u>21,199,200</u>	<u>11,521,907</u>	<u>9,677,293</u>	<u>12,741,524</u>
Revenues over expenditures	<u>(3,944,903)</u>	<u>7,188,680</u>	<u>11,133,583</u>	<u>4,157,196</u>
Other financing sources (uses)				
Transfers out	(5,055,097)	(4,954,618)	100,479	(5,223,328)
Sale of capital assets	-	45,370	45,370	-
Fund balance appropriated	9,000,000	-	(9,000,000)	-
Total other financing sources (uses)	<u>3,944,903</u>	<u>(4,909,248)</u>	<u>(8,854,151)</u>	<u>(5,223,328)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>2,279,432</u>	<u>\$ 2,279,432</u>	<u>(1,066,132)</u>
Fund balance - beginning		<u>9,050,027</u>		<u>10,116,159</u>
Fund balance - ending		<u>\$ 11,329,459</u>		<u>\$ 9,050,027</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Capital Investment Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Interest income	\$ 997,865	\$ 1,002,518	\$ 4,653	\$ 987,493
Insurance Proceeds	109,165	36,122	(73,043)	161,790
Total revenues	<u>1,107,030</u>	<u>1,038,640</u>	<u>(68,390)</u>	<u>1,149,283</u>
Expenditures				
General government	4,500,293	1,406,988	3,093,305	602,650
Economic and physical development	16,277,621	2,150,711	14,126,910	5,311,189
Education - community college capital outlay	11,267,048	121,301	11,145,747	150,904
Debt service				
Principal	10,144,285	10,144,283	2	10,529,084
Interest	2,556,857	2,556,856	1	3,029,269
Total expenditures	<u>44,746,104</u>	<u>16,380,139</u>	<u>28,365,965</u>	<u>19,623,096</u>
Revenues over expenditures	<u>(43,639,074)</u>	<u>(15,341,499)</u>	<u>28,297,575</u>	<u>(18,473,813)</u>
Other financing sources (uses)				
Issuance of debt	10,000,000	10,000,000	-	12,777,800
Transfers in	30,088,721	30,580,253	491,532	34,413,391
Transfers out	(73,000)	(23,000)	50,000	(841,561)
County contribution	-	-	-	127,059
Payment to escrow agent	-	-	-	(12,869,659)
Sale of capital assets	-	96,174	96,174	-
Fund balance appropriated	3,623,353	-	(3,623,353)	-
Total other financing sources (uses)	<u>43,639,074</u>	<u>40,653,427</u>	<u>(2,985,647)</u>	<u>33,607,030</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>25,311,928</u>	<u>\$ 25,311,928</u>	<u>15,133,217</u>
Fund balance - beginning		36,073,289		20,940,072
Fund balance - ending		<u>\$ 61,385,217</u>		<u>\$ 36,073,289</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - ARPA Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 32,584,345	\$ -	\$ (32,584,345)	\$ -
Interest earnings	-	994	994	-
Total revenues	<u>32,584,345</u>	<u>994</u>	<u>(32,583,351)</u>	<u>-</u>
Expenditures				
Economic and physical development	32,584,345	-	32,584,345	-
Total expenditures	<u>32,584,345</u>	<u>-</u>	<u>32,584,345</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>994</u>	<u>994</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>994</u>	<u>\$ 994</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 994</u>		<u>\$ -</u>

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

NONMAJOR GOVERNMENTAL FUNDS



**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 21,829,186	\$ -	\$ -	\$ 21,829,186
Taxes receivable, net	466,341	-	-	466,341
Due from other governments	4,231,431	-	-	4,231,431
Other receivables, net	25,977	293,359	-	319,336
Restricted assets:				
Cash and cash equivalents	975,781	7,876,831	57,674	8,910,286
Total assets	\$ 27,528,716	\$ 8,170,190	\$ 57,674	\$ 35,756,580
Liabilities deferred inflows of resources and fund balances				
Liabilities:				
Accounts and vouchers payable	\$ 1,949,719	\$ 425,505	\$ 420	\$ 2,375,644
Due to other governments	4,916,898	-	-	4,916,898
Accrued payroll	66,864	-	-	66,864
Other payables	200	-	-	200
Due to other funds	3,216,919	-	-	3,216,919
Total liabilities	10,150,600	425,505	420	10,576,525
Deferred inflows of resources - taxes	482,097	-	-	482,097
Fund balances:				
Restricted:				
Stabilization by State Statute	4,187,155	61	-	4,187,216
Inmates	920,943	-	-	920,943
Cemetery	-	-	57,254	57,254
Fire protection	1,612,940	-	-	1,612,940
Public safety	3,912,073	7,303,933	-	11,216,006
Economic and physical development	79,084	-	-	79,084
Human services	180,335	-	-	180,335
Cultural and recreational	6,978,470	440,691	-	7,419,161
Unassigned	(974,981)	-	-	(974,981)
Total fund balances	16,896,019	7,744,685	57,254	24,697,958
Total liabilities, deferred inflows of resources and fund balances	\$ 27,528,716	\$ 8,170,190	\$ 57,674	\$ 35,756,580

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021**

	Special Revenue Funds	Capital Project Funds	Cemetery Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Ad valorem taxes	\$ 16,054,732	\$ -	\$ -	\$ 16,054,732
Other taxes	10,017,479	-	-	10,017,479
Restricted intergovernmental revenue	22,029,348	293,298	-	22,322,646
Sales and services	1,362,149	-	-	1,362,149
Licenses and permits	93,415	-	-	93,415
Interest earned on investments	5,015	659	13	5,687
Burial fees	-	-	8,400	8,400
Insurance proceeds	1,186	-	-	1,186
Miscellaneous	502,333	-	-	502,333
Total revenues	<u>50,065,657</u>	<u>293,957</u>	<u>8,413</u>	<u>50,368,027</u>
Expenditures				
Current:				
General government	2,766,126	-	-	2,766,126
Public safety	11,345,931	1,632,776	-	12,978,707
Economic and physical development	8,027,784	173,522	2,796	8,204,102
Human services	13,182,438	-	-	13,182,438
Cultural and recreational	4,558,630	-	-	4,558,630
Total expenditures	<u>39,880,909</u>	<u>1,806,298</u>	<u>2,796</u>	<u>41,690,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,184,748</u>	<u>(1,512,341)</u>	<u>5,617</u>	<u>8,678,024</u>
Other financing sources (uses)				
Issuance of debt proceeds	-	14,507,300	-	14,507,300
Debt issuance costs	-	(326,597)	-	(326,597)
Sale of capital assets	6,576	-	-	6,576
Transfers in	901,343	150,000	-	1,051,343
Transfers out	(8,887,029)	(6,258,104)	-	(15,145,133)
Total other financing sources (uses)	<u>(7,979,110)</u>	<u>8,072,599</u>	<u>-</u>	<u>93,489</u>
Net change in fund balances	2,205,638	6,560,258	5,617	8,771,513
Fund balance - beginning	14,127,120	1,184,427	51,637	15,363,184
Restatement	563,261	-	-	563,261
Fund balance - beginning - after reclassification	<u>14,690,381</u>	<u>1,184,427</u>	<u>51,637</u>	<u>15,926,445</u>
Fund balance - ending	<u>\$ 16,896,019</u>	<u>\$ 7,744,685</u>	<u>\$ 57,254</u>	<u>\$ 24,697,958</u>

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

NONMAJOR
SPECIAL REVENUE FUNDS

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021**

(continued)

	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
Assets											
Cash and cash equivalents	\$ 5,538,439	\$ 3,131,544	\$ -	\$ 1,805,443	\$ 367,777	\$ 171,434	\$ 79,084	\$ 1,786,098	\$ 2,326,547	\$ 93,567	\$ 610,373
Taxes receivable, net	-	-	-	156,978	-	-	-	-	309,363	-	-
Due from other governments	-	64,122	2,542,212	55,374	889	344,140	-	1,066,450	142,487	-	-
Other receivables, net	55	259	-	14	-	11,521	1	-	14,093	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,538,494</u>	<u>\$ 3,195,925</u>	<u>\$ 2,542,212</u>	<u>\$ 2,017,809</u>	<u>\$ 368,666</u>	<u>\$ 527,095</u>	<u>\$ 79,085</u>	<u>\$ 2,852,548</u>	<u>\$ 2,792,490</u>	<u>\$ 93,567</u>	<u>\$ 610,373</u>
Liabilities:											
Accounts and vouchers payable	\$ -	\$ 3,344	\$ 6,353	\$ 365,412	\$ 169,983	\$ 138,523	\$ -	\$ 222,683	\$ 713,607	\$ 1,648	\$ 7,832
Due to other governments	-	-	-	-	-	-	-	47	-	-	-
Accrued payroll	-	-	18,283	-	17,459	5,955	-	21,743	-	-	-
Other payables	-	-	-	-	-	-	-	200	-	-	-
Due to other funds	-	-	2,296,679	-	-	78,128	-	766,764	-	-	-
Total liabilities	<u>-</u>	<u>3,344</u>	<u>2,321,315</u>	<u>365,412</u>	<u>187,442</u>	<u>222,606</u>	<u>-</u>	<u>1,011,437</u>	<u>713,607</u>	<u>1,648</u>	<u>7,832</u>
Deferred inflows of resources - taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,363</u>	<u>-</u>	<u>-</u>
Fund balances:											
Restricted:											
Stabilization by State Statute	55	64,381	2,542,212	55,389	889	355,661	1	1,066,450	156,580	-	-
Inmates	-	-	-	-	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-	-	1,612,940	-	-
Public safety	-	3,128,200	-	-	-	-	-	-	-	91,919	602,541
Economic and physical development	-	-	-	-	-	-	79,084	-	-	-	-
Human services	-	-	-	-	180,335	-	-	-	-	-	-
Cultural and recreational	5,538,439	-	-	1,440,031	-	-	-	-	-	-	-
Unassigned	-	-	(2,321,315)	-	-	(51,172)	-	774,661	-	-	-
Total fund balances	<u>5,538,494</u>	<u>3,192,581</u>	<u>220,897</u>	<u>1,495,420</u>	<u>181,224</u>	<u>304,489</u>	<u>79,085</u>	<u>1,841,111</u>	<u>1,769,520</u>	<u>91,919</u>	<u>602,541</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,538,494</u>	<u>\$ 3,195,925</u>	<u>\$ 2,542,212</u>	<u>\$ 2,017,809</u>	<u>\$ 368,666</u>	<u>\$ 527,095</u>	<u>\$ 79,085</u>	<u>\$ 2,852,548</u>	<u>\$ 2,792,490</u>	<u>\$ 93,567</u>	<u>\$ 610,373</u>

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

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021**

(concluded)

	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	Emergency Rental Assistance Fund	DSS Representative Payee Fund	Total Nonmajor Special Revenue Funds
Assets										
Cash and cash equivalents	\$ 60,523	\$ 28,890	\$ -	\$ -	\$ 302	\$ 1,250	\$ 408,588	\$ 4,918,097	\$ 501,230	\$ 21,829,186
Taxes receivable, net	-	-	-	-	-	-	-	-	-	466,341
Due from other governments	-	-	-	15,757	-	-	-	-	-	4,231,431
Other receivables, net	-	-	-	-	-	-	-	34	-	25,977
Restricted assets:										
Cash and cash equivalents	-	-	975,781	-	-	-	-	-	-	975,781
Total assets	<u>\$ 60,523</u>	<u>\$ 28,890</u>	<u>\$ 975,781</u>	<u>\$ 15,757</u>	<u>\$ 302</u>	<u>\$ 1,250</u>	<u>\$ 408,588</u>	<u>\$ 4,918,131</u>	<u>\$ 501,230</u>	<u>\$ 27,528,716</u>
Liabilities:										
Accounts and vouchers payable	\$ -	\$ -	\$ -	\$ 2,341	\$ -	\$ 1,150	\$ 315,844	\$ 999	\$ -	\$ 1,949,719
Due to other governments	-	-	-	-	-	-	-	4,916,851	-	4,916,898
Accrued payroll	-	-	3,424	-	-	-	-	-	-	66,864
Other payables	-	-	-	-	-	-	-	-	-	200
Due to other funds	-	-	51,414	23,934	-	-	-	-	-	3,216,919
Total liabilities	<u>-</u>	<u>-</u>	<u>54,838</u>	<u>26,275</u>	<u>-</u>	<u>1,150</u>	<u>315,844</u>	<u>4,917,850</u>	<u>-</u>	<u>10,150,600</u>
Deferred inflows of resources - taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,097</u>
Fund balances:										
Restricted:										
Stabilization by State Statute	-	-	-	-	-	-	(54,497)	34	-	4,187,155
Inmates	-	-	920,943	-	-	-	-	-	-	920,943
Fire protection	-	-	-	-	-	-	-	-	-	1,612,940
Public safety	60,523	28,890	-	-	-	-	-	-	-	3,912,073
Economic and physical development	-	-	-	-	-	-	-	-	-	79,084
Human services	-	-	-	-	-	-	-	-	-	180,335
Cultural and recreational	-	-	-	-	-	-	-	-	-	6,978,470
Unassigned	-	-	-	(26,275)	302	100	147,241	247	501,230	(974,981)
Total fund balances	<u>60,523</u>	<u>28,890</u>	<u>920,943</u>	<u>(26,275)</u>	<u>302</u>	<u>100</u>	<u>92,744</u>	<u>281</u>	<u>501,230</u>	<u>16,896,019</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,523</u>	<u>\$ 28,890</u>	<u>\$ 975,781</u>	<u>\$ 15,757</u>	<u>\$ 302</u>	<u>\$ 1,250</u>	<u>\$ 408,588</u>	<u>\$ 4,918,131</u>	<u>\$ 501,230</u>	<u>\$ 27,528,716</u>

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2021**

(continued)

	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
Revenues											
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,558,631	\$ -	\$ -	\$ -	\$ -	\$ 11,496,101	\$ -	\$ -
Other taxes	7,802,401	-	-	-	-	-	-	-	-	-	-
Restricted intergovernmental revenue	-	755,204	4,274,977	25,638	1,321,464	966,802	-	3,513,132	-	-	435,245
Sales and services	-	-	-	-	180,928	22,765	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Interest earned on investments	455	509	31	290	81	-	15	12	283	26	141
Insurance proceeds	-	-	1,186	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	51,447	-	-	-
Total revenues	7,802,856	755,713	4,276,194	4,584,559	1,502,473	989,567	15	3,564,591	11,496,384	26	435,386
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	10,867,245	57,580	138,347
Economic and physical development	-	367,408	3,869,565	-	-	1,008,442	-	2,694,964	-	-	-
Human services	-	-	-	-	1,916,024	-	-	-	-	-	-
Cultural and recreational	-	-	-	4,558,630	-	-	-	-	-	-	-
Total expenditures	-	367,408	3,869,565	4,558,630	1,916,024	1,008,442	-	2,694,964	10,867,245	57,580	138,347
Excess (deficiency) of revenues over (under) expenditures	7,802,856	388,305	406,629	25,929	(413,551)	(18,875)	15	869,627	629,139	(57,554)	297,039
Other financing sources (uses)											
Sale of capital assets	-	-	-	-	-	2,526	-	4,050	-	-	-
Transfers in	-	143,805	72,147	-	413,144	68,987	-	203,260	-	-	-
Transfers out	(8,863,029)	-	-	-	-	-	-	-	(24,000)	-	-
Total other financing sources (uses)	(8,863,029)	143,805	72,147	-	413,144	71,513	-	207,310	(24,000)	-	-
Net change in fund balances	(1,060,173)	532,110	478,776	25,929	(407)	52,638	15	1,076,937	605,139	(57,554)	297,039
Fund balance - beginning	6,598,667	2,660,471	(257,879)	1,469,491	181,631	251,851	79,070	764,174	1,164,381	149,473	305,502
Restatement - change in accounting principle	-	-	-	-	-	-	-	-	-	-	-
Fund balance - beginning, restated	6,598,667	2,660,471	(257,879)	1,469,491	181,631	251,851	79,070	764,174	1,164,381	149,473	305,502
Fund balance - ending	\$ 5,538,494	\$ 3,192,581	\$ 220,897	\$ 1,495,420	\$ 181,224	\$ 304,489	\$ 79,085	\$ 1,841,111	\$ 1,769,520	\$ 91,919	\$ 602,541

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2021**

(concluded)

	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	Emergency Rental Assistance Fund	DSS Representative Payee Fund	Total Nonmajor Special Revenue Funds
Revenues										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,054,732
Other taxes	-	-	-	-	-	-	2,215,078	-	-	10,017,479
Restricted intergovernmental revenue	14,897	397	-	127,757	10,331,353	16,750	244,733	999	-	22,029,348
Sales and services	-	-	-	-	-	-	261,320	-	897,136	1,362,149
Licenses and permits	-	-	-	-	-	-	93,415	-	-	93,415
Interest earned on investments	12	8	-	-	2,871	-	-	281	-	5,015
Insurance proceeds	-	-	-	-	-	-	-	-	-	1,186
Miscellaneous	-	-	450,886	-	-	-	-	-	-	502,333
Total revenues	<u>14,909</u>	<u>405</u>	<u>450,886</u>	<u>127,757</u>	<u>10,334,224</u>	<u>16,750</u>	<u>2,814,546</u>	<u>1,280</u>	<u>897,136</u>	<u>50,065,657</u>
Expenditures										
Current:										
General government	-	-	-	-	-	16,650	2,749,476	-	-	2,766,126
Public safety	4,781	2,176	275,802	-	-	-	-	-	-	11,345,931
Economic and physical development	-	-	-	87,405	-	-	-	-	-	8,027,784
Human services	-	-	-	-	10,333,922	-	-	999	931,493	13,182,438
Cultural and recreational	-	-	-	-	-	-	-	-	-	4,558,630
Total expenditures	<u>4,781</u>	<u>2,176</u>	<u>275,802</u>	<u>87,405</u>	<u>10,333,922</u>	<u>16,650</u>	<u>2,749,476</u>	<u>999</u>	<u>931,493</u>	<u>39,880,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,128</u>	<u>(1,771)</u>	<u>175,084</u>	<u>40,352</u>	<u>302</u>	<u>100</u>	<u>65,070</u>	<u>281</u>	<u>(34,357)</u>	<u>10,184,748</u>
Other financing sources (uses)										
Sale of capital assets	-	-	-	-	-	-	-	-	-	6,576
Transfers in	-	-	-	-	-	-	-	-	-	901,343
Transfers out	-	-	-	-	-	-	-	-	-	(8,887,029)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,979,110)</u>
Net change in fund balances	<u>10,128</u>	<u>(1,771)</u>	<u>175,084</u>	<u>40,352</u>	<u>302</u>	<u>100</u>	<u>65,070</u>	<u>281</u>	<u>(34,357)</u>	<u>2,205,638</u>
Fund balance - beginning	50,395	30,661	745,859	(66,627)	-	-	-	-	-	14,127,120
Restatement - change in accounting principle	-	-	-	-	-	-	27,674	-	535,587	563,261
Fund balance - beginning, restated	<u>50,395</u>	<u>30,661</u>	<u>745,859</u>	<u>(66,627)</u>	<u>-</u>	<u>-</u>	<u>27,674</u>	<u>-</u>	<u>535,587</u>	<u>14,690,381</u>
Fund balance - ending	<u>\$ 60,523</u>	<u>\$ 28,890</u>	<u>\$ 920,943</u>	<u>\$ (26,275)</u>	<u>\$ 302</u>	<u>\$ 100</u>	<u>\$ 92,744</u>	<u>\$ 281</u>	<u>\$ 501,230</u>	<u>\$ 16,896,019</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Prepared Food and Beverage Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Other taxes	\$ 6,108,595	\$ 7,802,401	\$ 1,693,806	\$ 6,840,608
Interest earned on investments	144,783	455	(144,328)	111,740
Total revenues	<u>6,253,378</u>	<u>7,802,856</u>	<u>1,549,478</u>	<u>6,952,348</u>
Expenditures				
Cultural and recreational	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>6,253,378</u>	<u>7,802,856</u>	<u>1,549,478</u>	<u>6,952,348</u>
Other financing sources (uses)				
Transfers out	(8,863,030)	(8,863,029)	1	(7,422,205)
Fund balance appropriated	2,609,652	-	(2,609,652)	-
Total other financing sources (uses)	<u>(6,253,378)</u>	<u>(8,863,029)</u>	<u>(2,609,651)</u>	<u>(7,422,205)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(1,060,173)</u>	<u>\$ (1,060,173)</u>	<u>(469,857)</u>
Fund balance - beginning		<u>6,598,667</u>		<u>7,068,524</u>
Fund balance - ending		<u>\$ 5,538,494</u>		<u>\$ 6,598,667</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Emergency Telephone Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 759,956	\$ 755,204	\$ (4,752)	\$ 794,154
Interest earned on investments	-	509	509	29,766
Total revenues	<u>759,956</u>	<u>755,713</u>	<u>(4,243)</u>	<u>823,920</u>
Expenditures				
Economic and physical development:				
Implemental functions	210,172	75,006	135,166	158,195
Telephone/furniture	262,112	89,289	172,823	76,645
Software	157,477	142,353	15,124	144,585
Hardware	87,695	118,154	(30,459)	70,797
Training	42,500	27,935	14,565	32,433
Adjustments	143,805	(85,329)	229,134	5,092
Total expenditures	<u>903,761</u>	<u>367,408</u>	<u>536,353</u>	<u>487,747</u>
Revenues over expenditures	<u>(143,805)</u>	<u>388,305</u>	<u>532,110</u>	<u>336,173</u>
Other financing sources (uses)				
Fund balance appropriated	1,000,000	-	(1,000,000)	-
Transfers in	143,805	143,805	-	-
Transfers out	(1,000,000)	-	1,000,000	-
Total other financing sources (uses)	<u>143,805</u>	<u>143,805</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>532,110</u>	<u>\$ 532,110</u>	<u>336,173</u>
Fund balance - beginning		<u>2,660,471</u>		<u>2,324,298</u>
Fund balance - ending		<u>\$ 3,192,581</u>		<u>\$ 2,660,471</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Workforce Development Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Restricted intergovernmental revenue	\$ 5,524,090	\$ 4,274,977	\$ (1,249,113)	\$ 2,585,258
Interest earned on investments	-	31	31	-
Insurance proceeds	-	1,186	1,186	4,212
Total revenues	<u>5,524,090</u>	<u>4,276,194</u>	<u>(1,247,896)</u>	<u>2,589,470</u>
Expenditures				
Economic and physical development:				
WIOA Title I - Administration	389,537	75,403	314,134	460,629
WIOA Title I - Adult	1,533,392	1,165,638	367,754	695,619
WIOA Title I - Dislocated worker	1,083,587	792,172	291,415	487,061
WIOA Title I - In-school youth	425,605	191,097	234,508	465,459
WIOA Title I - Out-of-school youth	1,276,815	901,193	375,622	-
WIOA Title I - Statewide activities	304,922	218,715	86,207	-
Senior Aides	582,379	525,347	57,032	532,030
Total expenditures	<u>5,596,237</u>	<u>3,869,565</u>	<u>1,726,672</u>	<u>2,640,798</u>
Revenues over expenditures	<u>(72,147)</u>	<u>406,629</u>	<u>478,776</u>	<u>(51,328)</u>
Other financing sources (uses)				
Transfers in	72,147	72,147	-	74,000
Total other financing sources (uses)	<u>72,147</u>	<u>72,147</u>	<u>-</u>	<u>74,000</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>478,776</u>	<u>\$ 478,776</u>	<u>22,672</u>
Fund balance - beginning		<u>(257,879)</u>		<u>(280,551)</u>
Fund balance - ending		<u>\$ 220,897</u>		<u>\$ (257,879)</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Recreation Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Ad valorem taxes	\$ 4,927,041	\$ 4,558,631	\$ (368,410)	\$ 4,358,413
Restricted intergovernmental revenue	-	25,638	25,638	18,296
Interest earned on investments	-	290	290	29,666
Total revenues	<u>4,927,041</u>	<u>4,584,559</u>	<u>(342,482)</u>	<u>4,406,375</u>
Expenditures				
Cultural and recreational	4,065,935	3,913,674	152,261	3,869,347
Capital outlay	1,439,445	644,956	794,489	489,065
Total expenditures	<u>5,505,380</u>	<u>4,558,630</u>	<u>946,750</u>	<u>4,358,412</u>
Revenues over expenditures	<u>(578,339)</u>	<u>25,929</u>	<u>604,268</u>	<u>47,963</u>
Other financing sources (uses)				
Fund balance appropriated	578,339	-	(578,339)	-
Total other financing sources (uses)	<u>578,339</u>	<u>-</u>	<u>(578,339)</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>25,929</u>	<u>\$ 25,929</u>	<u>47,963</u>
Fund balance - beginning		<u>1,469,491</u>		<u>1,421,528</u>
Fund balance - ending		<u>\$ 1,495,420</u>		<u>\$ 1,469,491</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Juvenile Crime Prevention Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Restricted intergovernmental revenue	\$ 1,330,141	\$ 1,321,464	\$ (8,677)	\$ 1,194,365
Sales and services	213,770	180,928	(32,842)	168,665
Interest earned on investments	-	81	81	902
Total revenues	<u>1,543,911</u>	<u>1,502,473</u>	<u>(41,438)</u>	<u>1,363,932</u>
Expenditures				
Human Services:				
JCP programs	1,485,308	1,411,096	74,212	1,289,490
Residential group home	739,339	504,928	234,411	566,510
Total expenditures	<u>2,224,647</u>	<u>1,916,024</u>	<u>308,623</u>	<u>1,856,000</u>
Revenues over expenditures	<u>(680,736)</u>	<u>(413,551)</u>	<u>267,185</u>	<u>(492,068)</u>
Other financing sources (uses)				
Transfers in	655,736	413,144	(242,592)	482,984
Fund balance appropriated	25,000	-	(25,000)	-
Total other financing sources (uses)	<u>680,736</u>	<u>413,144</u>	<u>(267,592)</u>	<u>482,984</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(407)</u>	<u>\$ (407)</u>	<u>(9,084)</u>
Fund balance - beginning		<u>181,631</u>		<u>190,715</u>
Fund balance - ending		<u>\$ 181,224</u>		<u>\$ 181,631</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Transportation Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Restricted intergovernmental revenue	\$ 1,511,062	\$ 966,802	\$ (544,260)	\$ 1,107,961
Sales and services	27,771	22,765	(5,006)	23,096
Interest earned on investments	-	-	-	1,341
Total revenues	<u>1,538,833</u>	<u>989,567</u>	<u>(549,266)</u>	<u>1,132,398</u>
Expenditures				
Economic and physical development	1,624,079	1,008,442	615,637	1,135,275
Total expenditures	<u>1,624,079</u>	<u>1,008,442</u>	<u>615,637</u>	<u>1,135,275</u>
Revenues over expenditures	<u>(85,246)</u>	<u>(18,875)</u>	<u>66,371</u>	<u>(2,877)</u>
Other financing sources (uses)				
Transfers in	85,246	68,987	(16,259)	64,089
Gain (loss) on sale of capital assets	-	2,526	2,526	-
Total other financing sources (uses)	<u>85,246</u>	<u>71,513</u>	<u>(13,733)</u>	<u>64,089</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>52,638</u>	<u>\$ 52,638</u>	<u>61,212</u>
Fund balance - beginning		<u>251,851</u>		<u>190,639</u>
Fund balance - ending		<u>\$ 304,489</u>		<u>\$ 251,851</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Flea Hill Drainage District Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Interest earned on investments	\$ -	\$ 15	\$ 15	\$ 1,004
Total revenues	<u>-</u>	<u>15</u>	<u>15</u>	<u>1,004</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>15</u>	<u>15</u>	<u>1,004</u>
Other financing sources (uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u><u>\$ -</u></u>	<u>15</u>	<u><u>\$ 15</u></u>	<u>1,004</u>
Fund balance - beginning		<u>79,070</u>		<u>78,066</u>
Fund balance - ending		<u><u>\$ 79,085</u></u>		<u><u>\$ 79,070</u></u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Community Development Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Restricted intergovernmental revenue	\$ 5,048,752	\$ 3,513,132	\$ (1,535,620)	\$ 1,780,195
Miscellaneous	100,000	51,447	(48,553)	74,609
Interest earned on investments	-	12	12	-
Total revenues	5,148,752	3,564,591	(1,584,161)	1,854,804
Expenditures				
Economic and physical development				
Administration	1,557,432	796,676	760,756	344,417
Economic Development	1,303,783	862,356	441,427	343,634
Housing activities	2,205,033	139,560	2,065,473	245,159
Public facilities	185,000	127,705	57,295	160,843
Public services	644,804	548,515	96,289	88,226
Program grants	467,290	220,152	247,138	227,448
Total expenditures	6,363,342	2,694,964	3,668,378	1,409,727
Revenues over (under) expenditures	(1,214,590)	869,627	2,084,217	445,077
Other financing sources (uses)				
Sale of capital assets	-	4,050	4,050	856
Transfers in	563,712	203,260	(360,452)	220,392
Fund balance appropriated	650,878	-	(650,878)	-
Total other financing sources (uses)	1,214,590	207,310	(1,007,280)	221,248
Revenues and other financing sources (uses) over (under) expenditures	\$ -	1,076,937	\$ 1,076,937	666,325
Fund balance - beginning		764,174		97,849
Fund balance - ending		\$ 1,841,111		\$ 764,174

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Fire Protection Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Ad valorem taxes	\$ 11,492,372	\$ 11,496,101	\$ 3,729	\$ 10,893,021
Interest earned on investments	7,328	283	(7,045)	12,793
Total revenues	<u>11,499,700</u>	<u>11,496,384</u>	<u>(3,316)</u>	<u>10,905,814</u>
Expenditures				
Public safety	12,062,265	10,867,245	1,195,020	9,815,794
Total expenditures	<u>12,062,265</u>	<u>10,867,245</u>	<u>1,195,020</u>	<u>9,815,794</u>
Revenues over expenditures	<u>(562,565)</u>	<u>629,139</u>	<u>1,191,704</u>	<u>1,090,020</u>
Other financing sources (uses)				
Transfers out	(24,000)	(24,000)	-	(24,000)
Fund balance appropriated	586,565	-	(586,565)	-
Total other financing sources (uses)	<u>562,565</u>	<u>(24,000)</u>	<u>(586,565)</u>	<u>(24,000)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>605,139</u>	<u>\$ 605,139</u>	<u>1,066,020</u>
Fund balance - beginning		<u>1,164,381</u>		<u>98,361</u>
Fund balance - ending		<u>\$ 1,769,520</u>		<u>\$ 1,164,381</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Federal Drug Justice Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 1,500	\$ -	\$ (1,500)	\$ 45,266
Interest earned on investments	78	26	(52)	2,155
Total revenues	<u>1,578</u>	<u>26</u>	<u>(1,552)</u>	<u>47,421</u>
Expenditures				
Public safety	58,900	57,580	1,320	57,875
Total expenditures	<u>58,900</u>	<u>57,580</u>	<u>1,320</u>	<u>57,875</u>
Revenues over expenditures	<u>(57,322)</u>	<u>(57,554)</u>	<u>(232)</u>	<u>(10,454)</u>
Other financing sources (uses)				
Fund balance appropriated	57,322	-	(57,322)	-
Total other financing sources (uses)	<u>57,322</u>	<u>-</u>	<u>(57,322)</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(57,554)</u>	<u>\$ (57,554)</u>	<u>(10,454)</u>
Fund balance - beginning		<u>149,473</u>		<u>159,927</u>
Fund balance - ending		<u>\$ 91,919</u>		<u>\$ 149,473</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Federal Drug Forfeiture Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
Revenues				
Restricted intergovernmental revenue	\$ 175,062	\$ 435,245	\$ 260,183	\$ 70,906
Interest earned on investments	225	141	(84)	3,458
Total revenues	<u>175,287</u>	<u>435,386</u>	<u>260,099</u>	<u>74,364</u>
Expenditures				
Public safety	175,287	138,347	36,940	78,334
Total expenditures	<u>175,287</u>	<u>138,347</u>	<u>36,940</u>	<u>78,334</u>
Revenues over expenditures	<u>-</u>	<u>297,039</u>	<u>297,039</u>	<u>(3,970)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>297,039</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>297,039</u>	<u>\$ 297,039</u>	<u>(3,970)</u>
Fund balance - beginning		<u>305,502</u>		<u>309,472</u>
Fund balance - ending		<u>\$ 602,541</u>		<u>\$ 305,502</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - North Carolina Controlled Substance Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 12,200	\$ 14,897	\$ 2,697	\$ 17,651
Interest earned on investments	800	12	(788)	565
Total revenues	<u>13,000</u>	<u>14,909</u>	<u>1,909</u>	<u>18,216</u>
Expenditures				
Public safety	13,000	4,781	8,219	6,230
Total expenditures	<u>13,000</u>	<u>4,781</u>	<u>8,219</u>	<u>6,230</u>
Revenues over expenditures	<u>-</u>	<u>10,128</u>	<u>10,128</u>	<u>11,986</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u><u>\$ -</u></u>	<u>10,128</u>	<u><u>\$ 10,128</u></u>	<u>11,986</u>
Fund balance - beginning		<u>50,395</u>		<u>38,409</u>
Fund balance - ending		<u><u>\$ 60,523</u></u>		<u><u>\$ 50,395</u></u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Animal Medical Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 700	\$ 397	\$ (303)	\$ 1,316
Interest earned on investments	-	8	8	452
Total revenues	<u>700</u>	<u>405</u>	<u>(295)</u>	<u>1,768</u>
Expenditures				
Public safety	7,500	2,176	5,324	5,948
Total expenditures	<u>7,500</u>	<u>2,176</u>	<u>5,324</u>	<u>5,948</u>
Revenues over expenditures	<u>(6,800)</u>	<u>(1,771)</u>	<u>5,029</u>	<u>(4,180)</u>
Other financing sources (uses)				
Fund balance appropriated	6,800	-	(6,800)	-
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(1,771)</u>	<u>\$ (1,771)</u>	<u>(4,180)</u>
Fund balance - beginning		<u>30,661</u>		<u>34,841</u>
Fund balance - ending		<u>\$ 28,890</u>		<u>\$ 30,661</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Inmate Welfare Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Interest earned on investments	\$ -	\$ -	\$ -	\$ (469)
Miscellaneous	331,350	450,886	119,536	387,357
Total revenues	<u>331,350</u>	<u>450,886</u>	<u>119,536</u>	<u>386,888</u>
Expenditures				
Public safety	389,519	275,802	113,717	160,081
Total expenditures	<u>389,519</u>	<u>275,802</u>	<u>113,717</u>	<u>160,081</u>
Revenues over expenditures	<u>(58,169)</u>	<u>175,084</u>	<u>233,253</u>	<u>226,807</u>
Other financing sources (uses)				
Fund balance appropriated	58,169	-	(58,169)	-
Total other financing sources (uses)	<u>58,169</u>	<u>-</u>	<u>(58,169)</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>175,084</u>	<u>\$ 175,084</u>	<u>226,807</u>
Fund balance - beginning		<u>745,859</u>		<u>519,052</u>
Fund balance - ending		<u>\$ 920,943</u>		<u>\$ 745,859</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - CDBG Disaster Recovery Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Restricted intergovernmental revenue	\$ 3,383,014	\$ 127,757	\$ (3,255,257)	\$ 597,685
Total revenues	<u>3,383,014</u>	<u>127,757</u>	<u>(3,255,257)</u>	<u>597,685</u>
Expenditures				
Economic and Physical Development	3,383,014	87,405	3,295,609	625,616
Total expenditures	<u>3,383,014</u>	<u>87,405</u>	<u>3,295,609</u>	<u>625,616</u>
Revenues over expenditures	<u>-</u>	<u>40,352</u>	<u>40,352</u>	<u>(27,931)</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>40,352</u>	<u>\$ 40,352</u>	<u>(27,931)</u>
Fund balance - beginning		<u>(66,627)</u>		<u>(38,696)</u>
Fund balance - ending		<u>\$ (26,275)</u>		<u>\$ (66,627)</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - CARES Relief Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 11,038,415	\$ 10,331,353	\$ (707,062)	\$ 2,194,936
Interest earned on investments	2,872	2,871	(1)	-
Total revenues	<u>11,041,287</u>	<u>10,334,224</u>	<u>(707,063)</u>	<u>2,194,936</u>
Expenditures				
Human Services	11,041,287	10,333,922	707,365	2,194,936
Total expenditures	<u>11,041,287</u>	<u>10,333,922</u>	<u>707,365</u>	<u>2,194,936</u>
Revenues over expenditures	<u>-</u>	<u>302</u>	<u>302</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>302</u>	<u>\$ 302</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 302</u>		<u>\$ -</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Fines and Forfeitures Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 18,128	\$ 16,750	\$ (1,378)	\$ -
Total revenues	<u>18,128</u>	<u>16,750</u>	<u>(1,378)</u>	<u>-</u>
Expenditures				
General government	18,128	16,650	1,478	-
Total expenditures	<u>18,128</u>	<u>16,650</u>	<u>1,478</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>100</u>	<u>\$ 100</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 100</u>		<u>\$ -</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Deeds of Trust Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 249,134	\$ 244,733	\$ (4,401)	\$ -
Licenses and permits	105,873	93,415	(12,458)	-
Sales and services	240,575	261,320	20,745	-
Other taxes	2,268,919	2,215,078	(53,841)	-
Total revenues	<u>2,864,501</u>	<u>2,814,546</u>	<u>(49,955)</u>	<u>-</u>
Expenditures				
General government	2,864,501	2,749,476	115,025	-
Total expenditures	<u>2,864,501</u>	<u>2,749,476</u>	<u>115,025</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>65,070</u>	<u>65,070</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>65,070</u>	<u>\$ 65,070</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Restatement - change in accounting principle		27,674		
Fund balance - beginning, restated		<u>27,674</u>		
Fund balance - ending		<u>\$ 92,744</u>		<u>\$ -</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Emergency Rental Assistance Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 4,917,849	\$ 999	\$ (4,916,850)	\$ -
Interest earned on investments	-	281	281	-
Total revenues	<u>4,917,849</u>	<u>1,280</u>	<u>(4,916,569)</u>	<u>-</u>
Expenditures				
Human Services	4,917,849	999	4,916,850	-
Total expenditures	<u>4,917,849</u>	<u>999</u>	<u>4,916,850</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>281</u>	<u>281</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>281</u>	<u>\$ 281</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 281</u>		<u>\$ -</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - DSS Representative Payee Fund
Year Ended June 30, 2021
(With Comparative Totals for Year Ended June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Revenues				
Sales and services	\$ 1,038,200	\$ 897,136	\$ (141,064)	\$ -
Total revenues	<u>1,038,200</u>	<u>897,136</u>	<u>(141,064)</u>	<u>-</u>
Expenditures				
Human Services	1,038,200	931,493	106,707	-
Total expenditures	<u>1,038,200</u>	<u>931,493</u>	<u>106,707</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>(34,357)</u>	<u>(34,357)</u>	<u>-</u>
Other financing sources (uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(34,357)</u>	<u>\$ (34,357)</u>	<u>-</u>
Fund balance - beginning		-		
Restatement - Change in accounting principle		535,587		
Fund balance - beginning		<u>535,587</u>		<u>-</u>
Fund balance - ending		<u>\$ 501,230</u>		<u>\$ -</u>

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

NONMAJOR
CAPITAL PROJECT FUNDS

**Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2021**

	Cultural and Recreation Fund	Governmental Capital Improvement Fund	Emergency Operations Center Fund	Total Nonmajor Capital Project Funds
Assets				
Other receivables, net	\$ 3	\$ -	\$ 293,356	\$ 293,359
Restricted assets:				
Cash and cash equivalents	440,691	-	7,436,140	7,876,831
Total assets	\$ 440,694	\$ -	\$ 7,729,496	\$ 8,170,190
Liabilities and fund balances				
Liabilities:				
Accounts and vouchers payable	\$ -	\$ -	\$ 425,505	\$ 425,505
Total liabilities	-	-	425,505	425,505
Fund balances:				
Restricted:				
Stabilization by State Statute	3	-	58	61
Cultural and recreational	440,691	-	-	440,691
Economic and physical development	-	-	-	-
Public Safety	-	-	7,303,933	7,303,933
Total fund balances	440,694	-	7,303,991	7,744,685
Total liabilities and fund balances	\$ 440,694	\$ -	\$ 7,729,496	\$ 8,170,190

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended June 30, 2021**

	Cultural and Recreation Fund	Governmental Capital Improvement Fund	Emergency Operations Center Fund	Total Nonmajor Capital Project Funds
Revenues				
Restricted intergovernmental	\$ -	\$ -	\$ 293,298	\$ 293,298
Interest earned on investments	91	306	262	659
Total revenues	<u>91</u>	<u>306</u>	<u>293,560</u>	<u>293,957</u>
Expenditures				
Economic and physical development	-	173,522	-	173,522
Public safety	-	-	1,632,776	1,632,776
Total expenditures	<u>-</u>	<u>173,522</u>	<u>1,632,776</u>	<u>1,806,298</u>
Revenues over (under) expenditures	<u>91</u>	<u>(173,216)</u>	<u>(1,339,216)</u>	<u>(1,512,341)</u>
Other financing sources				
Issuance of debt	-	-	14,507,300	14,507,300
Debt issuance costs	-	-	(326,597)	(326,597)
Transfers in	-	-	150,000	150,000
Transfers out	-	(456,286)	(5,801,818)	(6,258,104)
Total other financing sources	<u>-</u>	<u>(456,286)</u>	<u>8,528,885</u>	<u>8,072,599</u>
Revenues and other financing sources over (under) expenditures	<u>91</u>	<u>(629,502)</u>	<u>7,189,669</u>	<u>6,560,258</u>
Fund balance - beginning	<u>440,603</u>	<u>629,502</u>	<u>114,322</u>	<u>1,184,427</u>
Fund balance - ending	<u>\$ 440,694</u>	<u>\$ -</u>	<u>\$ 7,303,991</u>	<u>\$ 7,744,685</u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Cultural and Recreation Fund
From Inception and for Year Ended June 30, 2021**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues					
Interest earned on investments	\$ -	\$ 40,424	\$ -	\$ 91	\$ 40,515
Total revenues	<u>-</u>	<u>40,424</u>	<u>-</u>	<u>91</u>	<u>40,515</u>
Expenditures					
Cultural and recreational	5,237,218	4,837,490	-	-	4,837,490
Total expenditures	<u>5,237,218</u>	<u>4,837,490</u>	<u>-</u>	<u>-</u>	<u>4,837,490</u>
Revenues over (under) expenditures	<u>(5,237,218)</u>	<u>(4,797,066)</u>	<u>-</u>	<u>91</u>	<u>(4,796,975)</u>
Other financing sources (uses)					
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
Total other financing sources	<u>5,237,218</u>	<u>5,237,669</u>	<u>-</u>	<u>-</u>	<u>5,237,669</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 440,603</u>	<u>\$ -</u>	<u>91</u>	<u>\$ 440,694</u>
Fund balance - beginning				<u>440,603</u>	
Fund balance - ending				<u>\$ 440,694</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Governmental Capital Improvement Fund
From Inception and for Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues					
Miscellaneous	\$ 74,244	\$ 74,244	\$ -	\$ -	\$ 74,244
Interest earned on investments	7,578	7,256	-	306	7,562
Total revenues	<u>81,822</u>	<u>81,500</u>	<u>-</u>	<u>306</u>	<u>81,806</u>
Expenditures					
Economic and physical development	5,858,421	5,684,884	-	173,522	5,858,406
Total expenditures	<u>5,858,421</u>	<u>5,684,884</u>	<u>-</u>	<u>173,522</u>	<u>5,858,406</u>
Revenues over (under) expenditures	<u>(5,776,599)</u>	<u>(5,603,384)</u>	<u>-</u>	<u>(173,216)</u>	<u>(5,776,600)</u>
Other financing sources (uses)					
Issuance of debt	5,993,101	5,993,100	-	-	5,993,100
Debt issuance costs	(74,618)	(74,617)	-	-	(74,617)
Transfers in	1,414,403	1,414,403	-	-	1,414,403
Transfers out	(1,556,287)	(1,100,000)	-	(456,286)	(1,556,286)
Total other financing sources	<u>5,776,599</u>	<u>6,232,886</u>	<u>-</u>	<u>(456,286)</u>	<u>5,776,600</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 629,502</u>	<u>\$ -</u>	<u>(629,502)</u>	<u>\$ -</u>
Fund balance - beginning				<u>629,502</u>	
Fund balance - ending				<u>\$ -</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Emergency Operations Center Fund
From Inception and for Year Ended June 30, 2021**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues					
Restricted intergovernmental	\$ 2,251,387	\$ -	\$ -	\$ 293,298	\$ 293,298
Interest earned on investments	-	-	-	262	262
Total revenues	<u>2,251,387</u>	<u>-</u>	<u>-</u>	<u>293,560</u>	<u>293,560</u>
Expenditures					
Public safety	16,210,148	5,687,496	-	1,632,776	7,320,272
Total expenditures	<u>16,210,148</u>	<u>5,687,496</u>	<u>-</u>	<u>1,632,776</u>	<u>7,320,272</u>
Revenues over (under) expenditures	<u>(13,958,761)</u>	<u>(5,687,496)</u>	<u>-</u>	<u>(1,339,216)</u>	<u>(7,026,712)</u>
Other financing sources (uses)					
Issuance of debt	13,135,359	-	-	14,507,300	14,507,300
Debt issuance costs	(326,598)	-	-	(326,597)	(326,597)
Transfers in	6,951,818	5,801,818	-	150,000	5,951,818
Transfers out	(5,801,818)	-	-	(5,801,818)	(5,801,818)
Total other financing sources	<u>13,958,761</u>	<u>5,801,818</u>	<u>-</u>	<u>8,528,885</u>	<u>14,330,703</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 114,322</u>	<u>\$ -</u>	<u>7,189,669</u>	<u>\$ 7,303,991</u>
Fund balance - beginning				<u>114,322</u>	
Fund balance - ending				<u>\$ 7,303,991</u>	

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

NONMAJOR
PERMANENT FUND



**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Cemetery Permanent Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)**

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Interest earned on investments	\$ 873	\$ 13	\$ (860)	\$ 664
Burial Fees	1,927	8,400	6,473	3,600
Total revenues	<u>2,800</u>	<u>8,413</u>	<u>5,613</u>	<u>4,264</u>
Expenditures				
Maintenance	2,800	2,796	4	2,800
Total expenditures	<u>2,800</u>	<u>2,796</u>	<u>4</u>	<u>2,800</u>
Revenues over (under) expenditures	<u>-</u>	<u>5,617</u>	<u>5,617</u>	<u>1,464</u>
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>5,617</u>	<u>\$ 5,617</u>	<u>1,464</u>
Fund balance - beginning		<u>51,637</u>		<u>50,173</u>
Fund balance - ending		<u>\$ 57,254</u>		<u>\$ 51,637</u>

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

ENTERPRISE FUNDS



Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Cumberland County Solid Waste Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ 4,994,283	\$ 3,979,863	\$ (1,014,420)	\$ 4,310,031
Other operating revenue	100,000	200,029	100,029	23,943
Solid waste fees	5,962,764	5,907,549	(55,215)	5,879,766
Total operating revenues	<u>11,057,047</u>	<u>10,087,441</u>	<u>(969,606)</u>	<u>10,213,740</u>
Non-operating revenues and other financing sources				
Interest earned on investments	472,828	40,951	(431,877)	571,510
Gain (loss) on disposal of capital assets	200,000	311,921	111,921	(101,533)
Miscellaneous	7,475	8,583	1,108	62,536
Grant revenue	2,495,947	513,208	(1,982,739)	2,627,021
Transfers in	14,137,531	-	(14,137,531)	-
Total non-operating revenues and other financing sources	<u>17,313,781</u>	<u>874,663</u>	<u>(16,439,118)</u>	<u>3,159,534</u>
Fund balance appropriated	2,322,211	-	(2,322,211)	-
Total revenues, other financing sources and fund balance appropriations	<u>\$ 30,693,039</u>	<u>\$ 10,962,104</u>	<u>\$ (19,730,935)</u>	<u>\$ 13,373,274</u>
Operating expenditures				
Salaries and employee benefits	\$ 4,198,027	\$ 3,537,030	\$ 660,997	\$ 3,372,515
Repairs and maintenance	1,390,103	1,212,400	177,703	1,316,509
Utilities	295,000	219,614	75,386	223,321
Administrative costs	6,479,180	4,688,213	1,790,967	4,511,503
Landfill closure and postclosure care costs	700,000	712,100	(12,100)	(911,075)
Total operating expenditures	<u>13,062,310</u>	<u>10,369,357</u>	<u>2,692,953</u>	<u>8,512,773</u>
Other expenditures and financing uses				
Capital outlay	17,380,729	3,622,772	13,757,957	8,335,713
Transfers out	250,000	-	250,000	-
Total other expenditures and financing uses	<u>17,630,729</u>	<u>3,622,772</u>	<u>14,007,957</u>	<u>8,335,713</u>
Total expenditures and financing uses	<u>\$ 30,693,039</u>	<u>\$ 13,992,129</u>	<u>\$ 16,700,910</u>	<u>\$ 16,848,486</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 10,962,104		
Total expenditures and other financing uses		<u>13,992,129</u>		
		(3,030,025)		
Capital outlay		3,622,772		
Closed Projects		458,407		
Depreciation		(1,761,228)		
Change in net pension liability		(216,444)		
Change in deferred outflows of resources - pensions		98,151		
Change in deferred inflows of resources - pensions		(2,750)		
Change in net OPEB liability		(145,873)		
Change in deferred outflows of resources - OPEB		(114,614)		
Change in deferred inflows of resources - OPEB		<u>806,635</u>		
Change in net position		<u>\$ (284,969)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Cumberland County Crown Center Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Charges for services	\$ -	\$ 592,981	\$ 592,981	\$ 1,505,646
Total operating revenues	<u>-</u>	<u>592,981</u>	<u>592,981</u>	<u>1,505,646</u>
Non-operating revenues and other financing sources				
Interest earned on investments	51,421	1,861	(49,560)	83,794
Motel occupancy tax	1,345,281	1,606,165	260,884	1,469,474
Gain (loss) on disposal of capital assets	-	-	-	(116,920)
Grant revenue	113,812	434,669	320,857	17,840
Issuance of debt	6,326,899	-	(6,326,899)	21,072,200
Insurance proceeds	15,711	15,268	(443)	5,986
Transfers in	11,989,411	10,203,250	(1,786,161)	7,362,068
Total non-operating revenues and other financing sources	<u>19,842,535</u>	<u>12,261,213</u>	<u>(7,581,322)</u>	<u>29,894,442</u>
Fund balance appropriated	<u>1,821,404</u>	<u>-</u>	<u>(1,821,404)</u>	<u>-</u>
Total revenues, other financing sources and fund balance appropriations	<u>\$ 21,663,939</u>	<u>\$ 12,854,194</u>	<u>\$ (8,809,745)</u>	<u>\$ 31,400,088</u>
Operating expenditures				
Repairs and maintenance	\$ 1,369,426	\$ 707,121	\$ 662,305	\$ 710,158
Global Spectrum, LP	5,170,466	3,643,575	1,526,891	4,472,970
Total operating expenditures	<u>6,539,892</u>	<u>4,350,696</u>	<u>2,189,196</u>	<u>5,183,128</u>
Non-operating expenditures				
Capital outlay	9,012,924	1,213,887	7,799,037	4,791,353
Debt Issuance Costs	-	-	-	41,310
Interest expense	306,471	378,821	(72,350)	759,217
Total non-operating expenditures	<u>9,319,395</u>	<u>1,592,708</u>	<u>7,726,687</u>	<u>5,591,880</u>
Other expenditures and financing uses				
Principal payments	4,184,011	4,142,800	41,211	22,537,913
Transfers out	1,620,641	1,532,427	88,214	-
Total other expenditures and financing uses	<u>5,804,652</u>	<u>5,675,227</u>	<u>129,425</u>	<u>22,537,913</u>
Total expenditures and financing uses	<u>\$ 21,663,939</u>	<u>\$ 11,618,631</u>	<u>\$ 10,045,308</u>	<u>\$ 33,312,921</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 12,854,194		
Total expenditures and other financing uses		<u>11,618,631</u>		
		1,235,563		
Capital outlay		1,213,887		
Depreciation		(2,131,456)		
Principal payments		4,142,800		
Change in net position		<u>\$ 4,460,794</u>		

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

**Schedule of Revenues and Expenditures and Changes in Fund Balance
Budget and Actual - Solid Waste Capital Projects
From Inception and for Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues					
Restricted intergovernmental revenue	\$ 1,526,056	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	64,550	5,778	-	-	5,778
Total revenues	<u>1,590,606</u>	<u>5,778</u>	<u>-</u>	<u>-</u>	<u>5,778</u>
Expenditures					
Economic & Physical Development	-	-	-	-	-
Administrative	20,000	-	-	7,310	7,310
Contracted Services	1,113,400	-	-	469,445	469,445
Other	14,344,737	12,434,329	(458,407)	146,864	12,122,786
Depreciation	-	9,806	-	319,864	329,670
Total expenditures	<u>15,478,137</u>	<u>12,444,135</u>	<u>(458,407)</u>	<u>943,483</u>	<u>12,929,211</u>
Revenues over (under) expenditures	<u>(13,887,531)</u>	<u>(12,438,357)</u>	<u>458,407</u>	<u>(943,483)</u>	<u>(12,923,433)</u>
Other financing sources (uses)					
Transfers in	14,137,531	13,546,307	-	-	13,546,307
Transfers out	(250,000)	(250,000)	-	-	(250,000)
Total other financing sources	<u>13,887,531</u>	<u>13,296,307</u>	<u>-</u>	<u>-</u>	<u>13,296,307</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 857,950</u>	<u>\$ 458,407</u>	<u>\$ (943,483)</u>	<u>\$ 372,874</u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Crown Capital Project Fund
From Inception and for Year Ended June 30, 2021**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues					
Interest earned on investments	\$ 513	\$ 439	\$ -	\$ 70	\$ 509
Total revenues	<u>513</u>	<u>439</u>	<u>-</u>	<u>70</u>	<u>509</u>
Expenditures					
Economic & Physical Development	7,717,820	7,759,027	-	-	7,759,027
Depreciation	-	106,457	-	227,444	333,901
Total expenditures	<u>7,717,820</u>	<u>7,865,484</u>	<u>-</u>	<u>227,444</u>	<u>8,092,928</u>
Revenues over (under) expenditures	<u>\$ (7,717,307)</u>	<u>\$ (7,865,045)</u>	<u>\$ -</u>	<u>\$ (227,374)</u>	<u>\$ (8,092,419)</u>
Other financing sources (uses)					
Installment purchase revenue	6,326,899	4,384,958	-	-	4,384,958
Debt issuance costs	(41,210)	(41,209)	-	-	(41,209)
Transfers in	1,655,557	1,655,557	-	-	1,655,557
Transfers out	(223,939)	(88,212)	-	(135,726)	(223,938)
Total other financing sources (uses)	<u>7,717,307</u>	<u>5,911,094</u>	<u>-</u>	<u>(135,726)</u>	<u>5,775,368</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (1,953,951)</u>	<u>\$ -</u>	<u>(363,100)</u>	<u>\$ (2,317,051)</u>
Fund balance - beginning				<u>(1,953,951)</u>	
Fund balance - ending				<u>\$ (2,317,051)</u>	

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Kelly Hills Water and Sewer District Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ 103,520	\$ 94,603	\$ (8,917)	\$ 76,409
Total operating revenues	<u>103,520</u>	<u>94,603</u>	<u>(8,917)</u>	<u>76,409</u>
Non-operating revenues				
Interest earned on investments	-	53	53	2,954
Total non-operating revenues	<u>-</u>	<u>53</u>	<u>53</u>	<u>-</u>
Total revenues	<u>\$ 103,520</u>	<u>\$ 94,603</u>	<u>\$ (8,917)</u>	<u>\$ 76,409</u>
Operating expenditures				
Repairs and maintenance	\$ 90,690	\$ 29,779	\$ 60,911	\$ 37,557
Administrative	12,830	3,788	9,042	3,624
Total operating expenditures	<u>103,520</u>	<u>33,567</u>	<u>69,953</u>	<u>41,181</u>
Total expenditures	<u>\$ 103,520</u>	<u>\$ 33,567</u>	<u>\$ 69,953</u>	<u>\$ 41,181</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 94,603		
Total expenditures and other financing uses		<u>33,567</u>		
		61,036		
Depreciation		<u>66,429</u>		
Change in net position		<u>\$ (5,393)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
NORCRESS Water and Sewer District Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Charges for services	\$ 645,175	\$ 367,566	\$ (277,609)	\$ 438,979
Total operating revenues	<u>645,175</u>	<u>367,566</u>	<u>(277,609)</u>	<u>438,979</u>
Non-operating revenues and other financing sources				
Interest earned on investments	-	12	12	3,148
Total non-operating revenues and other financing sources	<u>-</u>	<u>12</u>	<u>12</u>	<u>3,148</u>
Fund balance appropriated	120,225	-	(120,225)	-
Total revenues, other financing sources and fund balance appropriations	<u>\$ 765,400</u>	<u>\$ 367,578</u>	<u>\$ (397,822)</u>	<u>\$ 442,127</u>
Operating expenditures				
Repairs and maintenance	\$ 268,700	\$ 122,527	\$ 146,173	205,511
Utilities	297,935	230,809	67,126	233,938
Administrative costs	133,143	31,249	101,894	9,491
Total operating expenditures	<u>699,778</u>	<u>384,585</u>	<u>315,193</u>	<u>448,940</u>
Non-operating expenditures				
Principal payments	24,000	-	24,000	-
Interest expense	41,622	41,539	83	42,491
Total non-operating expenditures	<u>65,622</u>	<u>41,539</u>	<u>24,083</u>	<u>42,491</u>
Total expenditures	<u>\$ 765,400</u>	<u>\$ 426,124</u>	<u>\$ 339,276</u>	<u>\$ 491,431</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 367,578		
Total expenditures and other financing uses		<u>426,124</u>		
		(58,546)		
Depreciation		<u>229,534</u>		
Change in net position		<u>\$ (288,080)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Southpoint Water and Sewer District Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Charges for services	\$ 36,302	\$ 44,528	\$ 8,226	\$ 38,343
Total operating revenues	<u>36,302</u>	<u>44,528</u>	<u>8,226</u>	<u>38,343</u>
Non-operating revenues				
Interest earned on investments	-	36	36	1,860
Total non-operating revenues	<u>-</u>	<u>36</u>	<u>36</u>	<u>1,860</u>
Total revenues	<u>\$ 36,302</u>	<u>\$ 44,564</u>	<u>\$ 8,262</u>	<u>\$ 40,203</u>
Operating expenditures				
Miscellaneous	\$ 3,168	\$ 3,247	\$ (79)	\$ 2,214
Repairs and maintenance	21,270	1,488	19,782	4,995
Administrative costs	6,868	5,184	1,684	5,356
Total operating expenditures	<u>31,306</u>	<u>9,919</u>	<u>21,387</u>	<u>12,565</u>
Other expenditures				
Principal payments	4,996	-	4,996	-
Total other expenditures	<u>4,996</u>	<u>-</u>	<u>4,996</u>	<u>-</u>
Total expenditures	<u>\$ 36,302</u>	<u>\$ 9,919</u>	<u>\$ 26,383</u>	<u>\$ 12,565</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 44,564		
Total expenditures and other financing uses		<u>9,919</u>		
		34,645		
Depreciation		<u>11,794</u>		
Change in net position		<u>\$ 22,851</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Overhills Park Water and Sewer District Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Charges for services	\$ 163,558	\$ 139,505	\$ (24,053)	\$ 111,608
Total operating revenues	<u>163,558</u>	<u>139,505</u>	<u>(24,053)</u>	<u>111,608</u>
Non-operating revenues				
Interest earned on investments	-	9	9	16
Miscellaneous	-	-	-	61
Total non-operating revenues	<u>-</u>	<u>9</u>	<u>9</u>	<u>77</u>
Total revenues	<u>\$ 163,558</u>	<u>\$ 139,514</u>	<u>\$ (24,044)</u>	<u>\$ 111,685</u>
Operating expenditures				
Utilities	\$ 60,494	\$ 69,169	\$ (8,675)	\$ 35,397
Administrative costs	44,228	5,530	38,698	4,369
Maintenance & Repairs	-	-	-	-
Total operating expenditures	<u>104,722</u>	<u>74,699</u>	<u>30,023</u>	<u>39,766</u>
Other expenditures				
Principal Payments	25,000	-	25,000	-
Interest	28,552	28,509	43	28,551
Debt service reserve	5,284	-	5,284	-
Total other expenditures	<u>58,836</u>	<u>28,509</u>	<u>30,327</u>	<u>28,551</u>
Total expenditures	<u>\$ 163,558</u>	<u>\$ 103,208</u>	<u>\$ 60,350</u>	<u>\$ 68,317</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 139,514		
Total expenditures and other financing uses		<u>103,208</u>		
		36,306		
Change in net position				
Overhills Park Water and Sewer District Fund		36,306		
Overhills Park Water and Sewer District Capital Project Fund		<u>(110,838)</u>		
Change in net position		<u>\$ (74,532)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Bragg Estates Water and Sewer District Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues				
Transfers in	-	50,000	50,000	-
Total non-operating revenues	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenues	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Operating expenditures				
Economic and physical development	\$ -	\$ 12,040	\$ (12,040)	\$ -
Administrative costs	-	162,073	(162,073)	-
Total operating expenditures	<u>-</u>	<u>174,113</u>	<u>(174,113)</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ 174,113</u>	<u>\$ (174,113)</u>	<u>\$ -</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 50,000		
Total expenditures and other financing uses		<u>162,073</u>		
		(112,073)		

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

**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, 2020**

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues					
Interest earned on investments	\$ -	\$ 3,065	\$ -	\$ 62	\$ 3,127
USDA Rural Development grant	3,099,000	3,099,000	-	-	3,099,000
Total revenues	<u>3,099,000</u>	<u>3,102,065</u>	<u>-</u>	<u>62</u>	<u>3,102,127</u>
Expenditures					
Economic & Physical Development	4,535,700	4,331,725	-	110,900	4,442,625
Total expenditures	<u>4,535,700</u>	<u>4,331,725</u>	<u>-</u>	<u>110,900</u>	<u>4,442,625</u>
Revenues over (under) expenditures	<u>(1,436,700)</u>	<u>(1,229,660)</u>	<u>-</u>	<u>(110,838)</u>	<u>(1,340,498)</u>
Other financing sources (uses)					
Issuance of debt	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
Total other financing sources	<u>1,436,700</u>	<u>1,515,042</u>	<u>-</u>	<u>-</u>	<u>1,515,042</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 285,382</u>	<u>\$ -</u>	<u>(110,838)</u>	<u>\$ 174,544</u>
Fund balance - beginning				<u>285,382</u>	
Fund balance - ending				<u>\$ 174,544</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Bragg Estates Water and Sewer District Capital Project Fund
From Inception and for Year Ended June 30, 2020**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues					
USDA Rural Development grant	\$ 1,453,000	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>1,453,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Economic & Physical Development	1,988,000	157,925	-	(157,925)	-
Total expenditures	<u>1,988,000</u>	<u>157,925</u>	<u>-</u>	<u>(157,925)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(535,000)</u>	<u>(157,925)</u>	<u>-</u>	<u>157,925</u>	<u>-</u>
Other financing sources (uses)					
Issuance of debt	497,000	-	-	-	-
Transfers in	50,000	50,000	-	(50,000)	-
Debt issuance costs	(12,000)	-	-	-	-
Total other financing sources	<u>535,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (107,925)</u>	<u>\$ -</u>	<u>107,925</u>	<u>\$ -</u>
Fund balance - beginning				<u>(107,925)</u>	
Fund balance - ending				<u>\$ -</u>	

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

INTERNAL SERVICE FUNDS



**Combining Statement of Net Position
Internal Service Funds
June 30, 2021**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
Assets						
Current assets						
Other receivables, net	\$ 214,400	\$ -	\$ 43	\$ 5	\$ 5	\$ 214,453
Inventories	153,254	-	-	-	-	153,254
Prepays	-	-	150,000	-	-	150,000
Total current assets	367,654	-	150,043	5	5	517,707
Noncurrent assets						
Restricted:						
Cash and cash equivalents	10,681,172	58,803	5,978,938	647,164	651,173	18,017,250
Total noncurrent assets	10,681,172	58,803	5,978,938	647,164	651,173	18,017,250
Total assets	11,048,826	58,803	6,128,981	647,169	651,178	18,534,957
Deferred outflows of resources						
Pension	83,883	-	29,957	-	-	113,840
OPEB	34,073	-	26,181	-	-	60,254
Total deferred outflows of resources	117,956	-	56,138	-	-	174,094
Liabilities and net position						
Current liabilities						
Accounts and vouchers payable	160,110	1,408	41,726	12,251	3,302	218,797
Accrued payroll	26,870	-	6,813	-	-	33,683
Incurring but not reported	1,212,000	-	3,622,800	-	-	4,834,800
Other payables	260,295	-	-	-	-	260,295
Current portion of long-term debt and compensated absences	27,028	-	10,007	-	-	37,035
Total current liabilities	1,686,303	1,408	3,681,346	12,251	3,302	5,384,610
Noncurrent liabilities						
Compensated absences	1,423	-	527	-	-	1,949
Net pension liability	125,470	-	43,161	-	-	168,631
OPEB Liability	506,539	-	310,213	-	-	816,752
Total noncurrent liabilities	633,432	-	353,901	-	-	987,332
Total liabilities	2,319,734	1,408	4,035,247	12,251	3,302	6,371,942
Deferred inflows of resources						
Pension	23,621	-	27,752	-	-	51,373
OPEB	88,048	-	37,646	-	-	125,694
Total deferred inflows of resources	111,669	-	65,398	-	-	177,067
Net position						
Restricted net position - claims	10,681,172	58,803	5,978,938	647,164	651,173	18,017,250
Unrestricted	(1,945,793)	(1,408)	(3,894,464)	(12,246)	(3,297)	(5,857,208)
Total net position	\$ 8,735,379	\$ 57,395	\$ 2,084,474	\$ 634,918	\$ 647,876	\$ 12,160,042

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

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total
Operating revenues						
Contributions	\$ -	\$ 391,343	\$ 2,035,559	\$ -	\$ 1,100,000	\$ 3,526,902
Contributions - Group health insurance	23,328,372	-	-	-	-	23,328,372
Pharmacy services	2,630,112	-	-	-	-	2,630,112
Total operating revenues	<u>25,958,484</u>	<u>391,343</u>	<u>2,035,559</u>	<u>-</u>	<u>1,100,000</u>	<u>29,485,386</u>
Operating expenses						
Salaries and employee benefits	-	421,851	173,259	-	-	595,110
Administrative costs	-	-	1,769	108,405	1,005,796	1,115,970
Depreciation	-	-	-	-	-	-
Workers' compensation claims	-	-	1,066,603	-	-	1,066,603
Group health insurance	22,639,702	-	-	-	-	22,639,702
Employee pharmacy	3,175,260	-	-	-	-	3,175,260
Employee clinic	351,576	-	-	-	-	351,576
Employee wellness program	88,259	-	-	-	-	88,259
Total operating expenses	<u>26,254,797</u>	<u>421,851</u>	<u>1,241,631</u>	<u>108,405</u>	<u>1,005,796</u>	<u>29,032,480</u>
Operating income (loss)	<u>(296,313)</u>	<u>(30,508)</u>	<u>793,928</u>	<u>(108,405)</u>	<u>94,204</u>	<u>452,906</u>
Nonoperating revenue (expense)						
Interest earned on investments	2,757	3	1,142	146	144	4,192
Miscellaneous	12,277	(19,079)	-	-	-	(6,802)
Total nonoperating revenue (expense)	<u>15,034</u>	<u>(19,076)</u>	<u>1,142</u>	<u>146</u>	<u>144</u>	<u>(2,610)</u>
Income (loss) before transfers	<u>(281,279)</u>	<u>(49,584)</u>	<u>795,070</u>	<u>(108,259)</u>	<u>94,348</u>	<u>450,296</u>
Transfers in	-	-	-	100,000	-	100,000
Change in net position	<u>(281,279)</u>	<u>(49,584)</u>	<u>795,070</u>	<u>(8,259)</u>	<u>94,348</u>	<u>550,296</u>
Total net position - beginning	9,016,658	106,979	1,289,404	643,177	553,528	11,609,746
Total net position - ending	<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>

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

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
Operating activities						
Contributions	\$ 23,328,372	\$ 391,343	\$ 2,036,857	\$ -	\$ 1,100,000	\$ 26,856,572
Cash paid to employees	44,316	(421,851)	(22,242)	-	-	(399,777)
Cash paid for goods and services	-	-	-	(99,667)	(1,005,796)	(1,105,463)
Cash received for goods and services	2,579,511	(19,329)	(47,866)	-	-	2,512,316
Cash paid for claims	(26,301,822)	-	(1,196,152)	-	3,302	(27,494,672)
Net cash from operating activities	<u>(349,623)</u>	<u>(49,837)</u>	<u>770,597</u>	<u>(99,667)</u>	<u>97,506</u>	<u>368,976</u>
Noncapital financing activities						
Transfers in	-	-	-	100,000	-	100,000
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investing activities						
Investment earnings	2,757	3	1,142	291	288	4,481
Net cash from investing activities	<u>2,757</u>	<u>3</u>	<u>1,142</u>	<u>291</u>	<u>288</u>	<u>4,481</u>
Net increase in cash and cash equivalents	<u>(346,866)</u>	<u>(49,834)</u>	<u>771,739</u>	<u>624</u>	<u>97,794</u>	<u>473,457</u>
Cash and cash equivalents						
Beginning of year	11,028,038	108,637	5,207,199	646,540	553,379	17,543,793
End of year	<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>

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

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Vehicle Insurance Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities						
Operating income (loss)	\$ (296,313)	\$ (30,508)	\$ 793,928	\$ (108,405)	\$ 94,204	\$ 452,906
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Changes in operating assets and liabilities						
Other receivables	14,002	18	1,298	-	-	15,318
Inventories	1,322	-	-	-	-	1,322
Prepays	-	-	(48,158)	-	-	(48,158)
Accounts payable and accrued liabilities	(38,686)	(19,347)	42,619	8,738	3,302	(3,374)
Compensated absences payable	878	-	108	-	-	986
Net pension liability	32,778	-	11,915	-	-	44,693
Deferred outflows of resources - pensions	18,508	-	3,719	-	-	22,227
Deferred inflows of resources - pensions	416	-	151	-	-	567
OPEB liability	12,156	-	7,357	-	-	19,513
Deferred outflows of resources - OPEB	(27,465)	-	(1,658)	-	-	(29,123)
Deferred inflows of resources - OPEB	(67,219)	-	(40,682)	-	-	(107,901)
Total adjustments	(53,310)	(19,329)	(23,331)	8,738	3,302	(83,930)
Net cash from operating activities	\$ (349,623)	\$ (49,837)	\$ 770,597	\$ (99,667)	\$ 97,506	\$ 368,976

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Group Insurance Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Contributions - Group health insurance	\$ 23,583,500	\$ 23,328,372	\$ (255,128)	\$ 23,471,552
Pharmacy services	2,430,000	2,630,112	200,112	2,554,693
Total operating revenues	<u>26,013,500</u>	<u>25,958,484</u>	<u>(55,016)</u>	<u>26,026,245</u>
Non-operating revenues				
Miscellaneous	-	12,277	12,277	6,009
Interest earned on investments	10,000	2,757	(7,243)	124,435
Litigation Settlement	-	-	-	75,000
Total non-operating revenues	<u>10,000</u>	<u>15,034</u>	<u>5,034</u>	<u>205,444</u>
Other financing sources				
Transfers in	-	-	-	-
Fund balance appropriated	1,195,858	-	(1,195,858)	-
Total revenues and other financing sources	<u>\$ 27,219,358</u>	<u>\$ 25,973,518</u>	<u>\$ (1,245,840)</u>	<u>\$ 26,231,689</u>
Operating expenditures				
Employee pharmacy	\$ 3,328,412	\$ 3,176,106	\$ 152,306	\$ 3,089,868
Employee clinic	454,655	351,576	103,084	353,999
Group health insurance	23,250,300	22,669,570	580,730	20,412,818
Employee wellness program	185,991	88,371	97,620	173,478
Total operating expenditures	<u>27,219,358</u>	<u>26,285,623</u>	<u>933,740</u>	<u>24,030,163</u>
Total expenditures and other financing uses	<u>\$ 27,219,358</u>	<u>\$ 26,285,623</u>	<u>\$ 933,740</u>	<u>\$ 24,030,163</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 25,973,518		
Total expenditures and other financing uses		<u>26,285,623</u>		
Subtotal		<u>(312,105)</u>		
Change in net pension liability		(32,778)		
Change in deferred outflows of resources - pensions		(18,508)		
Change in deferred inflows of resources - pensions		(416)		
Change in net OPEB liability		(12,156)		
Change in deferred outflows of resources - OPEB		27,465		
Change in deferred inflows of resources - OPEB		<u>67,219</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position		<u>\$ (281,279)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Employee Flexible Benefit Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Contributions	\$ 600,000	\$ 391,343	\$ (208,657)	\$ 455,992
Total operating revenues	<u>600,000</u>	<u>391,343</u>	<u>(208,657)</u>	<u>455,992</u>
Non-operating revenues				
Interest earned on investments	200	3	(197)	114
Total non-operating revenues	<u>200</u>	<u>3</u>	<u>(197)</u>	<u>114</u>
Total revenues	<u>\$ 600,200</u>	<u>\$ 391,346</u>	<u>\$ (208,854)</u>	<u>\$ 456,106</u>
Operating expenditures				
Salaries and employee benefits	\$ 575,000	\$ 421,851	\$ 153,149	\$ 452,964
Total operating expenditures	<u>575,000</u>	<u>421,851</u>	<u>153,149</u>	<u>452,964</u>
Non-operating expenditures				
Miscellaneous	25,200	19,079	(6,121)	137
Total non-operating expenditures	<u>25,200</u>	<u>19,079</u>	<u>(6,121)</u>	<u>137</u>
Total expenditures	<u>\$ 600,200</u>	<u>\$ 440,930</u>	<u>\$ 147,028</u>	<u>\$ 453,101</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 391,346		
Total expenditures and other financing uses		<u>440,930</u>		
Subtotal		<u>(49,584)</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position		<u>\$ (49,584)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Workers' Compensation Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Contributions	\$ 1,973,668	\$ 2,035,559	\$ 61,891	\$ 1,955,705
Total operating revenues	<u>1,973,668</u>	<u>2,035,559</u>	<u>61,891</u>	<u>1,955,705</u>
Non-operating revenues				
Interest earned on investments	-	1,142	1,142	71,687
Total non-operating revenues	<u>-</u>	<u>1,142</u>	<u>1,142</u>	<u>71,687</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 1,973,668</u>	<u>\$ 2,036,701</u>	<u>\$ 63,033</u>	<u>\$ 2,027,392</u>
Operating expenditures				
Administrative costs	\$ 11,349	\$ 1,769	\$ 9,580	\$ 2,974
Workers' compensation claims	1,705,330	1,066,603	638,727	1,650,698
Salaries and employee benefits	256,989	192,457	64,532	195,192
Total operating expenditures	<u>1,973,668</u>	<u>1,260,829</u>	<u>712,839</u>	<u>1,848,864</u>
Total expenditures	<u>\$ 1,973,668</u>	<u>\$ 1,260,829</u>	<u>\$ 712,839</u>	<u>\$ 1,848,864</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 2,036,701		
Total expenditures		<u>1,260,829</u>		
Subtotal		<u>775,872</u>		
Change in net pension liability		(11,915)		
Change in deferred outflows of resources - pensions		(3,719)		
Change in deferred inflows of resources - pensions		(151)		
Change in net OPEB liability		(7,357)		
Change in deferred outflows of resources - OPEB		1,658		
Change in deferred inflows of resources - OPEB		<u>40,682</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position		<u>\$ 795,070</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
General Litigation Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Non-operating revenues				
Interest earned on investments	\$ 8,000	\$ 146	\$ (7,854)	\$ 8,220
Total non-operating revenues	<u>8,000</u>	<u>146</u>	<u>(7,854)</u>	<u>8,220</u>
Other financing sources				
Transfers in	100,000	100,000	-	100,000
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total revenues and other financing sources	<u>\$ 108,000</u>	<u>\$ 100,146</u>	<u>\$ (7,854)</u>	<u>\$ 108,220</u>
Operating expenditures				
Administrative costs	\$ 108,000	\$ 108,405	\$ (405)	\$ 100,827
Total operating expenditures	<u>108,000</u>	<u>108,405</u>	<u>(405)</u>	<u>100,827</u>
Total expenditures	<u>\$ 108,000</u>	<u>\$ 108,405</u>	<u>\$ (405)</u>	<u>\$ 100,827</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 100,146		
Total expenditures		<u>108,405</u>		
Subtotal		<u>(8,259)</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position		<u>\$ (8,259)</u>		

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Vehicle Insurance Fund
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Contributions	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,000,000
Interest earned on investments	-	144	144	4,937
Total operating revenues	<u>\$ 1,100,000</u>	<u>\$ 1,100,144</u>	<u>\$ 144</u>	<u>\$ 1,004,937</u>
Operating expenditures				
Administrative costs	\$ 1,100,000	\$ 1,005,796	\$ 94,204	\$ 900,207
Total operating expenditures	<u>1,100,000</u>	<u>1,005,796</u>	<u>94,204</u>	<u>900,207</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 1,100,144		
Total expenditures		<u>1,005,796</u>		
Subtotal		<u>94,348</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in Net Position		<u>\$ 94,348</u>		

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

CUSTODIAL FUNDS



**Combining Statement of Fiduciary Assets and Liabilities
Custodial Funds
June 30, 2021**

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Totals
Assets					
Taxes receivable	\$ 3,505,577	\$ -	\$ -	\$ -	\$ 3,505,577
Due from other governments	966,769	-	-	-	966,769
Restricted cash and cash equivalents	235,084	160,034	24,134	-	419,252
Total assets	\$ 4,707,430	\$ 160,034	\$ 24,134	\$ -	\$ 4,891,598
Liabilities					
Accounts and vouchers payable	\$ 1,110,391	\$ -	\$ -	\$ -	\$ 1,110,391
Due to other governments	44,252	-	-	165	44,417
Reserve for taxes receivable	3,506,007	-	-	-	3,506,007
Total liabilities	\$ 4,660,650	\$ -	\$ -	\$ 165	\$ 4,660,815
Net Position					
Restricted for:					
Individuals, organizations, and other governments	\$ 17,007	\$ 54,079	\$ 73,361	\$ (166)	\$ 144,281
Unassigned	29,773	105,955	(49,227)	1	86,502
Total net position	\$ 46,780	\$ 160,034	\$ 24,134	\$ (165)	\$ 230,783

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

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021**

	City Tax Fund	Inmate Payee Fund	Stormwater Utility Fund	Vehicle Interest Fund	Totals
Additions					
Ad valorem taxes for other governments	\$ 113,085,369	\$ -	\$ -		\$ 113,085,369
Collections on behalf of inmates and other governments	-	1,210,416	449	-	1,210,865
Total additions	<u>\$ 113,085,369</u>	<u>\$ 1,210,416</u>	<u>\$ 449</u>	<u>\$ -</u>	<u>\$ 114,296,234</u>
Deductions					
Tax distributions to other governments	\$ 113,085,505	\$ -	\$ -	\$ -	\$ 113,085,505
Payments on behalf of inmates	-	1,184,526	-		1,184,526
Total deductions	<u>\$ 113,085,505</u>	<u>\$ 1,184,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,270,031</u>
Net increase (decrease) in fiduciary net position	(136)	25,890	449		26,203
Net position - beginning	46,916	134,144	23,685	(165)	204,580
Net position - ending	<u>\$ 46,780</u>	<u>\$ 160,034</u>	<u>\$ 24,134</u>	<u>\$ (165)</u>	<u>\$ 230,783</u>

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

DISCRETE COMPONENT UNITS



EASTOVER SANITARY DISTRICT



**Discretely Presented Component Unit
Eastover Sanitary District
Statement of Net Position
June 30, 2021**

Assets

Current assets

Cash and cash equivalents	\$	3,447,877
Accounts receivable, net		193,438
Other receivables, net		29
Total current assets		3,641,344

Noncurrent assets

Restricted:

Cash and cash equivalents		317,070
Capital assets, net of accumulated depreciation		18,308,333
Total noncurrent assets		18,625,403
Total assets		22,266,747

Liabilities and net position

Current liabilities

Accounts and vouchers payable		188,422
Accrued payroll		5,457
Accrued interest payable		45,306
Other payables		18,322
Current portion of long-term debt		1,725,707
Total current liabilities		1,983,214

Noncurrent liabilities

Long-term debt		9,783,079
Accrued Vacation Payable		15,305
Total noncurrent liabilities		9,798,384
Total liabilities		11,781,598

Net position

Net investment in capital assets		6,799,547
Restricted net position - debt service		317,070
Restricted net position - capital		464,000
Restricted net position - facility investment fee		182,320
Unrestricted		2,722,212
Total net position	\$	10,485,149

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

**Discretely Presented Component Unit
Eastover Sanitary District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2021**

Operating revenues	
Charges for services	\$ 2,411,958
Total operating revenues	<u>2,411,958</u>
Operating expenses	
Salaries and employee benefits	196,014
Repairs and maintenance	29,176
Utilities	18,071
Administrative costs	143,210
Bulk water purchases	359,031
Sewer treatment	157,842
Contracted services	308,676
Depreciation	606,966
Total operating expenses	<u>1,818,986</u>
Operating income (loss)	<u>592,972</u>
Nonoperating revenue (expense)	
Interest earned on investments	741
Interest expense	(430,653)
Debt issuance costs	(13,790)
Miscellaneous	29
Total nonoperating revenue (expense)	<u>(443,673)</u>
Change in net position	149,299
Total net position - beginning	<u>10,335,850</u>
Total net position - ending	<u>\$ 10,485,149</u>

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

**Discretely Presented Component Unit
Eastover Sanitary District
Statement of Cash Flows
Year Ended June 30, 2021**

Operating activities	
Cash received from customers	\$ 2,389,973
Cash paid to employees	(190,378)
Cash paid for goods and services	(913,250)
Net cash from operating activities	<u>1,286,345</u>
Net cash from noncapital financing activities	<u>-</u>
Capital and related financing activities	
Acquisition and construction of capital assets	(1,034,356)
Proceeds from issuance bond anticipation note	1,400,000
Principal paid on long-term debt	(299,767)
Interest paid on debt	(433,714)
Capital contributions	-
Other miscellaneous transactions	-
Net cash from by capital and related financing activities	<u>(367,837)</u>
Investing activities	
Investment earnings	1,442
Net cash from in investing activities	<u>1,442</u>
Net increase in cash and cash equivalents	<u>919,950</u>
Cash and cash equivalents	
Beginning of year	<u>2,844,997</u>
End of year	<u>\$ 3,764,947</u>
Reconciliation of operating income (loss) to net cash from operating activities	
Operating income	\$ 592,972
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	606,966
Changes in operating assets and liabilities	
Accounts receivable	(21,985)
Accounts payable and accrued liabilities	103,532
Compensated absences payable	4,861
Total adjustments	<u>693,374</u>
Net cash from operating activities	<u>\$ 1,286,346</u>
Reconciliation to cash and cash equivalents	
Cash and cash equivalents - unrestricted	\$ 3,447,877
Cash and cash equivalents - restricted	317,070
	<u>\$ 3,764,947</u>

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Eastover Sanitary District
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ 2,275,356	\$ 2,411,958	\$ 136,602	\$ 2,327,786
Total operating revenues	<u>2,275,356</u>	<u>2,411,958</u>	<u>136,602</u>	<u>2,327,786</u>
Nonoperating revenues and other financing sources				
Interest earned on investments	1,350	741	(609)	33,125
Miscellaneous	-	29	29	-
Proceeds from issuance of bonds	1,400,000	-	(1,400,000)	2
Transfers in	1,088,987	778,968	(310,019)	887,139
Total nonoperating revenues and other	<u>2,490,337</u>	<u>779,738</u>	<u>(1,710,599)</u>	<u>920,264</u>
Fund balance appropriated	46,904	-	(46,904)	-
Total revenues, other financing sources and fund balance appropriations	<u>\$ 4,812,597</u>	<u>\$ 3,191,696</u>	<u>\$ (1,620,901)</u>	<u>3,248,050</u>
Operating expenditures				
Salaries and employee benefits	\$ 199,047	\$ 196,014	\$ 3,033	190,499
Repairs and maintenance	153,000	29,176	123,824	29,096
Utilities	18,700	18,071	629	18,129
Administrative costs	261,234	143,210	118,024	246,275
Bulk water purchases	370,000	359,031	10,969	334,726
Sewer treatment	180,000	157,842	22,158	114,642
Contracted services	343,806	308,676	35,130	311,153
Miscellaneous	-	-	-	4,104
Total operating expenditures	<u>1,525,787</u>	<u>1,212,020</u>	<u>313,767</u>	<u>1,252,728</u>
Nonoperating expenditures				
Debt service & interest	788,356	430,653	357,703	442,678
Debt issuance costs	56,707	13,790	42,917	-
Total nonoperating expenditures	<u>845,063</u>	<u>444,443</u>	<u>400,620</u>	<u>442,678</u>
Other expenditures and financing uses				
Capital outlay	1,552,980	1,022,856	530,124	74,058
Transfers out	888,767	778,968	109,799	887,139
Total other expenditures and financing uses	<u>2,441,747</u>	<u>1,801,824</u>	<u>639,923</u>	<u>961,197</u>
Total expenditures and other financing uses	<u>\$ 4,812,597</u>	<u>\$ 3,458,287</u>	<u>\$ 1,354,310</u>	<u>\$ 2,656,603</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 3,191,696		
Total expenditures and other financing uses		<u>3,458,287</u>		
		(266,591)		
Capital outlay		1,022,856		
Depreciation		<u>(606,966)</u>		
Income per Statement of Revenues, Expenses, and Changes in Net Position		<u>\$ 149,299</u>		

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

Schedule of Revenues and Expenditures
Budget and Actual - Eastover Sanitary District Capital Project Fund
From Inception and for Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Total</u>
Revenues					
Restricted intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned on investments	-	-	-	133	133
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>133</u>	<u>133</u>
Expenditures					
Water and sewer	50,000	32,074	-	-	32,074
Buildings	1,484,124	94,024	-	1,022,856	1,116,880
Total expenditures	<u>1,534,124</u>	<u>126,098</u>	<u>-</u>	<u>1,022,856</u>	<u>1,148,954</u>
Revenues over (under) expenditures	<u>(1,534,124)</u>	<u>(126,098)</u>	<u>-</u>	<u>(1,022,723)</u>	<u>(1,148,821)</u>
Other financing sources (uses)					
Transfers in	325,924	310,019	-	15,905	325,924
Transfers out	(109,800)	(109,799)	-	-	(109,799)
Interest expense	(57,000)	-	-	(11,633)	(11,633)
Bond anticipation note sale	1,400,000	-	-	-	-
Debt issuance costs	(25,000)	-	-	(13,790)	(13,790)
Total other financing sources	<u>1,534,124</u>	<u>200,220</u>	<u>-</u>	<u>(9,518)</u>	<u>190,702</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 74,122</u>	<u>\$ -</u>	<u>\$ (1,032,241)</u>	<u>\$ (958,119)</u>

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

TOURISM DEVELOPMENT AUTHORITY



Discretely Presented Component Unit
Tourism Development Authority
Statement of Net Position
June 30, 2021

Assets

Current assets

Cash and cash equivalents

\$ 2,151,723

Other receivables, net

15

Total current assets

2,151,738

Total assets

2,151,738

Liabilities and net position

Current liabilities

Accounts and vouchers payable

865,635

Total liabilities

865,635

Net position

Unrestricted

1,286,103

Total net position

\$ 1,286,103

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

Discretely Presented Component Unit
Tourism Development Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2021

Operating revenues	
Occupancy taxes	\$ 6,565,293
Operating expenses	
Cultural and recreational	<u>6,327,122</u>
Operating income (loss)	<u>238,171</u>
Nonoperating revenue (expense)	
Interest earned on investments	<u>277</u>
Income (loss) before transfers and contributions	<u>238,448</u>
Change in net position	238,448
Total net position - beginning	<u>1,047,655</u>
Total net position - ending	<u><u>\$ 1,286,103</u></u>

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

**Discretely Presented Component Unit
Tourism Development Authority
Statement of Cash Flows
Year Ended June 30, 2021**

Operating activities	
Cash received from operations	\$ 6,565,293
Cash paid for goods and services	<u>(5,924,224)</u>
Net cash from operating activities	<u>641,069</u>
Net cash from capital and related financing activities	<u>-</u>
Net cash from investing activities	<u>609</u>
Net increase in cash and cash equivalents	<u>641,678</u>
Cash and cash equivalents	
Beginning of year	<u>1,510,045</u>
End of year	<u><u>\$ 2,151,723</u></u>
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 238,171
Changes in operating assets and liabilities	
Accounts payable and accrued liabilities	<u>402,898</u>
Total adjustments	<u>402,898</u>
Net cash from operating activities	<u><u>\$ 641,069</u></u>

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

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Tourism Development Authority
Year Ended June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		
Operating revenues				
Charges for services	\$ 5,928,577	\$ 6,565,293	\$ 636,716	\$ 6,008,057
Total operating revenues	<u>5,928,577</u>	<u>6,565,293</u>	<u>636,716</u>	<u>6,008,057</u>
Non-operating revenues				
Interest earned on investments	-	277	277	20,296
Total non-operating revenues	<u>-</u>	<u>277</u>	<u>277</u>	<u>20,296</u>
Total revenues	<u>\$ 5,928,577</u>	<u>\$ 6,565,570</u>	<u>\$ 636,993</u>	<u>\$ 6,028,353</u>
Operating expenditures				
Cultural and recreational	\$ 5,928,577	\$ 6,327,122	\$ (398,545)	\$ 5,922,599
Total operating expenditures	<u>\$ 5,928,577</u>	<u>\$ 6,327,122</u>	<u>\$ (398,545)</u>	<u>\$ 5,922,599</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues		\$ 6,565,570		
Total expenditures		<u>6,327,122</u>		
		<u>238,448</u>		
Income (loss) before transfers and contributions per Statement of Revenues, Expenses, and Changes in Net Position		<u>\$ 238,448</u>		

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

SUPPLEMENTAL FINANCIAL DATA

**Schedule of Current Tax Levy
Year Ended June 30, 2021**

	County-Wide			Total Levy		
	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
Original levy						
County-wide	\$ 24,308,667,709	0.00799	\$ 194,226,255			
Late listing penalties		0.10000	12,145	\$ 194,238,400	\$ 171,157,002	\$ 23,081,398
Discoveries						
County-wide	1,881,299,681	0.00799	15,031,584			
Late listing penalties		0.10000	99,921	15,131,505	\$ 15,131,505	-
Abatements						
County wide	(1,933,816,793)	0.00799	(15,451,196)			
Late listing penalties		0.10000	(1,662)	(15,452,858)	\$ (15,452,858)	-
	<u>\$ 24,256,150,597</u>					
Adjusted tax levy				193,917,047	170,835,649	23,081,398
Uncollected taxes at June 30, 2021				(1,688,885)	(1,688,885)	-
Current year's taxes collected				<u>\$ 192,228,162</u>	<u>\$ 169,146,764</u>	<u>\$ 23,081,398</u>
Percent of current year's taxes collected				<u>99.13%</u>	<u>99.01%</u>	<u>100.00%</u>

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

**Schedule of Ad Valorem Taxes Receivable
June 30, 2021**

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 193,917,047	\$ 192,228,162	\$ 1,688,885
Prior years	6,279,673		1,737,686	4,541,987
	<u>\$ 6,279,673</u>	<u>\$ 193,917,047</u>	<u>\$ 193,965,848</u>	6,230,872
Less allowance for uncollectible ad valorem taxes receivable				<u>(3,761,740)</u>
				<u>\$ 2,469,132</u>

RECONCILIATION OF COLLECTIONS AND CREDITS WITH REVENUES

Collections and credits per above	\$ 193,965,848
Interest	703,134
Processing fees	85,332
Rental Car/Equipment Taxes	926,779
Releases from prior years	<u>(34,327)</u>
Ad Valorem Taxes - General Fund (per report)	<u>\$ 195,646,766</u>

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

**Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2021**

Amounts reported on the Emergency Telephone System Fund budget to actual (J-6) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ 532,110
Prior year revenue already on PSAP report	(143,805)
Ineligible 911 expenditures - prior years	<u>(85,329)</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>2,889,605</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 3,192,581</u></u>

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

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 144,858,779	\$ 152,206,505	\$ 159,441,226	\$ 160,482,008	\$ 161,376,329	\$ 163,004,686	\$ 161,369,905	\$ 167,529,351	\$ 168,045,517	\$ 145,716,170
Restricted	54,474,736	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
Unrestricted	(102,125,872)	(107,618,490)	(120,546,496)	(119,598,444)	(112,796,933)	(119,952,268)	(282,762,923)	(249,889,610)	(210,892,482)	(134,277,987)
Prior period adjustment	(1,464,823)	-	-	-	-	-	-	-	-	-
Total governmental activities net position	\$ 95,742,820	\$ 95,938,062	\$ 94,402,913	\$ 92,168,829	\$ 103,525,465	\$ 109,353,812	\$ (46,391,480)	\$ (8,039,749)	\$ 36,233,452	\$ 104,568,653
Business-type activities										
Net investment in capital assets	\$ 32,823,195	\$ 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
Restricted	11,838,655	11,525,551	19,988,485	14,589,748	-	10,374,109	3,759,889	10,011,668	3,546,422	3,383,770
Unrestricted	25,781,447	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
Prior period adjustment	(254,826)	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ 70,188,471	\$ 69,614,313	\$ 70,235,260	\$ 70,959,501	\$ 72,878,232	\$ 78,336,027	\$ 77,120,752	\$ 83,371,752	\$ 89,855,454	\$ 93,524,105
Primary government										
Net investment in capital assets	\$ 177,681,974	\$ 184,301,888	\$ 191,261,074	\$ 192,039,541	\$ 194,866,706	\$ 200,156,926	\$ 207,701,811	\$ 218,528,535	\$ 226,877,408	\$ 207,600,052
Restricted	66,313,391	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
Unrestricted	(76,344,425)	(81,625,111)	(102,119,569)	(94,786,224)	(73,409,078)	(89,142,590)	(255,733,966)	(227,528,710)	(183,415,341)	(106,021,534)
Prior period adjustment	(1,719,649)	-	-	-	-	-	-	-	-	-
Total primary government net position	\$ 165,931,291	\$ 165,552,375	\$ 164,638,173	\$ 163,128,330	\$ 176,403,697	\$ 187,689,839	\$ 30,729,272	\$ 75,332,003	\$ 126,088,906	\$ 198,092,758

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

(Continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 26,438,229	\$ 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
Public safety	59,658,090	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
Economic & physical development	13,147,908	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
Human services	117,628,689	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
Cultural & recreational	16,416,067	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
Education	92,463,573	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
Interest on long-term debt	7,322,300	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
Total governmental activities expenses	\$ 333,074,856	\$ 331,508,830	\$ 332,403,381	\$ 325,951,294	\$ 338,037,293	\$ 342,301,681	\$ 330,214,346	\$ 318,366,545	\$ 324,791,095	\$ 338,343,051
Business type activities										
Solid Waste	\$ 10,362,349	\$ 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
Crown Center	9,227,595	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
Kelly Hills Water and Sewer District	72,569	75,337	68,661	67,709	139,826	118,113	108,803	138,070	107,610	655,658
NORCRESS Water and Sewer District	667,009	517,050	576,691	572,121	872,557	803,787	601,087	657,832	719,659	21,713
Southpoint Water District	-	3,529	24,674	30,673	26,564	25,936	21,418	21,918	24,359	214,108
Overhills Park Water and Sewer District	-	-	-	-	-	29,118	7,490	34,127	123,767	162,073
Total business-type activities	\$ 20,329,522	\$ 19,447,579	\$ 16,948,483	\$ 16,867,507	\$ 17,858,082	\$ 18,912,725	\$ 19,875,046	\$ 18,790,012	\$ 18,251,740	\$ 19,720,002
Total primary government expenses	\$ 353,404,378	\$ 350,956,409	\$ 349,351,864	\$ 342,818,801	\$ 355,895,375	\$ 361,214,406	\$ 350,089,392	\$ 337,156,557	\$ 343,042,835	\$ 358,063,053
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 3,099,848	\$ 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
Public safety	3,847,775	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
Economic & physical development	1,509,164	1,440,607	1,387,921	1,330,020	1,394,180	1,354,788	1,177,033	1,063,423	1,105,500	-
Human services	11,018,446	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
Cultural & recreational	325,891	290,288	227,669	196,460	206,028	181,280	152,129	150,207	102,259	14,674
Operating grants and contributions										
General government	1,343,499	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
Public safety	924,305	572,249	553,242	646,878	948,585	611,451	491,006	572,859	544,689	1,205,346
Economic & physical development	4,401,963	5,031,215	4,570,441	5,209,718	7,193,042	6,680,711	7,472,115	8,033,758	8,939,622	-
Human services	62,937,668	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
Cultural & recreational	739,037	690,144	940,764	629,495	644,904	690,437	747,975	1,060,053	509,598	25,638
Capital grants and contributions										
General government	4,230,817	5,397,336	3,863,323	3,802,117	3,724,973	3,674,258	3,592,098	3,485,206	3,416,888	-
Public safety	293,661	467,535	774,769	56,472	171,196	301,935	166,330	142,953	133,823	293,298
Economic & physical development	929,630	935,972	1,165,423	917,914	1,180,957	957,955	677,334	797,204	794,154	966,802
Human services	-	-	-	-	-	-	-	-	-	3,513,132
Cultural & recreational	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Total governmental activities programs revenues	\$ 95,601,704	\$ 91,115,187	\$ 79,131,032	\$ 82,770,304	\$ 88,443,240	\$ 90,619,396	\$ 77,831,090	\$ 74,219,289	\$ 76,839,825	\$ 96,585,917

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited**

(Concluded)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Solid Waste	\$ 3,523,978	\$ 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
Crown Center	2,466,218	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
Kelly Hills Water and Sewer District	2,082	6,097	5,641	2,856	93,318	77,952	79,303	76,126	76,409	94,603
NORCRESS Water and Sewer district	391,357	385,599	392,137	423,601	397,195	350,328	347,257	440,558	438,979	367,566
Southpoint Water District	-	4,700	32,009	31,371	41,013	35,754	36,491	33,395	38,343	44,528
Overhills Park Water and Sewer District	-	-	-	-	-	-	-	-	111,608	139,505
Operating grants and contributions										
Solid Waste	456,766	729,269	589,023	621,463	493,139	3,384,721	734,831	520,453	2,627,021	513,208
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										
Southpoint Water and Sewer District	-	361,239	40,053	-	-	-	-	-	-	-
Overhills Park Water and Sewer District	-	-	-	-	-	1,380,422	1,424,958	-	-	-
Total business-type activities program revenues	\$ 6,840,401	\$ 6,777,200	\$ 5,978,771	\$ 6,272,665	\$ 6,806,885	\$ 11,869,673	\$ 8,790,755	\$ 8,206,833	\$ 9,419,497	\$ 6,166,923
Total primary government program revenues	\$ 102,442,105	\$ 97,892,387	\$ 85,109,803	\$ 89,042,969	\$ 95,250,125	\$ 102,489,069	\$ 86,621,845	\$ 82,426,122	\$ 86,259,322	\$ 102,752,840
Net (expense)/revenue										
Governmental activities	\$ (237,473,152)	\$ (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)
Business-type activities	(13,489,121)	(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)
Total primary government net expense	\$ (250,962,273)	\$ (253,064,022)	\$ (264,242,061)	\$ (253,775,832)	\$ (260,645,250)	\$ (258,725,337)	\$ (263,467,547)	\$ (254,730,435)	\$ (256,783,513)	\$ (255,310,213)
General Revenues and Other Changes in Net Position										
Governmental activities										
Ad valorem taxes	\$ 171,683,119	\$ 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
Other taxes	53,075,353	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
Unrestricted grants and contributions	10,614,999	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
Investment earnings	212,121	204,969	187,033	188,401	350,879	499,798	1,283,268	4,076,490	3,096,412	1,040,674
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	73,663	55,605
Miscellaneous	5,587,620	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
Transfers	(6,298,552)	(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)
Total governmental activities	\$ 234,874,660	\$ 240,588,885	\$ 251,836,700	\$ 251,669,954	\$ 258,854,825	\$ 265,330,520	\$ 274,756,097	\$ 282,498,987	\$ 289,971,479	\$ 309,529,074
Business-type activities:										
Other taxes	\$ 6,097,110	\$ 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
Investment earnings	73,141	123,773	123,409	123,897	263,733	218,310	490,373	924,118	663,282	42,984
Gain(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	(218,453)	311,921
Miscellaneous	97,828	79,548	36,592	-	697,799	224,567	98,551	83,774	92,526	682,287
Transfers	6,298,552	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
Total business-type activities	12,566,631	12,096,221	11,491,159	11,915,597	12,969,928	12,500,847	13,712,507	16,834,179	15,248,663	17,221,730
Total primary government	\$ 247,441,291	\$ 252,685,106	\$ 263,327,859	\$ 263,585,551	\$ 271,824,753	\$ 277,831,367	\$ 288,468,604	\$ 299,333,166	\$ 305,220,142	\$ 326,750,804
Change in Net Position										
Governmental activities	\$ (2,598,492)	\$ 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
Business-type activities	(922,490)	(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
Total primary government	\$ (3,520,982)	\$ (378,916)	\$ (914,202)	\$ 9,809,719	\$ 11,179,503	\$ 19,106,030	\$ 25,001,057	\$ 44,602,731	\$ 48,436,629	\$ 71,440,591

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

(Continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable:										
Inventories	\$ 144,603	\$ 139,885	\$ 161,583	\$ 172,503	\$ 191,535	\$ 174,458	\$ 155,968	\$ 174,407	\$ 151,916	\$ 200,505
Prepays	-	-	2,387,765	2,381,625	210	11,628	5,400	210	1,472	210
Restricted:										
Stabilization by state statute	28,676,134	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
Register of Deeds	623,297	820,471	714,243	754,325	867,507	901,098	1,022,258	1,059,148	925,163	987,528
Public health	-	-	-	-	-	-	3,952,885	3,766,799	4,728,362	6,052,823
County Schools	4,746,081	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
Committed:										
Tax revaluation	443,426	494,773	631,503	758,093	602,906	1,167,295	1,877,327	1,979,245	2,158,423	2,296,335
Capital investment fund	-	-	-	-	-	-	8,090,585	20,940,072	36,073,289	61,459,283
LEOSSA pension obligation	-	-	-	-	2,215,961	2,290,100	1,756,915	1,756,982	-	-
Assigned										
Subsequent year's expenditures	6,289,246	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
Finance & tax office software	1,175,000	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	6,236,961	5,845,409	4,421,513	4,876,523	4,626,523	4,527,610	-	-	-	-
Economic development incentives	1,500,448	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
Mental Health services	14,364,212	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	1,641,942	3,472,205	-	5,131,898	3,621,105	1,250,000	-	-	-	-
Jail expansion	6,274,760	-	-	-	-	-	-	-	-	-
Special purposes	9,025,135	267,719	-	2,500,000	4,500,000	2,247,143	809,045	-	-	-
Technology	-	-	-	2,500,000	2,000,000	1,500,000	-	-	-	-
Unassigned	31,043,762	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
Total general fund	<u>\$ 112,185,007</u>	<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>

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

(Concluded)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All other governmental funds										
Nonspendable:										
Prepays	\$ -	\$ -	\$ 37,334	\$ 35,715	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	1,458,636	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
Inmates	135,440	264,683	374,799	466,736	638,782	505,070	280,761	519,052	745,859	920,943
Cemetery	42,565	44,980	45,587	45,923	48,451	47,583	47,181	50,173	51,625	57,254
School capital	6,158,810	1,744,183	344,806	314,714	-	-	-	-	-	-
Fire protection	403,678	227,257	201,946	195,046	180,022	194,844	191,596	10,606	1,041,995	1,612,940
Public safety	2,026,803	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
Economic and physical development	315,276	583,024	468,277	682,412	796,225	674,215	465,406	1,053,132	708,547	79,084
Human services	1,878,210	119,324	81,672	94,776	1,398,421	168,535	164,891	165,715	294,231	180,335
Cultural and recreational	3,281,232	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
Committed:										
Public safety	3,823,564	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- speci	1,588,147	-	-	-	-	-	-	-	-	-
Unassigned reported in nonmajor funds										
Special revenue	(773,963)	(743,450)	(573,862)	(582,116)	(299,551)	(1,265,317)	(1,345,025)	(2,597,753)	(1,111,798)	(974,242)
Total all other governmental fur	\$ 20,338,398	\$ 16,164,682	\$ 9,796,633	\$ 10,695,219	\$ 13,544,819	\$ 13,334,168	\$ 13,965,780	\$ 13,672,679	\$ 15,363,184	\$ 24,698,952
Change in fund classification		\$ (99,500)								
Total all governmental funds	\$ 132,523,405	\$ 125,965,833	\$ 121,309,285	\$ 123,871,691	\$ 127,680,127	\$ 137,058,497	\$ 154,659,941	\$ 164,372,758	\$ 187,517,469	\$ 259,621,643

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 172,060,308	\$ 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
Other taxes	53,075,353	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
Unrestricted intergovernmental	11,568,980	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
Restricted intergovernmental	75,813,478	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
Licenses and permits	2,573,132	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
Sales and services	16,166,037	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
Investment earnings	213,148	204,317	184,759	186,167	343,238	477,286	1,207,204	3,834,746	2,887,019	1,040,674
Other general revenues	5,479,404	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
Total revenues	336,949,840	338,178,039	338,205,893	341,484,128	352,769,058	360,553,692	356,788,606	365,449,056	373,580,301	414,871,633
Expenditures										
General government	22,839,074	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
Public safety	53,893,878	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
Economic and physical development	12,555,173	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
Human services	108,744,079	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
Cultural and recreational	14,674,542	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
Education	105,549,244	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
Debt service										-
Principal	18,530,350	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
Interest and fees	7,639,054	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
Debt issuance costs	-	-	-	-	-	10,697	314,767	-	-	-
Total expenditures	344,425,394	340,826,317	337,126,298	334,381,154	341,139,306	345,750,954	335,946,270	350,068,982	344,256,942	359,313,184
Revenues over (under) expenditures	(7,475,554)	(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
Other financing sources (uses)										
Sale of capital assets	239,985	221,680	215,878	348,691	273,441	230,165	1,230,515	151,905	73,663	572,585
Issuance of debt	56,018,808	3,198,130	15,070,000	3,000,000	1,100,000	-	24,119,148	2,477,336	14,079,416	24,507,300
Premium on debt issuance	-	-	-	-	-	-	4,285,557	-	-	(326,597)
Payment to escrow agent for refunding	(55,560,424)	-	(15,204,915)	-	-	-	(27,245,984)	-	(12,869,659)	-
County contribution	-	-	-	-	-	-	254,735	-	-	-
Discount on issuance of bonds	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	(371,354)	-	(73,607)	(45,100)	(33,399)	-	-	-	-	-
Transfers in	1,165,227	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
Transfers out	(7,565,979)	(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)
Payment from/to component unit	-	(425,520)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,073,737)	(3,819,595)	(5,736,143)	(4,540,568)	(9,917,180)	(5,424,368)	(3,240,892)	(5,667,257)	(6,178,648)	15,982,464
Net change in fund balances	\$ (13,549,291)	\$ (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
Debt service as a percentage of noncapital expenditures	7.97%	7.92%	7.75%	7.45%	7.44%	6.98%	6.60%	5.28%	4.10%	3.63%

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

Sources of Governmental Funds Tax Revenues								
Fiscal Year	Ad Valorem Tax	Sales Tax	Video Sales Tax	Beer and Wine Tax	Real Estate Transfer Tax	Dog and Cat Registration Tax	Prepared Food and Beverage Tax	Total Tax
2012	172,060,308	45,358,069	624,782	372,519	793,061	312,494	5,614,428	225,135,661
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

**Assessed Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited**

Fiscal Year Ended June 30	Real Property	Public Service ¹	Personal Property		Less: Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value ³
			Motor Vehicle	Other					
2012	22,414,175	369,870	2,132,938	1,310,970	4,670,700	21,557,253	0.9025	21,542,173	100.07%
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%
⁴ 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%

¹ Public service companies' property includes real and personal property of utilities, railroad and buslines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

² Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assessment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

³ Estimated actual values and the ratio of total assessed value to total estimated actual value has been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

⁴ Denotes the year in which a revaluation was effective on the January 1st preceding the beginning of the fiscal year.

Source: Cumberland County Tax Department

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2017 and is reflected beginning in Fiscal Year 2018.

**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
2012	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
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

(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 2021			Fiscal Year 2012		
	2020 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2011 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Goodyear Tire & Rubber Co.	\$ 346,591	1	1.43%	\$ 319,815	1	1.48%
Cross Creek Mall, LLC	170,610	2	0.70%	129,325	2	0.60%
Wal-Mart Stores, Inc.	160,987	3	0.66%	123,563	3	0.57%
Duke Energy Progress, Inc.	113,222	4	0.47%			
Fayetteville, VA Co., LLC	91,132	5	0.38%			
Cargill, Inc.	83,282	6	0.34%	33,548	10	0.16%
Mann+Hummel Purolator Filters	76,306	7	0.31%	59,177	7	0.27%
Piedmont Natural Gas Co, Inc.	69,938	8	0.29%	64,429	6	0.30%
DAK Americas, LLC	64,363	9	0.27%	37,532	9	0.17%
South River EMC	58,446	10	0.24%	42,275	8	0.20%
Carolina Telephone				79,613	4	0.37%
Progress Energy				78,721	5	0.37%
	<u>\$ 1,234,877</u>		<u>5.09%</u>	<u>\$ 967,998</u>		<u>4.49%</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			² 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
2012	159,824,747	155,867,130	97.52%	3,166,853	159,033,983	99.51%
2013	164,274,193	160,024,057	97.41%	3,316,460	163,340,517	99.43%
2014	171,641,426	169,217,802	98.59%	1,879,302	171,097,104	99.68%
2015	170,223,065	168,914,935	99.23%	1,111,956	170,026,891	99.88%
2016	172,307,349	170,999,219	99.24%	1,009,802	172,009,021	99.83%
2017	175,933,805	173,906,079	98.85%	1,122,372	175,028,451	99.49%
2018 ¹	183,621,079	182,126,897	99.19%	1,177,475	183,304,372	99.83%
2019	187,163,252	185,734,181	99.24%	793,634	186,527,815	99.66%
2020	189,321,973	187,188,405	98.87%	1,368,608	188,557,013	99.60%
2021	193,917,047	192,228,162	99.13%	-	192,228,162	99.13%

Source: Cumberland County Tax Department

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

² Collections for FY2012 include all collections through 9th prior year.
 Collections for FY2013 include all collections through 8th prior year.
 Collections for FY2014 include all collections through 7th prior year.
 Collections for FY2015 include all collections through 6th prior year.
 Collections for FY2016 include all collections through 5th prior year.
 Collections for FY2017 include all collections through 4th prior year.
 Collections for FY2018 include all collections through 3rd prior year.
 Collections for FY2019 include all collections through 2nd prior year.
 Collections for FY2020 include all collections through 1st prior year.

NA - Not Applicable

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 ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	COPS and Limited Obligation Bonds	Capital Leases	Installment Purchase	General Obligation Bonds	Revenue Bonds	COPS and Limited Obligation Bonds	Installment Purchase			
2012	56,830,000	122,625,500	2,437,416	-	1,172,000	-	30,341,455	2,494,400	215,900,771	1.87%	659
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	NA	238
2021	665,000	65,381,350	-	550,000	985,000	1,354,000	16,929,400	59,946	85,924,696	NA	258

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

Fiscal Year	Total General Obligation Bonds	Percentage of Personal Income (1)	Percentage of Actual Taxable Value of Property (2)	G.O. Debt Per Capita (1)
2012	58,002,000	0.50%	0.27%	177
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	NA	0.02%	12
2021	1,650,000	NA	0.01%	5

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 2,098,236	\$ 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
Total net debt applicable to limit	56,830	49,115	42,711	34,857	27,207	19,771	12,984	6,387	3,959	1,650
Legal debt margin	<u>\$ 2,041,406</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	2.71%	2.43%	2.03%	1.66%	1.28%	0.91%	0.61%	0.29%	0.18%	0.07%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Property Value	\$ 24,256,151
Plus : Exempt Property	<u>3,938,460</u>
Total Assessed Value	<u>\$ 28,194,611</u>
Debt Limit (8% of total assessed value)	2,255,569
Debt applicable to limit:	
Total Bonded debt	1,650
Revenue bonds	1,354
Authorized and unissued debt	-
	<u>3,004</u>
Less: Statutory deductions	
Authorized and unissued debt	-
Revenue bonds	1,354
	<u>1,354</u>
Total amount of debt applicable to debt limit	<u>1,650</u>
Legal debt margin	<u>\$ 2,253,919</u>

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Population ¹	Personal Income ²	Per Capita Income ²	Median Age ³	School Enrollment ¹	Unemployment Rate ⁴
2012	327,643	11,563,587,000	35,785	NA	52,166	10.2%
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	*	*	*	49,579	9.9%
2021	333,531	*	*	*	47,234	6.9%

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 2021			Fiscal Year 2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Defense-Civilians	12,000 +	1	10.13%	14,125	1	9.48%
Cape Fear Valley Health System	7,000 +	2	5.91%	5,200	4	3.49%
Cumberland County Schools	6,500 +	3	5.49%	6,807	3	4.57%
Womack Army Hospitals	4,500 +	4	3.80%			
Wal-Mart Associates Inc.	2,500 +	5	2.11%	3,750	5	2.52%
Goodyear Tire & Rubber Co.	2,000 +	6	1.69%	2,750	6	1.85%
Cumberland County Government	2,000 +	7	1.69%	2,382	7	1.60%
Veterans Administration	1,500 +	8	1.27%			
City of Fayetteville	1,500 +	9	1.27%	1,500	8	1.01%
Fayetteville Technical Community College	1,000 +	10	0.84%	1,297	10	0.87%
U.S. Department of Defense-Other Civilians				7,655	2	5.14%
U.S. Postal Services				1,250	9	0.84%
Total Employment (Ten Largest Employers)	<u>40,500</u>		<u>34.19%</u>	<u>46,716</u>		<u>16.72%</u>
Total Employment	<u>118,445</u>			<u>149,043</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	232	250	248	247	245	234	242	243	242	241
Public Safety										
Sheriff	377	378	395	395	398	322	348	432	425	372
Detention Facility	200	254	266	266	251	255	228	220	190	172
Other	101	97	97	101	55	54	93	99	103	99
Human Services										
Public Health	289	280	276	274	242	245	196	207	211	208
Mental Health	72	5	4	4	-	-	-	-	-	-
Social Services	636	636	636	655	608	602	605	570	581	510
Other	77	77	77	80	75	161	75	78	85	81
Cultural & Recreation										
Library	188	188	188	186	153	178	137	140	138	148
Economic and Physical Development	102	80	80	86	79	78	63	70	67	66
Crown Center	40	40	-	-	-	-	-	-	-	-
Solid Waste	68	68	68	68	59	55	57	57	60	57
Total	2,382	2,353	2,335	2,362	2,165	2,184	2,044	2,116	2,102	1,954

Source: Munis

**Operating Indicators by Function
Last Ten Fiscal Years
Unaudited**

(Continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of persons voting in elections	53,878	134,566	63,062	76,615	90,038	198,833	61,497	117,383	81,683	147,263
Number of registered voters	199,194	215,084	202,486	204,462	202,770	211,971	212,599	220,237	211,932	223,160
Number of birth certificates processed	8,401	8,865	8,973	8,206	8,035	7,844	7,845	7,918	7,971	7,023
Number of death certificates processed	2,842	2,985	3,015	3,101	2,976	3,098	3,109	3,130	3,265	3,891
Number of land record instruments	46,217	49,619	41,770	39,515	39,206	41,309	39,466	37,469	45,520	57,772
Number of marriage licenses issued	3,946	3,964	3,751	3,772	3,591	3,676	3,573	3,558	2,719	2,669
Number of pieces of mail handled	837,402	683,304	502,486	626,820	613,235	671,513	669,366	571,508	693,858	749,352
Public Safety										
Number of fire calls answered	30,632	14,968	14,080	15,327	15,753	16,653	18,704	21,085	18,454	17,972
Number fire permits issued	122	223	243	193	220	211	138	220	266	179
Number of emergency calls dispatched	326,410	309,872	303,011	322,475	341,488	323,491	320,806	322,164	303,101	300,729
Number of sheriff calls answered	190,335	174,953	172,367	189,184	213,486	212,864	195,227	190,661	170,935	96,212
Number of civil court papers handled	47,142	47,419	47,893	45,368	44,119	43,220	44,130	41,864	40,258	30,446
Average daily inmate population	601	658	721	740	714	766	760	715	649 *	477
Number of inmates admitted	12,537	11,359	11,253	11,643	12,065	11,565	14,748	14,304	6,842	5,367
Number of animals impounded (dogs and cats)	14,111	14,143	12,987	12,208	11,085	11,072	10,629	10,440	7,090	5,163
Number of animal investigations	21,121	33,424	43,075	41,518	35,085	31,118	30,868	30,777	20,785	19,914
*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.										
Human Services										
Number of health dept. clinical services	34,724	36,701	40,739	44,039	45,275	35,643	32,287	33,375	29,350	24,055
Number of health dept. lab tests processed	36,179	35,233	39,506	49,047	47,433	42,513	39,807	37,603	40,322	44,053
Number of health dept. prescriptions filled	16,146	40,574	42,799	40,521	40,689	38,321	29,452	31,316	16,368	26,674
Amount of health care provided with no compensation	\$2,626,841	\$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
Number of WIC Clients	147,977	170,450	167,541	159,461	156,032	144,476	141,287	136,305	119,682	148,762
Avg monthly households receiving Food & Nutrition svcs	31,491	32,011	32,731	34,201	33,302	34,625	32,462	32,843	30,878	36,943
Average monthly active Medicaid cases*	36,980	36,983	34,115	60,048	67,199	68,235	71,149	72,122	73,752	81,151
Average monthly households receiving TANF benefits***	1,297	1,219	1,025	965	436	317	292	1,459	1,563	1,425
Average monthly Child Protective services referrals	6,105	5,413	5,427	5,242	5,984	5,623	448	418	395	389
Average monthly Adult Protective services referrals								932	85	86

*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**

(Concluded)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Human Services (continued)										
Number of veterans claims processed *	4,040	4,122	2,405	5,028	2,309	NA	NA	NA	NA	NA
Number of veterans served in office**	10,014	8,517	10,803	10,821	9,061	6,787	4,923	6,391	4,306	1,015
Number of veterans served by telephone**	24,247	24,040	27,696	29,962	24,656	12,918	12,825	12,335	15,097	25,000
Number of mental health days of service (24 hrs)	42,339	32,758	NA	NA						
Number of mental health outpatients served	6,508	5,538	NA	NA						
Number of workforce development applicants***	NA	NA	NA	NA	5,278	NA	NA	NA	NA	NA
Number of workforce initiative opportunity applicants****					16,789	18,910	18,837	15,360	14,682	6,878
*no longer available										
**Mar 2020 all offices closed to public until May 2021; therefore in office numbers dropped while phone services increased										
***Workforce Development not part of County FY12-15										
****residents entered Career Center for basic services; new reporting standards - NCWorks Online System										
Economic and Physical Development										
Number of inspections performed	19,988	16,700	16,291	16,146	14,688	14,704	14,266	14,521	16,697	15,894
Number of building permits issued	1,037	1,046	1,038	955	786	915	795	888	861	982
Culture and Recreation										
Number of library books	485,469	490,528	549,798	478,071	472,567	474,701	464,460	450,323	426,284	448,973
Number of books & audio visual materials circulated	2,644,472	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
Number of public visits	1,431,217	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
Number of E-audio, E-video & E-periodical collections					23,243	26,961	35,591	41,159	48,586	59,012
Business Activities										
Number of civic center event days	320	266	190	227	166	155	143	154	92	32
Number in attendance	518,103	519,485	485,290	486,951	479,606	416,962	440,413	438,239	295,956	38,158
Number of solid waste tonnages processed	261,952	235,295	270,571	260,194	291,643	310,852	250,962	329,251	221,243	224,257

Source: Information provided by various County departments.

NA: Information not available

Capital Asset Statistics by Function
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire										
Number of volunteer stations	20	20	20	21	21	21	21	21	21	21
Sheriff										
Number of stations	4	4	5	5	5	5	5	5	5	5
Number of patrol vehicles	342	344	355	375	382	361	371	378	374	377
Detention facility beds	568	592	884	884	884	884	884	884	884	884
Culture and Recreation										
Number of libraries	9	9	9	9	9	9	8	8	8	8
Library collections	546,909	555,557	611,496	536,145	537,235	540,686	525,333	514,822	498,756	520,319
E-book collections**	9,503	16,551	53,045	218,420	61,095	90,362	106,844	96,654	150,255	206,483
Number of parks	3	3	3	3	4	4	4	5	5	5
Park acreage	170	170	170	170	177	177	177	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										
Facilities and services not included in primary government										
Education:										
Number of schools	86	87	87	87	87	87	87	87	87	89
Number of students	52,166	52,729	51,845	51,855	50,939	50,655	49,641	50,937	50,880	50,870
Colleges & universities	2	2	2	2	2	2	2	2	2	2
Community colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
Number of county hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	546	546	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

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 Comprehensive Annual Financial Report ("the CAFR") 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, 2021 were \$344,753,385. The major sources of General Fund revenues include property taxes (56.7%), sales taxes (16.0%), and intergovernmental revenues (20.6%). The County's property tax rate for FY 2021 is \$0.799 per \$100 of assessed value. The value of one penny on the tax rate is \$2,323,807.

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 \$48,102) at June 30, 2021 is \$1,650,000. Debt service was 2.96% of expenditures for FY2021 and 3.17% of adopted expenditures for FY2022.

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, 2021 and the forecasted receipts from the Food and Beverage Tax, net of administrative expenses, for the five fiscal years ending June 30, 2026:

<u>Fiscal Year Ended June 30 (1)</u>	<u>Historical Receipts (2)</u>
2017	\$ 6,623,400
2018	6,792,048
2019	7,299,282
2020	6,780,471
2021	7,737,623
<u>Fiscal Year Ended June 30</u>	<u>Forecasted Receipts (3)</u>
2022	\$ 7,930,740
2023	8,129,008
2024	8,332,233
2025	8,540,539
2026	4,377,026

- (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 \$56,406 to \$64,778 per year. FY 2021 receipts were up 14%, returning to pre-Covid-19 pandemic levels.
- (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)

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, 2021 and the forecasted receipts from the Occupancy Tax, net of administrative expenses, for the five fiscal years ending June 30, 2026:

<u>Fiscal Year Ended June 30</u>	<u>Historical Receipts (1)</u>
2017	\$ 1,483,761
2018	1,457,929
2019	1,719,436
2020	1,425,390
2021	1,557,980
<u>Fiscal Year Ended June 30</u>	<u>Forecasted Receipts (2)</u>
2022	\$ 1,596,930
2023	1,636,853
2024	1,677,774
2025	1,719,718
2026	1,762,711

- (1) Historical receipts from the Occupancy Tax are audited amounts less 3% collection fee. FY 2021 receipts were up 9%, returning to near pre-Covid-19 pandemic levels.
- (2) Forecasted receipts for FY2022 - FY2025 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, 2021, 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, 2018	June 30, 2019	June 30, 2020	June 30, 2021
General Obligation Bonds				
School	\$ 11,526,346	\$ 5,355,000	\$ 2,950,000	\$ 665,000
Library Facilities	403,654	-	-	-
NORCRESS Sewer	1,054,000	1,032,000	1,009,000	985,000
Total G.O. Principal	\$ 12,984,000	\$ 6,387,000	\$ 3,959,000	\$ 1,650,000
Premium	543,758	325,376	106,994	48,102
G.O. Debt Carrying Value	\$ 13,527,758	\$ 6,712,376	\$ 4,065,994	\$ 1,698,102

Note: The outstanding general obligation debt shown above does not include USDA Bond obligations that are solely the responsibility of the Eastover Sanitary District (\$2,861,000), 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 \$2,253,919,000 as of June 30, 2021.

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
2017	\$ 19,771,000	\$ 23,750,037,000	0.08%	323,838	\$ 61.05
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

- (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
2022	\$ 500,000	\$ 516,600	\$ 25,000	\$ 65,631	\$ 525,000	\$ 582,231
2023	165,000	168,300	26,000	65,600	191,000	233,900
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
2032-36	-	-	206,000	329,998	206,000	329,998
2037-41	-	-	250,000	327,962	250,000	327,962
2042-46	-	-	224,000	247,100	224,000	247,100
	<u>\$ 665,000</u>	<u>\$ 684,900</u>	<u>\$ 985,000</u>	<u>\$ 1,564,027</u>	<u>\$ 1,650,000</u>	<u>\$ 2,248,927</u>

SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

As of June 30, 2021, the County has no general obligation bonds authorized and unissued.

GENERAL OBLIGATION DEBT INFORMATION FOR UNDERLYING UNITS AS OF JUNE 30, 2021

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2021” 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 & Interest Repayment/Requirements</u>	<u>FY 2022 Principal And Interest Requirements</u>	<u>Balance June 30, 2021</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	\$ 4,968,750
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	4,935,000

SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

Purpose	Original Amount/Costs	Principal & Interest Repayment/Requirements	FY 2022 Principal And Interest Requirements	Balance June 30, 2021
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.	\$ 2,073,900	\$ 21,885,000
Limited Obligation Refunding Bonds Series 2011B - Refund Public Health Building and Gray's Creek Middle School <i>(Partially Refunded on 8/2/17; \$13,530,000 refunded by 2017 Refunding LOBS)</i>	37,755,000	Principal payable annually and interest payable semi-annually in arrears ending November 1, 2021. Annual principal and interest payments range from \$459,281 to \$3,783,713; payable from the General Fund.	2,203,750	2,150,000
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.	4,995	59,946
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.	193,453	550,000
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.	53,040	1,354,000

SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

<u>Purpose</u>	<u>Original Amount/Costs</u>	<u>Principal & Interest Repayment/Requirements</u>	<u>FY 2022 Principal And Interest Requirements</u>	<u>Balance June 30, 2021</u>
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.	\$ 1,768,581	\$ 9,685,000
(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.	5,156,059	17,592,000
Limited Obligation Bonds Series 2021 – Emergency Operations Center and Fayetteville Technical Community College Fire Training Center	<u>21,095,000</u>	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	<u>1,877,459</u>	<u>21,095,000</u>
Total:	<u>\$ 148,989,323</u>		<u>\$ 16,413,842</u>	<u>\$ 84,274,696</u>

SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

The County's payment obligations (principal & interest) at June 30, 2021 for the non-general obligation installment financing arrangements described in the preceding table are as follows:

Fiscal Year Ending June 30	2011B Refunding LOBS Debt Service	2017 Refunding LOBS Debt Service	2019 Refunding LOBS Debt Service	2021 LOBS Debt Service	Other Agreements Debt Service	Total Non-General Obligation Debt Service
2022	\$ 2,203,750	\$ 2,073,900	\$ 6,924,640	\$ 1,877,459	\$ 3,334,093	\$ 16,413,842
2023	-	4,129,950	6,779,268	1,714,275	3,330,211	15,953,704
2024	-	3,976,200	6,634,536	1,677,350	3,327,324	15,615,410
2025	-	3,816,850	4,662,811	1,635,150	3,140,084	13,254,895
2026	-	3,659,750	1,656,823	1,592,950	2,589,620	9,499,143
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
	<u>\$ 2,203,750</u>	<u>\$ 25,953,900</u>	<u>\$ 28,282,005</u>	<u>\$ 27,802,509</u>	<u>\$ 17,444,711</u>	<u>\$ 101,686,875</u>
Premium	78,285	2,793,550	-	3,352,334	-	6,224,169
Carry Value	<u>\$ 2,282,035</u>	<u>\$ 28,747,450</u>	<u>\$ 28,282,005</u>	<u>\$ 31,154,843</u>	<u>\$ 17,444,711</u>	<u>\$ 107,911,044</u>

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 (\$8,647,786).

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, 2021. 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, 2021, the balance of prior year defeased debt which has not been 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.

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>2020</u>	<u>2021</u>	<u>2022</u> ⁽³⁾
		(Amounts in thousands)	
Assessment Ratio ⁽¹⁾	100%	100%	100%
Real Property	\$ 18,952,777	\$ 19,359,444	\$ 19,068,564
Personal Property	1,705,115	1,550,809	1,432,621
Vehicles	2,547,297	2,888,786	3,033,225
Public Service Companies ⁽²⁾	<u>461,428</u>	<u>457,112</u>	<u>444,294</u>
Total Assessed Valuation	\$ 23,666,617	\$ 24,256,151	\$ 23,978,704
Assessed Valuation Per Capita	71.03	72.73	71.94
Rate per \$100	.799	.799	.799
County-wide Levy	\$ 189,096	\$ 193,807	\$ 191,590

(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, 2021 for the fiscal year ending June 30, 2022. Population figures used for assessed valuation per capita are 333,209 for FY2020, 333,531 for FY2021, and 333,323 for FY2022.

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>2020</u>	<u>2021</u>	<u>2022</u> ⁽¹⁾
County-wide	\$ 189,096,270	\$ 193,806,646	\$ 191,589,845
Recreation District	3,844,270	3,823,180	3,821,132
Special Fire Districts	<u>9,690,270</u>	<u>9,598,516</u>	<u>9,592,448</u>
Total Levy	<u>\$ 202,630,810</u>	<u>\$ 207,228,342</u>	<u>\$ 205,003,425</u>

1) Valuation estimates as of September 30, 2021 for the fiscal year ending June 30, 2022.

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>
2017	\$ 1,108,199	\$ 173,906,079	98.85%
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%

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 2021 (TAX YEAR 2020)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>TY2020 Taxable Assessed Valuation*</u>	<u>% of Total Taxable Assessed Valuation</u>
Goodyear Tire & Rubber Co.	Tire Manufacturer	\$ 346,591	1.43%
Cross Creek Mall, LLC.	Retail Mall	170,610	0.70
Wal-Mart Stores Inc.	Retail/Distribution	160,987	0.66
Duke Progress Energy, Inc.	Electric Utility	113,222	0.47
Fayetteville VA Co., LLC	Veterans' Health Services	91,132	0.38
Cargill, Inc.	Soybean Processor	83,282	0.34
Mann+Hummel Purolator Filters	Auto Filter Manufacturer	76,306	0.31
Piedmont Natural Gas Co., Inc.	Gas Utility	69,938	0.29
DAK Americas, LLC	Textiles	64,363	0.27
South River EMC	Electric Utility	<u>58,446</u>	<u>0.24</u>
		<u>\$ 1,234,877</u>	<u>5.09%</u>

* Amounts expressed in thousands

SEC Rule 15c2-12 Continuing Disclosures (Unaudited)

COMPILED BUDGET - ANNUALLY BUDGETED FUNDS YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Funds	Enterprise Funds
Estimated revenues:			
Ad valorem taxes	\$ 188,498,187	\$ 17,005,080	\$ -
Other taxes	57,514,011	8,377,514	7,316,323
Unrestricted intergovernmental	13,582,470	4,752	-
Restricted intergovernmental	69,134,855	67,840,871	1,305,985
Licenses and permits	2,204,693	105,873	100,000
Sales and services	11,142,956	656,391	5,720,256
Interest earned on investments	1,845,865	148,758	451,421
Miscellaneous	5,296,329	4,000	22,973
Total estimated revenues	<u>349,219,366</u>	<u>94,143,239</u>	<u>14,916,958</u>
Appropriations:			
General government	46,255,545	-	-
Public safety	65,303,684	25,599,291	-
Economic and physical development	25,239,203	56,870,658	-
Human services	106,700,620	3,262,847	-
Cultural and recreation	10,765,753	5,505,380	-
Education	127,539,577	533,065	-
Salaries and employee benefits	-	-	4,198,027
Repairs and maintenance	-	-	1,400,103
Contracted services	-	-	1,057,729
Utilities	-	-	295,000
Administrative costs	-	-	4,278,051
Landfill closure and postclosure	-	-	700,000
Other operating - crown center	-	-	7,834,996
Capital outlay	-	-	3,035,992
Contingency	-	-	-
Water and sewer	-	-	939,326
Debt service:			
Principal retirement	10,144,285	-	4,196,797
Interest and fees	2,556,857	-	376,645
Reserve for debt	-	-	5,284
Total appropriations	<u>394,505,524</u>	<u>91,771,241</u>	<u>28,317,950</u>
Estimated revenues over (under) appropriations	<u>(45,286,158)</u>	<u>2,371,998</u>	<u>(13,400,992)</u>
Other financing sources (uses):			
Transfers from other funds:			
General fund	-	1,520,646	138,900
Special revenue funds	88,778	-	8,798,252
Capital project funds	5,801,818	-	-
Transfers to other funds:			
General fund	-	(88,778)	-
Special revenue funds	(1,520,646)	-	-
Capital project funds	(150,000)	-	-
Internal service funds	(100,000)	-	-
Enterprise funds	(138,900)	(8,798,252)	-
Proceeds of general long term debt	10,000,000	-	-
Sale of fixed assets	7,500	-	200,000
Appropriated fund balances	31,297,608	4,994,386	4,263,840
Total other financing sources	<u>45,286,158</u>	<u>(2,371,998)</u>	<u>13,400,992</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 FY2021 budget at June 30, 2021.

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, 2022

	General Fund	Special Revenue Funds	Enterprise Funds
Estimated revenues:			
Ad valorem taxes	\$ 193,371,264	\$ 16,600,186	\$ -
Other taxes	66,396,227	9,053,357	7,491,511
Unrestricted intergovernmental	15,804,567	4,752	-
Restricted intergovernmental	54,758,186	43,748,466	962,512
Licenses and permits	2,298,631	105,873	350,000
Sales and services	11,120,459	626,272	5,306,245
Interest earned on investments	332,482	2,500	101,000
Miscellaneous	5,182,883	5,000	8,885
Total estimated revenues	<u>349,264,699</u>	<u>70,146,406</u>	<u>14,220,153</u>
Appropriations:			
General government	39,545,269	-	-
Public safety	68,300,432	14,142,460	-
Economic and physical development	13,684,985	42,592,053	-
Human services	101,638,660	3,276,313	-
Cultural and recreation	10,755,752	5,192,749	-
Education	119,411,758	20,500	-
Salaries and employee benefits	-	-	4,568,966
Repairs and maintenance	-	-	1,449,000
Contracted services	-	-	1,498,800
Utilities	-	-	268,800
Administrative costs	-	-	4,298,432
Landfill closure and postclosure	-	-	700,000
Other operating - crown center	-	-	8,615,191
Capital outlay	-	-	2,052,000
Contingency	-	-	304,968
Water and sewer	-	-	1,562,974
Debt service:			
Principal retirement	9,396,058	-	4,173,024
Interest and fees	3,117,838	-	309,161
Total appropriations	<u>365,850,752</u>	<u>65,224,075</u>	<u>29,801,316</u>
Estimated revenues over (under) appropriations	<u>(16,586,053)</u>	<u>4,922,331</u>	<u>(15,581,163)</u>
Other financing sources (uses):			
Transfers from other funds:			
General fund	-	1,217,686	685,000
Special revenue funds	89,411	-	9,220,869
Transfers to other funds:			
General fund	-	-	-
Special revenue funds	(1,217,686)	(89,411)	-
Capital projects	-	-	-
Internal service funds	(100,000)	-	-
Enterprise funds	(685,000)	(9,220,869)	-
Proceeds of general long term debt	-	-	-
Sale of fixed assets	-	-	50,000
Appropriated fund balances	18,499,328	3,170,263	5,625,294
Total other financing sources	<u>16,586,053</u>	<u>(4,922,331)</u>	<u>15,581,163</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 FY2022 adopted budget at July 1, 2021.

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.

COMPLIANCE SECTION



**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of County Commissioners
Cumberland County
Fayetteville, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cumberland County, North Carolina (the “County”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated January 14, 2022. Our report includes a reference to other auditors who audited the financial statements of Cumberland County ABC Board and the Fayetteville Area Convention and Visitors Bureau as described in our report on Cumberland County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Fayetteville Area Convention and Visitors Bureau and Cumberland County Board of Alcoholic Beverage Control were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Raleigh, North Carolina
November 19, 2021, except for Note 17 as to
which the date is January 14, 2022



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; In Accordance
With OMB Uniform Guidance and the State Single Audit Implementation Act**

The Board of County Commissioners
Cumberland County
Fayetteville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Cumberland County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2021. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

elliottdavis.com

Report on Internal Control over Compliance

Management of Cumberland County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cumberland County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-01, 2021-02, and 2021-03 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the OMB Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Elliott Davis, PLLC

Raleigh, North Carolina
November 19, 2021



**Independent Auditor’s Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; In Accordance with
OMB the Uniform Guidance and the State Single Audit Implementation Act**

The Board of County Commissioners
Cumberland County
Fayetteville, North Carolina

Report on Compliance for Each Major State Program

We have audited Cumberland County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major state programs for the year ended June 30, 2021. The County’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in *the Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

elliottdavis.com

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-01, 2021-02 and 2021-03 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Raleigh, North Carolina
November 19, 2021

Cumberland County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC Special Supplement Nutrition Program for Women, Infants & Children
14.218	Community Development Block Grants
21.019	Coronavirus Relief Fund
93.556, 93.658	Foster Care and Adoption Cluster
93.568	Low Income Energy Assistance Program
93.667	Social Services Block Grant
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 1551,849

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act: Yes No

Identification of major state programs:

State Foster Care Benefit Program

Other major state programs include Medical Assistance Program (Medicaid), Foster Care Adoption Assistance. Therefore, these programs have been included in the list of major federal programs above.

Cumberland County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-01, Significant Deficiency over Eligibility

Information on the federal program: Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

Criteria or specific requirement: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- Verification of register of deed information

Condition: We noted that in two instances, the case record did not contain the verification of register of deeds information.

Context: We sampled 93 participants from a total population of 9,079,702 payments made to participants. We noted the above conditions in 2 of the 93 case files inspected.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

Cause: The County did not retain required documentation in case files at the time eligibility was determined.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Finding 2021-02, Significant Deficiency over Eligibility

Information on the federal program: Low Income Home Energy Assistance (LIHEAP), CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

Criteria or specific requirement: Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, all case information used to determine eligibility, ineligibility and the benefit level should be clearly documented on the electronic application. This includes an accurate record of the household's income and energy (fuel) type.

Cumberland County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

Finding 2021-02, Significant Deficiency over Eligibility, Continued

Conditions: We noted in one instance, the wage verification does not agree to what was entered in NCFAST. In one instance, the income verification was not located in the case file.

Context: We sampled 40 case files of a population of 11,410 cases. We noted the above condition in 2 of the 40 inspected files.

Effect: Ineligible individuals could receive benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.

Cause: Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

Recommendation: We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

Finding 2021-03, Significant Deficiency over Eligibility

Information on the federal program: Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

Criteria or specific requirement: Per Form 5120 - Determination of Foster care Assistance Benefits and/or Medical Assistance Only, supervisor should sign and verify eligibility only after Income Maintenance Caseworker has verified AFDC need in Part V.

Condition: We noted in 33 instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

Context: We sampled 60 case files of a total of 6,667 cases. We noted the above condition in 33 of the 60 inspected files.

Effect: Supervisors reviewing and signing off the eligibility determination prior to the Income Maintenance Caseworker results in a risk that the eligibility was determined based on incomplete AFDC need verification, that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Based on the cases tested there were no instances of benefits received by ineligible parties.

Cause: Proper internal controls are not in place to ensure the AFDC need verification is completed before the Supervisor verifies eligibility.

Cumberland County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

Finding 2021-03, Significant Deficiency over Eligibility, Continued

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2021-01 and 2021-03 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.

Brenda Reid Jackson
Director



CUMBERLAND
COUNTY
NORTH CAROLINA

Department of Social Services

Section Chiefs:

Kristin Bonoyer
Adult Services

Sharon McLeod
Children's Services

Vacant
Economic Services

Assistant Directors:

Patrick Kuchyt
Legal Services

Crystal Black
Adult Services

Delores Long
Children's Services

Vivian Tookes
Economic Services

John Nalbene
Business Operations

CCDSS FY21 Single Audit Response with Corrective Action Plans

Finding 2021-01, Significant Deficiency over Eligibility

Information on the federal program: Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

Criteria or specific requirement: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- Verification of register of deed information

Condition: We noted that in two instances, the case record did not contain the verification of register of deeds information.

Context: We sampled 93 participants from a total population of 9,079,702 payments made to participants. We noted the above conditions in 2 of the 93 case files inspected.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

Cause: The County did not retain required documentation in case files at the time eligibility was determined.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Corrective Action Plan: The Adult Medicaid (AD MA) Department supervisors have been briefed on the Single Audit Finding. They have stepped up their review of property checks utilizing the 2nd Party Review DHB-7078 to facilitate monitoring of the staff's completion of appropriate property checks. In addition, to ensure all eligibility determination documentation for property checks are completed by all AD MA Department staff, we are adding specific guidance for completing and documenting the Register of Deed checks to our program training. A new Private Living Arrangement Training Cycle is due to start during the month of December 2021. We will provide a copy of the training schedule as soon as it is finalized. Training Materials and Sign-In Logs will be provided once training is completed.

Proposed Completion Date: December 2021

Name of Contact Person: Angela L Wall, IM Supv III (angelawall@ccdssnc.com; 910-677-2356), and/or Mary B. Farmer, IM Supv II (maryfarmer@ccdssnc.com, 910-677-2642).

Finding 2021-02, Significant Deficiency over Eligibility

Information on the federal program: Low Income Home Energy Assistance (LIHEAP), CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

Criteria or specific requirement: Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, all case information used to determine eligibility, ineligibility and the benefit level should be clearly documented on the electronic application. This includes an accurate record of the household's income and energy (fuel) type.

Conditions: We noted in one instance, the wage verification does not agree to what was entered in NCFAST. In one instance, the income verification was not located in the case file.

Context: We sampled 40 case files of a population of 11,410 cases. We noted the above condition in 2 of the 40 inspected files.

Effect: Ineligible individuals could receive benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.

Cause: Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

Recommendation: We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

Corrective Action Plan: Training on the eligibility application process to ensure eligibility procedures are completed, and information is retained in the case file will be provided during the unit meeting in November 2021.

Proposed Completion Date: November 2021

Name of Contact Person: Karen McKiver, IMC Supervisor II (karenmckiver@ccdssnc.com; 910-677-2367) and/ Sherry Kenney, IM Program Manager (sherrykenney@ccdssnc.com; 910-677-2510)

Finding 2021-03, Significant Deficiency over Eligibility

Information on the federal program: Foster Care and Adoption Cluster, CFDA 93.556 and 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

Criteria or specific requirement: Per Form 5120 - Determination of Foster care Assistance Benefits and/or Medical Assistance Only, supervisor should sign and verify eligibility only after Income Maintenance Caseworker has verified AFDC need in Part V.

Condition: We noted in 33 instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

Context: We sampled 60 case files of a total of 6,667 cases. We noted the above condition in 33 of the 60 inspected files.

Effect: Supervisors reviewing and signing off the eligibility determination prior to the Income Maintenance Caseworker results in a risk that the eligibility was determined based on incomplete AFDC need verification, that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Based on the cases tested there were no instances of benefits received by ineligible parties.

Cause: Proper internal controls are not in place to ensure the AFDC need verification is completed before the Supervisor verifies eligibility.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed on time.

Corrective Action Plan:

To comply with the proper signature/date order on the 5120 regarding determination of AFDC need and Foster Care Assistance Benefits, the income maintenance case workers, social workers, and supervisors will refer to, and be trained on, the instructions of the 5120. Income maintenance case workers, social workers, and supervisors will have completed their review/training of the instructions by January 14, 2022 and will sign a document indicating such. Moving forward and to sustain compliance, the Performance Management Quality Assurance team will monitor for compliance.

The Performance Management Quality Assurance Team currently conducts a continuous ongoing review of FC Medicaid Eligibility determination. All applications received two months prior to the review month will be reviewed. Ongoing reviews will be conducted utilizing the PQA80 Report to identify FC Redeterminations that were due two months prior to the review month. A review of five percent of the identified Redeterminations will be completed, half of which will be funded with IV-E funding. Compliance with the proper signature/date order on the 5120 regarding determination of AFDC need and Foster Care Assistance Benefits will be added to the current review process as an additional monitored attribute.

Monthly monitoring results will be shared with the Children's Services Assistant Director, Section Chief, Program Managers, Performance Management Program Manager and Human Services Planner Evaluators.

The Children's Services Program Managers will discuss the results in periodic unit meetings and train accordingly. The meeting agendas, detailing the subject mentioned above, will be signed by all attendees, and submitted to the Performance Management Unit's Human Services Planner Evaluators.

The monthly IV-E Internal QA monitoring results and signed unit meeting agendas will be made available to the Division of Social Services upon request.

The agency believes the combination of monthly monitoring and periodic discussion to reinforce the importance of following proper procedure will assist in alleviating this issue in the future.

Proposed Training Completion Date: January 2022

Proposed Monitoring Completion Date: June 2022

Proposed Completion Date: June 2022

Contact Person: Sharon McLeod, SW Program Administrator I, (sharonmcleod@ccdssnc.com; 910-677-2047)

Brenda Reid Jackson
Director

Section Chiefs:

Kristin Bonoyer
Adult Services

Sharon McLeod
Children's Services

Vacant
Economic Services



Department of Social Services

Assistant Directors:

Patrick Kuchyt
Legal Services

Crystal Black
Adult Services

Delores Long
Children's Services

Vivian Tookes
Economic Services

John Nalbene
Business Operations

2020-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance

Condition: We noted 1 instance where the claim information entered into the NCFast Enterprise Program Integrity (EPI) was not substantiated by the supporting documentation.

Current status: This finding was properly addressed during FY21. Appropriate case corrections were made, and training was conducted to address the issue.

2020-002, Medicaid Significant Deficiency over Eligibility

Condition: We noted that in nine instances, the case record did not contain evidence that the household and relationship information to verify household composition. In four instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-001.

2020-003, Foster Care Significant Deficiency over Eligibility

Condition: We noted that in thirty-seven instances, the Income Maintenance Caseworker signed to verify AFDC later than the Supervisor signed off to review.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-003.

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title 1(a)	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Consumer Service</u>					
Passed-through N.C. Dept. of Agriculture:					
Food Distribution	10.550		\$ 2,071	\$ -	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
SNAP Cluster					
Food Stamp Incentive Retention	10.551		17,623	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561		3,136,191	-	-
Total Food Stamp Cluster			<u>3,153,814</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, & Children					
	10.557		2,205,475	-	-
Total U.S. Dept. of Agriculture			<u>5,361,360</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>					
<u>Community Planning and Development</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Department of Administration:					
Emergency Solutions Grants Program	14.231		-	13,906	-
Direct Program:					
Community Development Block					
Grants/Entitlement Grants	14.218		1,550,469	-	-
CDBG-CV Grant	14.218		430,960	-	-
CDGB-Disaster Recovery	14.228		127,757	-	-
HOME Investment Partnerships Program	14.239		31,609	-	-
Continuum of Care Program	14.267		148,969	-	148,969
Total U.S. Dept. of Housing and Urban Development			<u>2,289,764</u>	<u>13,906</u>	<u>148,969</u>
<u>U.S. Dept. of Justice</u>					
Passed-through the N.C. Dept. of Crime Control and Public Safety:					
Crime Victim Assistance					
	16.575		151,696	-	-
Direct Program:					
Edward Byrne Memorial Justice Assistance Grant					
	16.579		86,550	-	-
Total U.S. Dept. of Justice			<u>238,246</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Labor</u>					
<u>Employment and Training Administration</u>					
Passed-through Senior Service America, Inc.:					
Senior Community Service Employment Program	17.235		420,861	-	-
<u>WorkForce Innovation & Opportunity Act Cluster</u>					
Passed-through the N.C. Department of Commerce:					
Division of WorkForce Solutions					
WIOA Cluster					
WIA/WIOA Adult Program	17.258		1,412,090	-	-
WIA/WIOA Youth Activities	17.259		174,975	-	-
WIA/WIOA Dislocated Workers Formula Grants	17.278		843,442	-	-
Total WorkForce Investment Act Cluster			<u>2,430,507</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Labor			<u>2,851,368</u>	<u>-</u>	<u>-</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>AL#/ CFDA</u> <u>Number</u>	<u>State/ Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed. (Direct & Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>
<u>U.S. Dept. of Transportation</u>					
<u>Federal Highway Administration</u>					
Passed-through the N.C. Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction Grants					
	20.205		246,465	-	246,465
<u>Federal Transit Administration</u>					
Passed-through the N.C. Department of Transportation:					
Federal Transit Cluster					
Federal Transit - Metropolitan Planning Grants					
	20.505		44,852	5,544	-
Formula Grants for Other Than Urbanized Areas					
	20.509		129,107	8,241	-
Covid 19 Cares Grant					
	20.509		185,583	-	-
Total Federal Transit Cluster					
			359,542	13,785	-
Highway Safety Cluster					
National Priority Safety Programs					
	20.616		26,076	-	-
<u>Federal Transit Administration</u>					
Passed-through the N.C. Department of Public Safety					
Hazardous Materials Emergency Preparedness					
	20.703		13,450	-	-
Total U.S. Dept. of Transportation					
			645,533	13,785	246,465
<u>U.S. Department of the Treasury</u>					
Direct Program:					
Equitable Sharing					
	21.016		435,245	-	-
Passed-through the Office of State Budget and Management:					
NC Pandemic Recovery Office					
Coronavirus Relief Fund					
	21.019		8,089,998	-	2,053,416
Total U.S. Department of the Treasury					
			8,525,243	-	2,053,416
<u>Institute of Museum and Library Services</u>					
Passed-through the State Library of NC					
Grants to States					
	45.310		3,992	-	-
<u>Department of Military and Veteran's Affairs</u>					
Passed-through the NC Division of Veteran's Affairs					
VA Supportive Services for Veteran Families					
	64.033		2,084	-	-
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
TANF - Work First					
	93.558		4,885,692	-	-
Division of Public Health:					
TANF - Work First					
	93.558		63,562	-	-
Total Temporary Assistance for Needy Families (TANF)					
			4,949,254	-	-
Special Children Adoption					
	93.558		12,186	-	-
N.C. Child Support Enforcement Section					
	93.563		4,741,186	-	-
Low-Income Home Energy Assistance Block Grant:					
Administration					
	93.568		277,937	-	-
Crisis Intervention Program					
	93.568		2,940,872	-	-
Crisis Intervention Program LIEAP Covid-19					
	93.568		668,125	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Families for Kids					
	93.645		67,642	-	-
SSBG - Other Services and Training					
	93.667		1,977,919	-	-
LINKS (formerly Independent Living Grant)					
	93.674		152,266	35,163	-

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>Foster Care and Adoption Cluster:</u>					
Family Preservation	93.556		375	-	-
Title IV-E Foster Care	93.658		6,803,836	1,858,061	-
Total Foster Care and Adoption Cluster			6,804,211	1,858,061	-
Division of Aging:					
Division of Social Services:					
SSBG-Adult Day Care	93.667		51,527	37,410	-
Division of Child Development:					
Subsidized Child Care (Note 4)					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care and Development Fund-Administration	93.596		726,628	-	-
Total Child Care Development Fund Cluster			726,628	-	-
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program	93.778		5,089,772	16,976	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - NC Health Choice	93.767		117,686	2,165	-
Centers for Disease Control and Prevention					
passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		44,913	-	-
Affordable Care Act (ACA) Personal Responsibility Education Program					
Project Grants & Cooperative Agreements for Tuberculosis					
Control Program	93.116		24,712	-	-
Immunization Cooperative Agreements	93.268		216,191	-	-
Immunization Grants - Covid-19 Vaccination Program	93.268		911,934	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		1,117,023	-	-
National and State Tobacco Control Programs	93.387		101,485	-	-
Cancer Prevention and Control Programs for State, Territorial	93.898		26,000	-	-
Preventative Health and Health Services Block Grant	93.991		30,607	-	-
Preventative Health Services - Sexually Transmitted					
Diseases Control Grants	93.977		48	-	-
Health Resources and Service Administration					
passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health					
Maternal and Child Health Services Block Grant	93.994		422,785	50,889	-
Office of Population Affairs					
passed-through the N.C. Dept. of Health and Human Services:					
Office of Population Affairs					
Family Planning Services	93.217		188,495	-	-
Total U.S. Dept. of Health and Human Services			31,661,404	2,000,664	-
Department of Homeland Security					
Passed-through N.C. Dept. of Crime Control and					
Public Safety:					
Division of Emergency Management:					
Disaster Grants - Public Assistance	97.036		4,000	-	-
Emergency Management Performance Grants	97.042		80,361	-	-
Homeland Security Grant Program	97.067		64,933	-	-
Total Homeland Security			149,294	-	-
Total Federal awards			51,728,289	2,028,355	2,448,850

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State Foster Care Benefits Program			-	2,581,752	-
Energy Assistance - CP&L Energy Program			-	11,030	-
State CPS Caseload Reduction			-	317,417	-
CPS State			-	153,794	-
Child Welfare State In-Home Expansion			-	167,061	-
Special Links			-	13,145	-
AFDC Incentives			-	22	-
Adult Protective Services			-	16,640	-
APS/CPS Cares Covid-19			-	321,056	-
Smart Start Administration			-	159,729	-
Family Violence Prevention Grant			-	29,524	-
Total Division of Social Services			-	3,771,170	-
Division of Public Health:					
School Nurse Funding Initiative			-	167,054	-
Aid-To-Counties			-	252,698	-
General Communicable Disease Control			-	26,876	-
Food and Lodging Fees			-	48,959	-
Triple P			-	125,000	-
Breast & Cervical Cancer Program			-	21,775	-
Women's Health Service Fund			-	15,273	-
Child Health			-	75,511	-
Family Planning - State			-	93,722	-
Maternal Health			-	160,098	-
HIV/STD State			-	27,000	-
STD Drugs			-	4,138	-
Healthy Communities			-	22,613	-
Tuberculosis Control			-	89,461	-
Total Division of Public Health			-	1,130,178	-
Total N. C. Department of Health and Human Services			-	4,901,348	-
<u>N.C. Dept. of Environment & Natural Resources</u>					
Division of Water and Soil Conservation:					
Agriculture Cost Share Program			-	26,880	-
Soil and Water District Projects			-	3,600	-
Stream Debris Removal Grant			-	65,665	65,665
Total N.C. Department of Environment & Natural Resources			-	96,145	65,665
<u>Department of Public Safety</u>					
Juvenile Crime Prevention Program			-	1,214,641	1,214,641
NC Tier II Grant			-	1,000	-
Total N. C. Department of Public Safety			-	1,215,641	1,214,641
<u>N.C. Dept. of Cultural Resources</u>					
State Aid to Public Libraries			-	305,979	-
<u>N.C. Department of Transportation</u>					
Governor's Highway Safety Program					
Community Grants			-	26,076	-
<u>N.C. Dept. of Administration</u>					
Domestic Violence Program			-	101,017	-
Total State awards			-	6,646,206	1,280,306
Total Federal and State awards			\$ 51,728,289	\$ 8,674,561	\$ 3,729,156

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

YEAR ENDED JUNE 30, 2021

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Cumberland County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Cumberland County, it is not intended to and does not present the financial position, changes in net position or cash flows of Cumberland County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized for principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Cumberland County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirem
Care and Adoption

END OF REPORT

