

**CAPE FEAR COUNCIL OF GOVERNMENTS  
WILMINGTON, NORTH CAROLINA**

**FINANCIAL AND COMPLIANCE REPORTS**

**YEAR ENDED JUNE 30, 2021**



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ASSURANCE, TAX & ADVISORY SERVICES

# CAPE FEAR COUNCIL OF GOVERNMENTS

## Executive Committee Members

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Mike Forte  
Chairman

George Brown, Jr.  
Vice Chair

Charles Rivenbark  
Secretary/Treasurer

Teresa Batts

Julia Olson-Boseman

Janet Dawson

Walter Eccard

Brent Watts

Lamont Grate

# CAPE FEAR COUNCIL OF GOVERNMENTS

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Executive Committee  
Cape Fear Council of Governments

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cape Fear Council of Governments (the Council) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council'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 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.

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 Council'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 Council'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Cape Fear Council of Governments as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparisons of the major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 34-35 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 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedules and other information listed in the table of contents as supplementary information, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 US 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 listed in the table of contents in the compliance section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules and other information listed in the table of contents as supplementary information and the Schedule of Expenditures of Federal and State Awards identified in the preceding paragraph are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules and other information listed in the table of contents as supplementary information 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.

*Prior Year Comparative Information*

The basic financial statements of the Council, as of and for the year ended June 30, 2020, were audited by other auditors, whose report, dated January 29, 2021, expressed an unmodified opinion on the governmental activities, each major fund, and the aggregate remaining fund information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*PBMares, LLP*

Morehead City, North Carolina  
October 29, 2021

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CAPE FEAR COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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As management of Cape Fear Council of Governments (Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

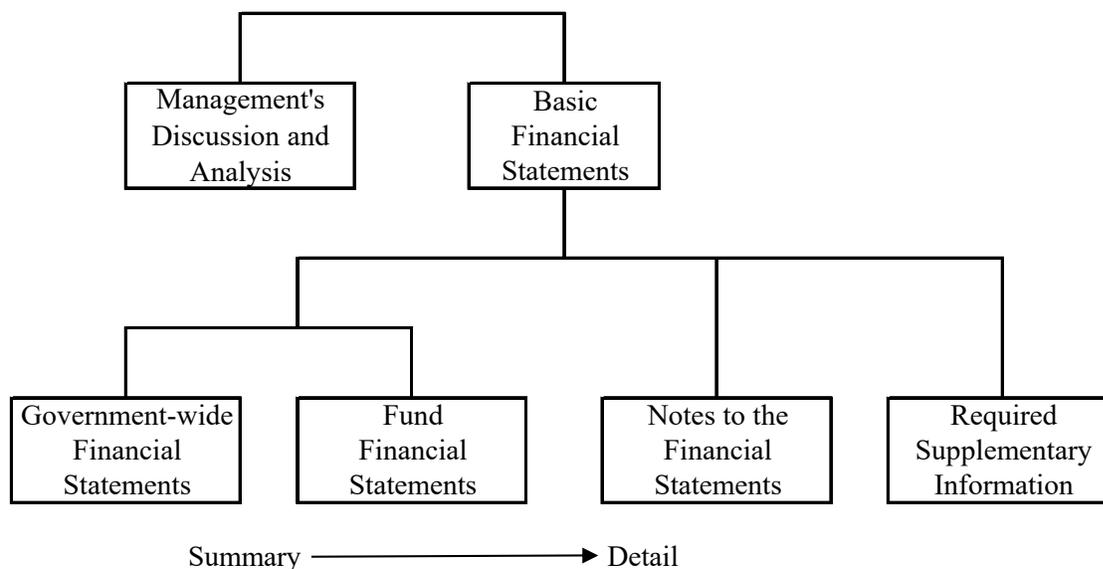
### Financial Highlights

- The assets and deferred outflows of the Council *exceeded* its liabilities and deferred inflows at the close of the fiscal year by \$540,011 (net position).
- The Council's total net position *increased* by \$52,990 from June 30, 2020 to June 30, 2021, primarily due to an increase in planning contracts and a decrease in meeting and travel expenditures in the General Fund.
- As of the close of the current fiscal year, the Council's general fund reported ending fund balance of \$668,163, an *increase* of \$136,933 from June 30, 2020. Approximately 93.0% of this total amount, or \$621,146, which is the general fund's unassigned fund balance, is available for spending at the Council's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$621,146, or 23.4% of total expenditures for all funds (excluding pass through expenditures) for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Council through the use of 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 Council.

Figure 1



# CAPE FEAR COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### Basic Financial Statements

The first two statements (pages 11 and 12) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short- and long-term information about the Council's financial status.

The next statements (pages 13 through 17) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. Budgetary information required by the General Statutes can be found in this part of the statements.

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements explain in detail some of the data contained in those statements. After the notes, **required supplementary information** and **supplementary information** is provided to show details about the Council's individual funds. More budgetary information required by the General Statutes can be found in this part of the statements.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances on the accrual basis, similar in format to financial statements of a private-sector business. The government-wide financial statements provide short- and long-term information about the Council's financial status as a whole.

The two government-wide financial statements report the Council's net position and how it has changed. Net position is the difference between the Council's total assets and deferred outflows and total liabilities and deferred inflows. Measuring net position is one way to gauge the Council's financial condition.

The government-wide financial statements present governmental activities which are divided into five categories: (1) General; (2) Aging; (3) Workforce Development; (4) Continuum of Care; and (5) Non-major funds. The governmental activities include the Council's basic services. State and federal grant funds finance most of these activities.

The government-wide financial statements are on pages 11 and 12 of this report.

### Fund Financial Statements

The fund financial statements provide a more detailed look at the Council's most significant activities. 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 Council, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Council's budget ordinance. All of the funds of the Council are governmental funds.

## CAPE FEAR COUNCIL OF GOVERNMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs. The relationship between government activities (reported in the statement of net position and the statement of activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

The Council adopts an annual budget for all funds as required by North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Council's member local governments, the management of the Council and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting (the modified accrual basis) and is presented using the same format, language and classifications as the legal budget document. 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.

**Notes to Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 18 through 33 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain other supplementary information. That information can be found beginning on page 34 of this report.

CAPE FEAR COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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Government-Wide Financial  
Analysis

	Governmental Activities	
	2021	2020
Current and other assets	\$ 2,832,764	\$ 1,598,751
Capital assets	3,471	7,408
<b>Total assets</b>	<b>2,836,235</b>	<b>1,606,159</b>
Deferred outflows of resources	332,668	268,845
Other liabilities	1,995,940	905,306
Net pension liability	551,380	402,538
Long-term liabilities	81,572	80,139
<b>Total liabilities</b>	<b>2,628,892</b>	<b>1,387,983</b>
Net position:		
Investment in capital assets	3,471	7,408
Restricted:		
Stabilization by state statute	2,191,851	1,067,121
Unrestricted (deficit)	(1,655,311)	(587,508)
<b>Total net position</b>	<b>\$ 540,011</b>	<b>\$ 487,021</b>

## CAPE FEAR COUNCIL OF GOVERNMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$540,011 as of June 30, 2021. The Council's net position *increased* by \$52,990 from June 30, 2020 to June 30, 2021. Additionally, \$3,471 of the net position is invested in capital assets, \$2,191,851 is restricted and the remaining balance (deficit) of (\$1,655,311) is unrestricted.

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 393,668	\$ 272,672
Operating grants and contributions	10,027,199	9,049,773
General revenues:		
Local dues	222,291	225,300
Investment earnings, unrestricted	98	5,217
<b>Total revenues</b>	<b>10,643,256</b>	<b>9,552,962</b>
Expenses:		
General government	7,186	28,926
Aging programs	5,898,233	4,985,553
Continuum of care	334,119	264,960
Local government services	495,312	409,139
Workforce development	3,855,416	3,867,016
<b>Total expenses</b>	<b>10,590,266</b>	<b>9,555,594</b>
<b>Change in net position</b>	<b>52,990</b>	<b>(2,632)</b>
Net position, July 1	487,021	489,653
Net position, June 30	<b>\$ 540,011</b>	<b>\$ 487,021</b>

**Governmental Activities.** Governmental activities increased the Council's net position by \$52,990, thereby accounting for 100% of the total increase in the net position of the Council. The key element of this increase is as follows:

- Increase in planning contracts and a decrease in meeting and travel expenditures in the General Fund.

## CAPE FEAR COUNCIL OF GOVERNMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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#### *Financial Analysis of the Council's Funds*

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

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

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$621,146, while total fund balance of the General Fund was \$668,163. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. General Fund unassigned fund balance represents 23.4% of total expenditures for all funds (excluding pass through expenditures).

At June 30, 2021, the governmental funds of the Council reported a combined fund balance of \$836,824, an approximate 20.7% increase from last year.

**Budgetary Highlights.** During the fiscal year, the Council revised the budget on several occasions. Generally, budget amendments fall into one of four categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; (3) increases in locally generated funds for planning service contracts and providing training workshops; and (4) decreases of federal and/or State grants due to reversion of under-utilized funds. Total amendments increased the Council's budgeted revenues by \$2,418,996. The increase was due to several factors: (1) more than half of the budget increases are a result of the Council being awarded Coronavirus Aid, Relief and Economic Security (CARES) Act funds. The Aging, Continuum of Care, Local Government Services and Workforce Development programs received CARES Act funds. These awards will carry forward into the next fiscal year; and (2) the remaining budget increases result from higher prior fiscal year carryover amounts than were budgeted in the Workforce Development programs.

Approximately 64% of the Council's final budget is for contracted services or pass-through funds to other agencies. Should these agencies not provide the level of services for which they have been contracted, they do not receive reimbursement.

## CAPE FEAR COUNCIL OF GOVERNMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

**Capital Assets.** The Council's investment in capital assets for its governmental activities as of June 30, 2021, totals \$3,471 (net of accumulated depreciation). These assets include computer network servers, a telephone system and a printer-plotter.

Additional information on the Council's capital assets can be found in Note 1.F.5. and Note 2.A.1. of the Basic Financial Statements.

The Council does not have any long-term obligations other than accrued compensated absences and its pro-rata share of the net pension liability of the NC Local Government Employees Retirement System.

#### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the stability and prosperity of the Council.

- Despite disruptions from the Coronavirus pandemic to the Cape Fear region's social and economic systems, the Council anticipates that our net position and fund balance will remain consistent during the next fiscal year. Our members have indicated that they will continue to support next year's budget with dues and matching funds at the same rate as previous years.
- In reaction to the pandemic, the federal government passed multiple economic stimulus bills. All of the Council's programs received funds from stimulus grants that will carry forward into the 2021-22 fiscal year. The Council is also exploring opportunities to apply for additional funding through federal and state agencies to help our communities rebound from the effects of pandemic.
- Since the Council's funding depends on federal and state grants, the Council's management team will continue to monitor industry update concerning federal and state appropriations and will adjust expenditure and budget projections to reflect any changes to current estimates.

#### ***Requests for Information***

This report is designed to provide an overview of the Council'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 Dawn Tucker, Finance Officer, Cape Fear Council of Governments, 1480 Harbour Drive, Wilmington, NC 28401, dtucker@capefearcog.org, (910) 395-4553.

## **BASIC FINANCIAL STATEMENTS**

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**STATEMENT OF NET POSITION**

**June 30, 2021**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 667,744
Receivables:	
Accounts	83,745
Due from other governmental agencies	2,043,835
Prepaid costs	37,440
<b>Total current assets</b>	<u>2,832,764</u>
Capital assets, net of depreciation	3,471
<b>Total assets</b>	<u>2,836,235</u>
<b>Deferred Outflows of Resources</b>	
Pension deferrals	213,517
Contributions to pension plan in current fiscal year	119,151
<b>Total deferred outflows of resources</b>	<u>332,668</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	1,766,935
Unearned revenue	229,005
<b>Total current liabilities</b>	<u>1,995,940</u>
Net pension liability	551,380
Long-term liabilities	81,572
<b>Total liabilities</b>	<u>2,628,892</u>
<b>Net Position</b>	
Investment in capital assets	3,471
Restricted:	
Stabilization by state statute	2,191,851
Unrestricted (deficit)	(1,655,311)
<b>Total net position</b>	<u>\$ 540,011</u>

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
				Governmental Activities
Governmental activities:				
General government	\$ 7,186	\$ -	\$ -	\$ (7,186)
Aging programs	5,898,233	-	5,800,838	(97,395)
Workforce development	3,855,416	-	3,805,758	(49,658)
Continuum of care	334,119	103,000	219,386	(11,733)
Local government services	495,312	290,668	201,217	(3,427)
<b>Total governmental activities</b>	<b>\$ 10,590,266</b>	<b>\$ 393,668</b>	<b>\$ 10,027,199</b>	<b>(169,399)</b>
General revenues:				
Local dues				222,291
Investment earnings				98
Total general revenues				<u>222,389</u>
Change in net position				52,990
Net position, beginning				<u>487,021</u>
Net position, ending				<u>\$ 540,011</u>

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**June 30, 2021**

	General	Aging Programs	Workforce Development Programs	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 667,744	\$ -	\$ -	\$ -	\$ 667,744
Receivables:					
Accounts	-	-	-	83,745	83,745
Due from other governmental agencies	4,786	1,386,398	599,413	53,238	2,043,835
Due from other funds	23,914	38,529	1,035	793	64,271
Prepaid items	18,317	-	19,123	-	37,440
<b>Total assets</b>	<b>\$ 714,761</b>	<b>\$ 1,424,927</b>	<b>\$ 619,571</b>	<b>\$ 137,776</b>	<b>\$ 2,897,035</b>
<b>Liabilities and Fund Balances</b>					
Accounts payable and accrued liabilities	\$ 2,151	\$ 1,376,218	\$ 367,673	\$ 20,893	\$ 1,766,935
Due to other funds	40,357	-	-	23,914	64,271
Unearned revenue	4,090	24,211	200,704	-	229,005
<b>Total liabilities</b>	<b>46,598</b>	<b>1,400,429</b>	<b>568,377</b>	<b>44,807</b>	<b>2,060,211</b>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid items	18,317	-	19,123	-	37,440
Restricted:					
Stabilization by state statute	28,700	1,424,927	600,448	137,776	2,191,851
Unassigned (deficit)	621,146	(1,400,429)	(568,377)	(44,807)	(1,392,467)
<b>Total fund balances</b>	<b>668,163</b>	<b>24,498</b>	<b>51,194</b>	<b>92,969</b>	<b>836,824</b>
<b>Total liabilities and fund balances</b>	<b>\$ 714,761</b>	<b>\$ 1,424,927</b>	<b>\$ 619,571</b>	<b>\$ 137,776</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					3,471
Net pension liability					(551,380)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position					119,151
Accrued compensated absences are not expenditures and therefore are not reported in the funds					(81,572)
Pension related deferrals					213,517
<b>Net position of governmental activities</b>					<b>\$ 540,011</b>

CAPE FEAR COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS  
Year Ended June 30, 2021

	General	Aging Programs	Workforce Development Programs	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Federal	\$ -	\$ 3,409,243	\$ 3,805,758	\$ 413,435	\$ 7,628,436
State	-	2,391,595	-	7,168	2,398,763
Local	144,268	78,023	-	393,668	615,959
Interest	98	-	-	-	98
<b>Total revenues</b>	<b>144,366</b>	<b>5,878,861</b>	<b>3,805,758</b>	<b>814,271</b>	<b>10,643,256</b>
<b>Expenditures</b>					
Current:					
General government	3,852	-	-	-	3,852
Aging programs	-	5,878,861	-	-	5,878,861
Workforce development	-	-	3,805,758	-	3,805,758
Continuum of care	-	-	-	320,023	320,023
Local government services	-	-	-	491,383	491,383
<b>Total expenditures</b>	<b>3,852</b>	<b>5,878,861</b>	<b>3,805,758</b>	<b>811,406</b>	<b>10,499,877</b>
<b>Revenues over expenditures</b>	<b>140,514</b>	<b>-</b>	<b>-</b>	<b>2,865</b>	<b>143,379</b>
<b>Other financing sources (uses)</b>					
Transfers in / (out)	(3,581)	-	-	3,581	-
<b>Total other financing sources (uses)</b>	<b>(3,581)</b>	<b>-</b>	<b>-</b>	<b>3,581</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>136,933</b>	<b>-</b>	<b>-</b>	<b>6,446</b>	<b>143,379</b>
Fund balance, beginning of year	531,230	24,498	51,194	86,523	693,445
Fund balance, end of year	\$ 668,163	\$ 24,498	\$ 51,194	\$ 92,969	\$ 836,824

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

Net change in fund balances, total governmental funds (above)	\$ 143,379
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 of depreciation expense in the current period	(3,937)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	25,465
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense and changes in deferrals	(110,484)
Compensated absences	(1,433)
Change in net position of governmental activities	\$ 52,990

CAPE FEAR COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Local			\$ 144,268	
Interest			98	
<b>Total revenues</b>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 144,366</u>	<u>\$ 117,366</u>
<b>Expenditures</b>				
Current:				
Salaries			170,999	
Fringe			56,637	
Rent			49,423	
Professional services			9,994	
Telephone			2,216	
Supplies			15,292	
Postage			492	
Travel/training			6,015	
Insurance			904	
Data processing			17,503	
Temporary services			17,252	
Meeting costs			80	
Maintenance			6,444	
Leased equipment			5,404	
Dues and subscriptions			10,151	
Advertising			213	
Audit			1,795	
	<u>498,665</u>	<u>498,665</u>	<u>370,814</u>	<u>127,851</u>
Overhead allocation	<u>(471,665)</u>	<u>(471,665)</u>	<u>(366,962)</u>	<u>(104,703)</u>
<b>Total expenditures</b>	<u>27,000</u>	<u>27,000</u>	<u>3,852</u>	<u>23,148</u>
<b>Revenues over expenditures</b>	-	-	140,514	140,514
<b>Other financing uses</b>				
Operating transfers out	-	-	(3,581)	(3,581)
<b>Revenues over expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>136,933</u>	<u>\$ 136,933</u>
Fund balance, beginning of year			<u>531,230</u>	
Fund balance, end of year			<u>\$ 668,163</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – AGING PROGRAMS FUND  
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 3,409,243	
State			2,391,595	
Local			78,023	
<b>Total revenues</b>	<b>\$ 4,749,821</b>	<b>\$ 6,465,590</b>	<b>\$ 5,878,861</b>	<b>\$ (586,729)</b>
<b>Expenditures</b>				
Current:				
Pass-through			5,060,172	
Salaries			364,372	
Fringe			157,346	
Rent			16,783	
Professional services			5,279	
Telephone			5,112	
Supplies			13,835	
Postage			549	
Travel/training			6,599	
Insurance			1,511	
Data processing			23,398	
Meeting costs			44	
Maintenance			1,918	
Leased equipment			1,841	
Dues and subscriptions			39,347	
Audit			23,067	
Advertising			24,815	
Overhead allocation			132,873	
<b>Total expenditures</b>	<b>4,749,821</b>	<b>6,465,590</b>	<b>5,878,861</b>	<b>586,729</b>
<b>Revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			24,498	
Fund balance, end of year			\$ 24,498	

CAPE FEAR COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL –  
WORKFORCE DEVELOPMENT PROGRAMS FUND  
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 3,805,758	
<b>Total revenues</b>	<b>\$ 6,894,292</b>	<b>\$ 7,310,982</b>	<b>\$ 3,805,758</b>	<b>\$ (3,505,224)</b>
<b>Expenditures</b>				
Current:				
Pass-through			2,785,497	
Salaries			375,970	
Fringe			136,389	
Rent			223,576	
Professional services			6,500	
Telephone			3,450	
Supplies			11,605	
Postage			345	
Travel/training			5,991	
Insurance			1,511	
Meeting costs			91	
Maintenance			27,906	
Utilities			13,551	
Leased equipment			4,498	
Data processing			41,650	
Temporary services			14,794	
Dues and subscriptions			4,010	
Advertising			783	
Audit			17,383	
Overhead allocation			130,258	
<b>Total expenditures</b>	<b>6,894,292</b>	<b>7,310,982</b>	<b>3,805,758</b>	<b>3,505,224</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			<u>51,194</u>	
Fund balance, end of year			<u>\$ 51,194</u>	

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies

The accounting policies of Cape Fear Council of Governments (the Council) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

#### A. Reporting Entity

The Council was established in 1972 to perform and carry out such powers, duties and responsibilities as authorized by North Carolina legislation. The Council is one of the 16 regional planning and management agencies serving local governments in North Carolina. The Council serves Region O, which includes Brunswick, Columbus, New Hanover and Pender Counties and the municipalities within their boundaries as a jointly governed organization. Working under the direction of locally elected officials representing member governments, the Council plans and administers a variety of federal, state and local programs.

As described below, although the Council is accounted for as a governmental entity, the Council does not have the statutory authority to levy taxes or issue bonds.

The financial statements do not include any component units, legally separate entities for which the Council is considered to be financially accountable, because no such component units exist. Additionally, the Council is not considered to be a component unit of any other government.

#### B. Basis of Presentation and Measurement Focus 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 (the Council). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of a local government unit. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Council has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council'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 not 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 are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Council's funds. The Council currently only maintains governmental funds. The emphasis of governmental fund financial statements is on major governmental funds, each displayed in a separate column, along with a column for aggregate non-major funds.

The Council reports the following major governmental funds:

*General Fund* – The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

*Aging Programs Special Revenue Fund* – The Aging Programs Fund facilitates the receipt of federal and state grants and the disbursement of the grant money to local governments and nonprofit agencies who fulfill the grant requirements by providing services to the state’s elderly (60+) population, enabling those individuals to remain in their homes for as long as possible while at the same time providing care and a safe environment in their later years.

*Workforce Development Programs Special Revenue Fund* – The Workforce Development Programs Fund facilitates the receipt of federal and state grants and the disbursement of the grant money to state agencies, local governments and nonprofit agencies who fulfill the grant requirements by providing services designed to help Americans access the tools they need to manage their careers through information and high-quality services, and to help U.S. companies find skilled workers.

The Council reports the following non-major governmental funds:

*Continuum of Care Fund* – The Continuum of Care Fund accounts for activities designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

*Local Government Services Fund* – The Local Government Services Fund accounts for activities designed to assist local area governments in developing growth plans and any other activity that may assist local governments in planning for the future of their communities.

#### ***Measurement Focus/Basis of Accounting***

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

*Government-Wide Financial Statements* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*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 (available is defined as: cash to be received within 90 days after fiscal year-end). Expenditures are recorded when the related fund liability is incurred, except for claims and judgements, compensated absences, and pension expenses, which are recognized as expenditures to the extent they are due and have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Grant proceeds received but unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position and fund balance available to finance the program. It is the Council’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Budgetary Data

The Council's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general fund and the special revenue funds. All annual appropriations lapse at the fiscal year-end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the fund level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund by more than \$5,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amounts in the financial statements and related note disclosures during the period. Actual results could differ from those estimates.

#### E. Indirect Costs

Indirect costs in program or project expenditures are those costs not readily assignable to a program or incurred for a common or joint purpose benefiting more than one program or project. Indirect costs are charged to programs or projects during the year based on direct salaries and fringe benefits using a cost methodology plan.

As a local government entity, and a public authority, the Council complies with the indirect cost methodology regulated by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the North Carolina State Treasurer Policies, Section 55, User Fees – Utilizing Expense/Expenditure Information.

Per definition of the Uniform Grant Guidance, the Council is a multi-function entity. The multi-functions include five categories or functions: General Government, Aging Programs, Workforce Development, Local Government Services and Continuum of Care. To comply with the requirements of CFR §200.56, the Council captures all indirect costs into one separate cost pool at the time of expenditure. On a monthly basis, the indirect costs are allocated to each function, and to individual awards and activities within that function, by means of the indirect cost methodology – direct salaries and wages. Each month a percentage relationship is determined between salaries of a particular award or activity and its relation to the total salaries for the Council as a whole. The determined percentage is applied to all indirect costs held in the pool. The indirect costs are then distributed to indirect line-items within each award or activity on that basis.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

---

### Note 1. Summary of Significant Accounting Policies (Continued)

#### F. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

##### 1. Deposits and Investments

All deposits of the Council are made in board-designated official depositories and are collateralized as required by North Carolina General Statute 159-31. The Council may designate as an official depository, any bank or savings association whose principal office is located in North Carolina. The Council may establish time deposits such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

At June 30, 2021, the carrying amount of the Council's deposits was \$203,475 and the bank balance was \$542,237.

All of the Council's deposits are either insured or collateralized under the Pooling Method, a system of state-wide single financial institution collateral pools, whereby 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 Council, these deposits are considered to be held by the Council's agent in the Council's name. 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 Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Council 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 Pooling Method depository. Of the bank balance, \$250,000 was covered by federal depository insurance and \$292,237 was covered by collateral held under the Pooling Method. The Board has no formal policy regarding custodial credit risk for deposits, but informally complies with North Carolina General Statute 159-31.

North Carolina General Statute 159-30(c) authorizes the Council 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 nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The Council's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The Council's investments in the NCCMT Government Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Because the NCCMT Government portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with less than 6 months maturity. At June 30, 2021, the Council's investments consisted of \$464,269 and were limited to the NCCMT Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's and AAAM-mf by Moody's Investor Service. The Council has no formal policy regarding credit risk.

The Council had one type of investment, NCCMT Government Portfolio, which was categorized as having a Level 1 fair value measurement method.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### 2. Cash and Cash Equivalents

The Council pools substantially all of its funds in its General Fund to facilitate disbursement and investment and to maximize investment income. Deposits and investments with a maturity date of three months or less are considered cash or cash equivalents.

#### 3. Allowances for Doubtful Accounts

The Council does not maintain an allowance for doubtful accounts. Losses arising from uncollected accounts receivable are estimated to be insignificant.

#### 4. Prepaid Costs

Prepaid costs consist of various prepaid operational expenses.

#### 5. Capital Assets

Purchased capital assets are reported at cost in the government-wide financial statements. Minimum capitalization costs are as follows: furniture and equipment and all other capital assets, \$5,000. 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.

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

	<u>Years</u>
Office and computer equipment	3-7

#### 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The Council has several items that meet the criterion for this category in the government-wide financial statements: contributions made to the pension plan in the 2021 fiscal year and other pension related deferrals. In addition to liabilities, the statement of net position/balance sheet will sometimes 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.

#### 7. Compensated Absences

The vacation policies of the Council provide for the accumulation of up to 225 hours earned vacation leave with such leave being fully vested when earned. Upon termination of employment, the entire accumulated vacation leave balance is paid out based on the compensation rate in effect at the date of termination. For the Council's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. At June 30, 2021, the Council had accrued \$81,572 for earned vacation leave. This amount is included in long-term liabilities on the accompanying statement of net position.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

In the governmental fund financial statements, an expenditure and a liability for compensated absences is recorded when due and payable, which occurs when the vacation is used or upon termination of an eligible employee.

### 8. Net Position/Fund Balances

#### Net Position

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

#### Fund Balances

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

The governmental fund balance 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.

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

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

**Restricted for stabilization by state statute** – Portion of fund balance, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which are not offset by unearned revenues.

**Restricted for aging programs** – Portion of fund balance that is restricted by revenue source for use with aging programs.

**Restricted for workforce programs** – Portion of fund balance that is restricted by revenue source for use with workforce programs.

**Restricted for local government services** – Portion of fund balance that is restricted by revenue source for use with local government service programs.

**Restricted for continuum of care** – Portion of fund balance that is restricted by revenue source for use with continuum of care programs.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Council’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – The portion of fund balance that the Council intends to use for specific purposes.

Unassigned Fund Balance – The portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

### 9. Pensions

The Council participates in a cost-sharing multiple-employer, defined benefit plan that is administered by the state of North Carolina.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Council’s employer contributions are recognized when due and the Council has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. LGERS’ investments are reported at fair value.

### Note 2. Detail Notes on All Funds

#### A. Assets

##### 1. Capital Assets

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 31,026	\$ -	\$ -	\$ 31,026
Less accumulated depreciation for equipment	23,618	3,937	-	27,555
Governmental activity capital assets, net	<u>\$ 7,408</u>	<u>\$ (3,937)</u>	<u>\$ -</u>	<u>\$ 3,471</u>

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Detail Notes on All Funds (Continued)

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

General Government	\$ 2,601
Local Government Services	1,336
	<u>\$ 3,937</u>

### B. Liabilities and Deferred Inflows of Resources

#### 1. Pension Plan Obligations

##### North Carolina Local Governmental Employees' Retirement System

*Plan Description* – The Council is a participating employer in the statewide 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. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives and the State Treasurer and State Superintendent, who serve as ex-officio members. LGERS is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454 or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided* – LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). 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 (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) 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.

## CAPE FEAR COUNCIL OF GOVERNMENTS

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Detail Notes on All Funds (Continued)

*Contributions* – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Council’s employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Council’s contractually required contribution rate for the year ended June 30, 2021, was 10.15% of compensation, 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 Council were \$119,151 for the year ended June 30, 2021.

*Refund of Contributions* – Council 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.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At June 30, 2021, the Council reported a liability of \$551,380 for its proportionate share of the LGERS 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 update procedures incorporating the actuarial assumptions. The Council’s proportion of the net pension liability was based on a projection of the Council’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, 2020 measurement date, the Council’s proportion was 0.01543%, which was an increase of approximately 0.00069% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Council recognized pension expense of \$204,061. At June 30, 2021, the Council 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	\$ 69,630	\$ -
Changes in assumptions	41,033	-
Net difference between projected and actual earnings on pension plan investments	77,591	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	25,263	-
Contributions subsequent to the measurement date	119,151	-
	<u>\$ 332,668</u>	<u>\$ -</u>

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Detail Notes on All Funds (Continued)

The \$119,151 reported as deferred outflows of resources related to pensions resulting from Council's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	Amount
2022	\$ 64,143
2023	79,883
2024	46,531
2025	22,960
	<u>\$ 213,517</u>

*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	3.0%
Salary increases	3.50 to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation, were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Detail Notes on All Funds (Continued)

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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 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.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Detail Notes on All Funds (Continued)

*Sensitivity of the Council's proportionate share of the net pension liability to changes in the discount rate* – The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Council's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Council's proportionate share of the net pension liability (asset)	\$ 1,118,689	\$ 551,380	\$ 79,905

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

### 2. Unearned Revenue

The balance in unearned revenue at June 30, 2021, which generally consists of money received from the various funding sources in advance, is comprised of the following:

Aging Programs Fund	
Aging administration	\$ 24,211
General Fund	
Charges for services	4,090
Workforce Investment Fund	
Advance drawdowns	200,704
	<u>\$ 229,005</u>

### 3. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Compensated absences	\$ 80,139	\$ 20,017	\$ 18,584	\$ 81,572

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Detail Notes on All Funds (Continued)

#### C. Interfund Balances and Transfer Activity

All cash accounts are recorded in the general fund and, as a result, interfund receivables and payables exist. Short-term interfund receivables and payables at June 30, 2021, were as follows:

Fund	Receivable	Payable
General Fund	\$ 23,914	\$ 40,357
Aging Programs Fund	38,529	-
Workforce Development Fund	1,035	-
Local Government Services Fund	-	23,914
Continuum of Care Fund	793	-
	\$ 64,271	\$ 64,271

Transfer to/from other funds at June 30, 2021 consist of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,581
Local Government Services Fund	3,581	-
	\$ 3,581	\$ 3,581

The General Fund provides the basis of local resources for the special revenue funds. These transactions are recorded as “Transfers out” or “Transfer of local matching funds” in the General Fund and “Transfers in” or “Transfer of local matching funds” in the receiving fund.

#### D. Fund Balance

The Council has a revenue spending policy for programs with multiple revenue sources. The Finance Officer works with the Department Director to ensure the use of resources in the following hierarchy: federal funds, state funds, local funds and Council funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and unassigned fund balance. The Finance Officer has Board authorization to deviate from this policy if it is in the best interest of the Council. The following shows to the public the portion of the General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 668,163
Less:	
Nonspendable fund balance	18,317
Stabilized by state statute	28,700
Remaining fund balance	\$ 621,146

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Summary Disclosure of Other Significant Commitments and Contingencies

#### A. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Council has general liability and auto liability coverage of \$1,000,000 per occurrence and workers' compensation coverage in accordance with statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$1,000,000 up to statutory limits for workers' compensation. The Council carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded commercial insurance coverage in any of the past five fiscal years.

In accordance with G.S. 159-29, the Council's employees that have access to \$100 or more at any given time of the Council's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000. In addition, all employees are bonded under a blanket employee dishonesty bond for \$100,000.

#### B. Operating Leases

The Council is committed under an office space lease, which is considered for accounting purposes to be an operating lease. If operational funding is not available for the Council, the Council may vacate the premises and void this lease provided the Council has given 60 days' written notice to the landlord. The Council also has non-cancelable leases for certain office buildings and office equipment. Rent under these leases for the year ended June 30, 2021, amounted to \$297,830. Future minimum lease payments for the office and equipment leases are as follows:

Years ending June 30:	Amount
2022	\$ 335,006
2023	307,034
2024	208,370
2025	184,936
2026	45,500
	<u>\$ 1,080,846</u>

The Council also leases additional storage space on a year-to-year basis and rents meeting space on an as-needed basis.

#### C. Federal and State Assisted Programs

The Council has received significant amounts of proceeds from federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

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### Note 4. Related Party Transactions

During the year ended June 30, 2021, the Council received and recorded dues revenues of approximately \$180,668 from member governments, including Brunswick, Columbus, New Hanover and Pender Counties and the municipalities within their boundaries.

Also during the year ended June 30, 2021, the Council expended the following amounts to member governments, in the form of pass-through monies:

Columbus County	\$ 849,390
New Hanover County	1,654,617
Pender County, directed to Pender Adult Services	841,183
Brunswick County, directed to Brunswick Senior Resources, Inc.	1,706,643
	<u>\$ 5,051,833</u>

### Note 5. Pronouncements Issued, Not Yet Implemented

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2021, that have effective dates that may affect future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statement may have on the financial statements of the Council:

GASB Statement Number 87, *Leases*, will be effective for the Council beginning with its year ending June 30, 2022.

GASB Statement Number 90, *Majority Equity Interests*, will be effective for the Council beginning with its year ending June 30, 2021.

GASB Statement Number 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, will be effective for the Council beginning with its year ending June 30, 2021.

GASB Statement Number 92, *Omnibus 92*, will be effective for the Council beginning with its year ending June 30, 2022.

GASB Statement Number 93, *Replacement of Interbank Offered Rates*, will be effective for the Council beginning with its year ending June 30, 2022.

GASB Statement Number 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will be effective for the Council beginning with its year ending June 30, 2022.

GASB Statement Number 91, *Conduit Debt Obligations*, will be effective for the Council beginning with its year ending June 30, 2023.

GASB Statement Number 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the Council beginning with its year ending June 30, 2023.

GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*, will be effective for the Council beginning with its year ending June 30, 2023.

## CAPE FEAR COUNCIL OF GOVERNMENTS

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 6. COVID-19**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Council.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015
Council's proportion of the net pension liability (asset) (%)	0.01543%	0.01474%	0.01391%	0.01236%	0.01273%	0.01163%	(0.00926%)
Council's proportion of the net pension liability (asset) (\$)	\$ 551,380	\$ 402,538	\$ 329,993	\$ 188,827	\$ 270,174	\$ 52,195	\$ (54,611)
Council's covered-employee payroll	\$ 1,046,771	\$ 1,073,213	\$ 1,003,627	\$ 939,503	\$ 965,255	\$ 930,506	\$ 728,226
Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.67%	37.51%	32.88%	20.10%	27.99%	5.61%	-7.50%
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%

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

\*\* This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to compile information for 10 years. Additional years will be presented as they are available.

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**SCHEDULE OF CONTRIBUTIONS  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 119,151	\$ 93,686	\$ 83,174	\$ 75,272	\$ 68,114	\$ 64,383	\$ 65,786
Contributions in relation to the contractually required contribution	119,151	93,686	83,174	75,272	68,114	64,383	65,786
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered-employee payroll	\$ 1,173,901	\$ 1,046,771	\$ 1,073,213	\$ 1,003,627	\$ 939,503	\$ 965,255	\$ 930,506
Contributions as a percentage of covered-employee payroll	10.15%	8.95%	7.75%	7.50%	7.25%	6.67%	7.07%

This schedule is intended to compile information for 10 years. Additional years will be presented as they are available.

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## **SUPPLEMENTARY INFORMATION**

CAPE FEAR COUNCIL OF GOVERNMENTS

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Continuum of Care Fund	Local Government Services	Total Nonmajor Governmental Funds
<b>Assets</b>			
Receivables:			
Accounts	\$ -	\$ 83,745	\$ 83,745
Due from other governmental agencies	53,238	-	53,238
Due from other funds	793	-	793
<b>Total assets</b>	<b>\$ 54,031</b>	<b>\$ 83,745</b>	<b>\$ 137,776</b>
<b>Liabilities and Fund Balances</b>			
Accounts payable and accrued liabilities	\$ 19,710	\$ 1,183	\$ 20,893
Due to other funds	-	23,914	23,914
<b>Total liabilities</b>	<b>19,710</b>	<b>25,097</b>	<b>44,807</b>
<b>Fund Balances</b>			
Restricted:			
Stabilization by state statute	54,031	83,745	137,776
Unassigned (deficit)	(19,710)	(25,097)	(44,807)
<b>Total fund balances</b>	<b>34,321</b>	<b>58,648</b>	<b>92,969</b>
<b>Total liabilities and fund balances</b>	<b>\$ 54,031</b>	<b>\$ 83,745</b>	<b>\$ 137,776</b>

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**

**Year Ended June 30, 2021**

	Continuum of Care Fund	Local Government Services	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Federal	\$ 219,386	\$ 194,049	\$ 413,435
State	-	7,168	7,168
Local	103,000	290,668	393,668
<b>Total revenues</b>	<u>322,386</u>	<u>491,885</u>	<u>814,271</u>
<b>Expenditures</b>			
Current:			
Continuum of care	320,023	-	320,023
Local government services	-	491,383	491,383
<b>Total expenditures</b>	<u>320,023</u>	<u>491,383</u>	<u>811,406</u>
<b>Revenue over expenditures</b>	<u>2,363</u>	<u>502</u>	<u>2,865</u>
<b>Other financing sources</b>			
Transfers in	-	3,581	3,581
<b>Total other financing sources</b>	<u>-</u>	<u>3,581</u>	<u>3,581</u>
<b>Net change in fund balance</b>	2,363	4,083	6,446
Fund balance, beginning of year	<u>31,958</u>	<u>54,565</u>	<u>86,523</u>
Fund balance, end of year	<u>\$ 34,321</u>	<u>\$ 58,648</u>	<u>\$ 92,969</u>

CAPE FEAR COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – NONMAJOR CONTINUUM OF CARE FUND

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal:				
Department of Housing and Urban Development Emergency Solutions Grant			\$ 219,386	
Local:				
Other			103,000	
<b>Total revenues</b>	<u>\$ 265,083</u>	<u>\$ 467,187</u>	<u>\$ 322,386</u>	<u>\$ (144,801)</u>
<b>Expenditures</b>				
Current:				
Salaries			107,666	
Fringe			39,289	
Rent			1,602	
Professional services			9,177	
Telephone			1,503	
Supplies			944	
Postage			94	
Travel/training			1,360	
Insurance			216	
Data processing			3,038	
Meeting costs			38	
Maintenance			189	
Leased equipment			802	
Dues and subscriptions			35	
Audit			1,195	
Contracts and sub grants			118,685	
Overhead allocation			34,190	
<b>Total expenditures</b>	<u>265,083</u>	<u>467,187</u>	<u>320,023</u>	<u>147,164</u>
<b>Revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,363</u>	<u>\$ 2,363</u>
Fund balance, beginning of year			<u>31,958</u>	
Fund balance, end of year			<u>\$ 34,321</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – NONMAJOR LOCAL GOVERNMENT SERVICES FUND  
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal:				
Highway Planning and Construction			\$ 161,735	
Department of Defense				
MOTSU			3,474	
Department of Commerce				
EDA Disaster Recovery Grant			28,840	
State:				
N.C. Office of State Budget & Management				
Recovery Grant: Matthew			7,168	
Local:				
Contract revenue			290,668	
<b>Total revenues</b>	<u>\$ 546,758</u>	<u>\$ 631,191</u>	<u>\$ 491,885</u>	<u>\$ (139,306)</u>
<b>Expenditures</b>				
Current:				
Salaries			205,214	
Fringe			72,841	
Rent			6,447	
Professional services			102,594	
Telephone			1,776	
Supplies			3,623	
Postage			200	
Travel/training			7,122	
Insurance			496	
Data processing			13,146	
Maintenance			729	
Leased equipment			3,849	
Dues and subscriptions			1,152	
Audit			1,936	
Advertising			547	
Overhead allocation			69,711	
<b>Total expenditures</b>	<u>546,758</u>	<u>631,191</u>	<u>491,383</u>	<u>139,808</u>
<b>Revenues over expenditures</b>	-	-	502	502
<b>Other financing sources</b>				
Operating transfers in	-	-	3,581	3,581
<b>Revenues over expenditures     and other financing sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>4,083</u>	<u>\$ 4,083</u>
Fund balance, beginning of year			<u>54,565</u>	
Fund balance, end of year			<u>\$ 58,648</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

COMBINING BALANCE SHEET BY PROGRAM – AGING PROGRAMS FUND  
June 30, 2021

	Aging Administration Title III B & C	Ombudsman Program	Family Caregiver Support	Other Aging Programs	Total
<b>Assets</b>					
Receivables:					
Due from other governmental agencies	\$ 1,214,122	\$ 16,096	\$ 155,559	\$ 621	\$ 1,386,398
Due from other funds	21,746	-	14,896	1,887	38,529
<b>Total assets</b>	<b>\$ 1,235,868</b>	<b>\$ 16,096</b>	<b>\$ 170,455</b>	<b>\$ 2,508</b>	<b>\$ 1,424,927</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 1,187,159	\$ 16,096	\$ 170,455	\$ 2,508	\$ 1,376,218
Unearned revenue	24,211	-	-	-	24,211
<b>Total liabilities</b>	<b>1,211,370</b>	<b>16,096</b>	<b>170,455</b>	<b>2,508</b>	<b>1,400,429</b>
<b>Fund Balances</b>					
Spendable:					
Restricted:					
For aging programs	1,235,868	16,096	170,455	2,508	1,424,927
Unassigned	(1,211,370)	(16,096)	(170,455)	(2,508)	(1,400,429)
<b>Total fund balances</b>	<b>24,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,498</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,235,868</b>	<b>\$ 16,096</b>	<b>\$ 170,455</b>	<b>\$ 2,508</b>	<b>\$ 1,424,927</b>

CAPE FEAR COUNCIL OF GOVERNMENTS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES BY PROGRAM – AGING PROGRAMS FUND  
Year Ended June 30, 2021

	Aging Administration Title III B & C	Ombudsman Program	Family Caregiver Support	Other Aging Programs	Total
<b>Revenues</b>					
Federal	\$ 2,747,357	\$ 134,528	\$ 272,151	\$ 255,207	\$ 3,409,243
State	2,240,339	27,904	18,142	105,210	2,391,595
Local	78,023	-	-	-	78,023
<b>Total revenues</b>	<b>5,065,719</b>	<b>162,432</b>	<b>290,293</b>	<b>360,417</b>	<b>5,878,861</b>
<b>Expenditures</b>					
Current:					
Pass-through	4,538,750	-	296,634	224,788	5,060,172
Administration:					
Title III	378,704	-	-	-	378,704
Ombudsman	-	186,282	-	-	186,282
Family Caregiver Support	-	-	122,794	-	122,794
Other Aging Programs	-	-	-	130,909	130,909
<b>Total expenditures</b>	<b>4,917,454</b>	<b>186,282</b>	<b>419,428</b>	<b>355,697</b>	<b>5,878,861</b>
<b>Revenues over (under) expenditures</b>	<b>148,265</b>	<b>(23,850)</b>	<b>(129,135)</b>	<b>4,720</b>	<b>-</b>
<b>Other financing sources (uses)</b>					
Operating transfers in (out)	(148,265)	23,850	129,135	(4,720)	-
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning of year	24,498	-	-	-	24,498
Fund balance, end of year	\$ 24,498	\$ -	\$ -	\$ -	\$ 24,498

CAPE FEAR COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – AGING ADMINISTRATION TITLE III B & C PROGRAMS  
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 2,747,357	
State			2,240,339	
Local			78,023	
<b>Total revenues</b>	<b>\$ 4,220,888</b>	<b>\$ 5,395,747</b>	<b>\$ 5,065,719</b>	<b>\$ (330,028)</b>
<b>Expenditures</b>				
Current:				
Pass-through			4,538,750	
Salaries			166,253	
Fringe			67,008	
Rent			8,236	
Professional services			5,279	
Telephone			1,493	
Supplies			4,130	
Postage			220	
Travel/training			2,053	
Insurance			647	
Data processing			3,858	
Meeting costs			20	
Maintenance			915	
Leased equipment			720	
Dues and subscriptions			39,347	
Audit			21,072	
Advertising			350	
Overhead allocation			57,103	
<b>Total expenditures</b>	<b>4,220,888</b>	<b>5,395,747</b>	<b>4,917,454</b>	<b>478,293</b>
<b>Revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>148,265</b>	<b>148,265</b>
<b>Other financing uses</b>				
Operating transfers out	-	-	(148,265)	(148,265)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			24,498	
Fund balance, end of year			<u>\$ 24,498</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL – OMBUDSMAN PROGRAM**  
**Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 134,528	
State			27,904	
<b>Total revenues</b>	<b>\$ 211,045</b>	<b>\$ 210,935</b>	<b>\$ 162,432</b>	<b>\$ (48,503)</b>
<b>Expenditures</b>				
Current:				
Salaries			87,604	
Fringe			42,034	
Rent			4,096	
Telephone			2,128	
Supplies			5,596	
Postage			87	
Travel/training			4,164	
Insurance			432	
Data processing			2,948	
Maintenance			467	
Leased equipment			202	
Audit			928	
Overhead allocation			35,596	
<b>Total expenditures</b>	<b>211,045</b>	<b>210,935</b>	<b>186,282</b>	<b>24,653</b>
<b>Revenues under expenditures</b>	<b>-</b>	<b>-</b>	<b>(23,850)</b>	<b>(23,850)</b>
<b>Other financing sources</b>				
Operating transfers in	-	-	23,850	23,850
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

CAPE FEAR COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – FAMILY CAREGIVER SUPPORT  
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 272,151	
State			18,142	
<b>Total revenues</b>	<u>\$ 290,294</u>	<u>\$ 478,316</u>	<u>\$ 290,293</u>	<u>\$ (188,023)</u>
<b>Expenditures</b>				
Current:				
Pass-through			296,634	
Salaries			53,972	
Fringe			23,576	
Rent			2,235	
Telephone			441	
Supplies			3,696	
Postage			82	
Travel/training			332	
Insurance			216	
Data processing			15,967	
Meeting costs			24	
Maintenance			262	
Leased equipment			778	
Audit			585	
Overhead allocation			20,628	
<b>Total expenditures</b>	<u>290,294</u>	<u>478,316</u>	<u>419,428</u>	<u>58,888</u>
<b>Revenues under expenditures</b>	-	-	(129,135)	(129,135)
<b>Other financing sources</b>				
Operating transfers in	-	-	129,135	129,135
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – OTHER AGING PROGRAMS  
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Federal			\$ 255,207	
State			105,210	
<b>Total revenues</b>	<u>\$ 27,594</u>	<u>\$ 380,592</u>	<u>\$ 360,417</u>	<u>\$ (20,175)</u>
<b>Expenditures</b>				
Current:				
Pass-through:				
Operation Fan			59,152	
Senior Center Outreach			45,332	
Families First Coronavirus Response Act			120,304	
Salaries			56,543	
Fringe			24,728	
Rent			2,216	
Telephone			1,050	
Supplies			413	
Postage			160	
Travel/training			50	
Insurance			216	
Data processing			625	
Maintenance			274	
Leased equipment			141	
Audit			482	
Advertising			24,465	
Overhead allocation			19,546	
<b>Total expenditures</b>	<u>27,594</u>	<u>380,592</u>	<u>355,697</u>	<u>24,895</u>
<b>Revenues over expenditures</b>	-	-	4,720	4,720
<b>Other financing uses</b>				
Operating transfers out	-	-	(4,720)	(4,720)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

CAPE FEAR COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL – WORKFORCE DEVELOPMENT PROGRAMS  
 Year Ended June 30, 2021

Funding Source	Funding Level	Drawdowns		Available June 30, 2021
		Prior to July 1, 2020	Fiscal Year June 30, 2021	
19-2010	\$ 328,125	\$ (134,941)	\$ (193,184)	\$ -
20-2010	388,357	-	(126,350)	262,007
	<b>716,482</b>	<b>(134,941)</b>	<b>(319,534)</b>	<b>262,007</b>
19-2020-33	1,014,139	(224,445)	(789,694)	-
20-2020-33	1,294,532	-	(245,852)	1,048,680
	<b>2,308,671</b>	<b>(224,445)</b>	<b>(1,035,546)</b>	<b>1,048,680</b>
19-2030-33	732,373	(117,751)	(614,622)	-
20-2030-33	850,611	-	(241,069)	609,542
	<b>1,582,984</b>	<b>(117,751)</b>	<b>(855,691)</b>	<b>609,542</b>
19-2040-I	276,654	(26,727)	(249,927)	-
19-2040-O	679,962	-	(679,962)	-
20-2040-I	337,518	-	(20,000)	317,518
20-2040-O	1,012,553	-	(135,000)	877,553
	<b>2,306,687</b>	<b>(26,727)</b>	<b>(1,084,889)</b>	<b>1,195,071</b>
19-3110 COVID	25,000	-	(25,000)	-
19-3130 COVID	225,000	-	(121,269)	103,731
	<b>250,000</b>	<b>-</b>	<b>(146,269)</b>	<b>103,731</b>
Statewide	4,016,607	(2,318,006)	(464,409)	1,234,192
	<b>4,016,607</b>	<b>(2,318,006)</b>	<b>(464,409)</b>	<b>1,234,192</b>

Expenditures				
Prior to July 1, 2020	Fiscal Year June 30, 2021	Draws (Over)/Under Expenditures	Due From Grantor June 30, 2021	Unearned Revenue June 30, 2021
\$ 104,684	\$ 223,441	\$ -	\$ -	\$ -
-	94,434	(31,916)	-	(31,916)
104,684	317,875	(31,916)	-	(31,916)
204,714	809,425	-	-	-
-	193,486	(52,366)	-	(52,366)
204,714	1,002,911	(52,366)	-	(52,366)
98,439	633,934	-	-	-
-	192,730	(48,339)	-	(48,339)
98,439	826,664	(48,339)	-	(48,339)
6,730	269,924	-	-	-
-	679,962	-	-	-
-	-	(20,000)	-	(20,000)
-	86,917	(48,083)	-	(48,083)
6,730	1,036,803	(68,083)	-	(68,083)
-	25,000	-	-	-
-	121,269	-	-	-
-	146,269	-	-	-
2,307,179	475,236	-	-	-
2,307,179	475,236	-	-	-

CAPE FEAR COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS

Year Ended June 30, 2021

		FY 2021 Actual Cost
<hr/>		
Total Indirect Annual Salaries		\$ 170,999
Total Indirect Fringe Benefits		56,637
Temporary Services		17,252
Travel		6,015
Occupancy Costs		49,423
Operating Expense		66,636
<b>Total indirect expenditures</b>		<u>\$ 366,962</u>
Total Personnel Costs	\$ 1,686,723	
Less Total Indirect Salaries	(170,999)	
Less Total Indirect Fringe Benefits	(56,637)	
<b>Total direct personnel costs</b>		<u>\$ 1,459,087</u>

**Indirect Rate Calculation**

<u>Total Indirect Expenditures</u>	=	<u>\$ 366,962</u>	25.15%
Total Direct Personnel Costs		\$ 1,459,087	

CAPE FEAR COUNCIL OF GOVERNMENTS

SCHEDULE OF FRINGE BENEFITS

Year Ended June 30, 2021

	FY 2021 Actual Cost		
<b>Total Annual Salaries</b>	<u>\$ 1,224,221</u>		
FICA	\$ 92,489		
LGERS Retirement	119,671		
Supplemental Retirement	11,240		
Group Insurance	234,702		
Workers' Comp	3,132		
Unemployment Insurance	<u>1,268</u>		
<b>Total Fringe Benefits</b>	<u>\$ 462,502</u>		
<b>Fringe Benefit Rate Calculation</b>			
<u>Total Fringe Benefits</u>	=	<u>\$ 462,502</u>	37.78%
Total Annual Salaries		\$ 1,224,221	
Total Annual Salaries		\$ 1,224,221	
Total Fringe Benefits		<u>462,502</u>	
<b>Total Personnel Cost</b>		<u>\$ 1,686,723</u>	

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## **COMPLIANCE SECTION**

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**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**

Executive Committee  
Cape Fear Council of Governments

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Cape Fear Council of Governments (the Council) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements, and have issued our report thereon dated October 29, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’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 Council’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Council's Response to the Finding**

The Council's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## **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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
October 29, 2021



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Executive Committee  
Cape Fear Council of Governments

**Report on Compliance for Each Major Federal Program**

We have audited Cape Fear Council of Governments’ (the Council) 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 the Council’s major federal program for the year ended June 30, 2021. The Council’s major federal program is 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 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 the Council’s major federal program 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; 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 Council’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 the major federal program. However, our audit does not provide a legal determination on the Council’s compliance.

## **Opinion on the Major Federal Program**

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

## **Report on Internal Control Over Compliance**

Management of the Council 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 the Council's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Council'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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002, that we consider to be a significant deficiency.

The Council's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Council'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.

*PBMares, LLP*

Morehead City, North Carolina  
October 29, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Executive Committee  
Cape Fear Council of Governments

**Report on Compliance for the Major State Program**

We have audited Cape Fear Council of Governments' (the Council) 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 the Council's major state program for the year ended June 30, 2021. The Council's major state program is 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 requirements of 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 the Council's major state program 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; the 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, the applicable sections of 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 state program occurred. An audit includes examining, on a test basis, evidence about the Council'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 the major state program. However, our audit does not provide a legal determination on the Council's compliance.

## Opinion on the Major State Program

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

## Report on Internal Control Over Compliance

Management of the Council 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 the Council's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council'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 a 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003.

The Council's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Council'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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
October 29, 2021

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021**

**Section I – Summary of Auditor’s Results**

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>          </u> None Reported

Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>  X  </u> No
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Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>          </u> None Reported

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

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

Identification of major federal programs:

Federal Assistance Listing Number	Program Name
Adult Services Aging Cluster: 93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers – Including COVID-19 Funds
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services – Including COVID-19 Funds
93.053	Nutrition Services Incentive Program
93.052	National Family Caregiver Support Program – Including COVID-19 Funds

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Year Ended June 30, 2021**

**Section I – Summary of Auditor’s Results (Continued)**

Dollar threshold used to distinguish between  
Type A and Type B programs

\$ 750,000

Auditee qualified as low-risk auditee?

X  Yes        No

State Awards

Internal control over major state programs:

Material weakness(es) identified?

Yes       X  No

Significant deficiency(ies) identified?

X  Yes        None Reported

Type of auditor’s report issued on compliance for  
major state programs:

Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with the State Single  
Audit Implementation Act?

X  Yes        No

Identification of major state program:

State match of Federal Amount  
Federal Assistance Listing Number

Program Name

Aging Cluster

N/A  
N/A  
N/A  
N/A

Ombudsman  
Access  
In-home/Support Services  
Home-delivered meals

## CAPE FEAR COUNCIL OF GOVERNMENTS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2021

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#### Section II – Financial Statement Findings

##### Finding 2021-001:

###### Significant Deficiency in Internal Control – Segregation of Duties

Criteria:	Duties should be segregated to provide reasonable assurance that transactions are handled properly.
Condition:	There are inherent limitations in the effectiveness of the internal controls due to the lack of segregation of duties among the Council’s personnel. Journal entry approval, in some circumstances, may not be properly segregated from their origination.
Effect:	Journal entries may not be subject to review by someone not involved with their origination, and errors or irregularities may be more likely to occur without being detected.
Cause/Context:	Due to budgetary constraints, there is a limited number of personnel in certain functions.
Identification of a repeat finding:	This is a repeat of finding 2020-001 from the immediate previous audit.
Recommendation:	The duties should continue to be separated as much as possible and alternative controls implemented as practical. The governing board may continue to provide some of these controls.
Views of responsible officials:	Refer to the Corrective Action Plan

## CAPE FEAR COUNCIL OF GOVERNMENTS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2021

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#### Section III – Federal Award Findings and Questioned Costs

##### Finding 2021-002:

##### Significant Deficiency in Internal Control over Compliance – Segregation of Duties

Federal Agency: U.S. Department of Health and Human Services

CFDA: CFDA 93.044, 93.045 and 93.053

Compliance requirements = A, B, G, M and N.

The limited size of the Council's staff, as described in Finding 2021-001 under Government Auditing Standards findings, also applies to the Council's major federal awards (repeat finding).

Pass-Through Entities: Brunswick Senior Resources, Inc.  
Columbus County Dept. of Aging  
Legal Services of the Lower Cape Fear  
New Hanover County Dept. of Aging  
Pender Adult Services

Questioned Cost: None identified.

#### Section IV – State Award Findings and Questioned Costs

##### Finding 2021-003:

##### Significant Deficiency in Internal Control over Compliance – Segregation of Duties

State Agency: N.C. Department of Health and Human Services

Compliance requirements = A, B, G, H, L, M and N.

Ombudsman

Access

InHome/Support Services

Home Delivered Meals

The limited size of the Council's staff, as described in Finding 2021-001 under Government Auditing Standards findings, also applies to the Council's major State award (repeat finding).

Questioned Cost: None identified.



**Serving Local  
Government in:**

**Brunswick  
County**

Bald Head Island  
Belville  
Boiling Spring Lakes  
Bolivia  
Calabash  
Carolina Shores  
Caswell Beach  
Holden Beach  
Leland  
Navassa  
Northwest  
Oak Island  
Ocean Isle Beach  
Sandy Creek  
Shalotte  
Southport  
St. James  
Sunset Beach  
Varnamtown

**Columbus  
County**

Boardman  
Bolton  
Brunswick  
Cerro Gordo  
Chadbourm  
Fair Bluff  
Lake Waccamaw  
Sandyfield  
Tabor City  
Whiteville

**New Hanover  
County**

Carolina Beach  
Kure Beach  
Wilmington  
Wrightsville Beach

**Pender  
County**

Atkinson  
Burgaw  
St. Helena  
Surf City  
Topsail Beach  
Wallace  
Watha

**Affiliate  
Members**

Holly Ridge  
North Topsail Beach  
Wallace



**Corrective Action Plan  
Year Ended June 30, 2021**

**Financial Statement Findings**

**Finding 2021-001:**

Significant Deficiency in Internal Control – Segregation of Duties

Condition: Lack of segregation of duties.

Contact Person: Finance Director

Corrective Action: The Council will continue to segregate duties as much as possible until they are able to support the additional full time accounting staff.

Proposed Completion Date: Ongoing and dependent on funding availability.

**Federal Award Findings and Questioned Costs**

See Corrective Action Plan for finding 2021-001

**State Award Findings and Questioned Costs**

See Corrective Action Plan for finding 2021-001

**Cape Fear Council of Governments**

Allen Serkin, Executive Director

Dawn Tucker, Finance Director



**Serving Local  
Government in:**

**Brunswick  
County**

Bald Head Island  
Belville  
Boiling Spring Lakes  
Bolivia  
Calabash  
Carolina Shores  
Caswell Beach  
Holden Beach  
Leland  
Navassa  
Northwest  
Oak Island  
Ocean Isle Beach  
Sandy Creek  
Shalotte  
Southport  
St. James  
Sunset Beach  
Varnamtown

**Columbus  
County**

Boardman  
Bolton  
Brunswick  
Cerro Gordo  
Chadbourn  
Fair Bluff  
Lake Waccamaw  
Sandyfield  
Tabor City  
Whiteville

**New Hanover  
County**

Carolina Beach  
Kure Beach  
Wilmington  
Wrightsville Beach

**Pender  
County**

Atkinson  
Burgaw  
St. Helena  
Surf City  
Topsail Beach  
Wallace  
Watha

**Affiliate  
Members**

Holly Ridge  
North Topsail Beach  
Wallace

**PROGRESS  
THROUGH  
COOPERATION**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2021**

**Financial Statement, Federal Award and State Award Findings  
Finding 2020-001, 2020-002, 2020-003:**

Status: Duties are being separated as much as possible. Repeat findings in current year as findings 2021-001, 2021-002, 2021-003.

**Cape Fear Council of Governments**

  
Allen Serkin, Executive Director

  
Dawn Tucker, Finance Director

# CAPE FEAR COUNCIL OF GOVERNMENTS

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass- Through Grantor's Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient
<b>Federal Awards</b>					
<u>U.S. Department of Health and Human Services</u>					
Passed-through the N.C. Department of Health and Human Services – Division of Aging Adult Services Aging Cluster: (93.044, 93.045 & 93.053):					
Special Programs for the Aging – Title III B	93.044	NC-15			
Planning and administration			\$ 59,775	\$ 3,276	\$ -
Ombudsman			119,582	7,034	-
Legal			19,015	1,119	20,134
Access			313,857	18,462	325,191
In-home/Support Services			328,505	19,324	347,829
COVID-19 - Legal			9,991	-	9,991
COVID-19 - Access			8,592	-	8,592
COVID-19 - In-home/Support Services			241,819	-	241,819
COVID-19 - Ombudsman			2,752	-	-
Special Programs for the Aging – Title III C	93.045	NC-15			
Planning and administration			103,513	5,673	-
Congregate meals			40,844	2,403	43,247
Home-delivered meals			719,816	39,971	752,230
Families First Congregate Meals			80,428	-	80,428
Families First Home Delivered Meals			94,204	-	94,204
COVID-19 - Planning and administration			50,648	-	-
COVID-19 - Nutrition Services			492,178	-	492,178
Nutrition Services Incentive Program (NSIP)	93.053	NC-15	196,024	-	196,024
<b>Total Aging Cluster</b>			<b>2,881,543</b>	<b>97,262</b>	<b>2,611,867</b>
Special Programs for the Aging – Title III D and F					
Preventive health	93.043	NC-15	44,413	2,613	45,332
Elder Abuse Prevention					
Title III Elder Abuse	93.041	NC-15	7,047	415	-
Special Programs for the Aging – Title VII E					
Ombudsman	93.042	NC-15	14,949	879	-
National Family Caregiver Support Program	93.052	NC-15			
Planning and administration			38,926	2,133	-
Family Caregiver Services			272,136	18,142	182,500
COVID-19 - Family Caregiver			129,258	-	114,258
Passed-through the N.C. Department of Insurance					
Senior's Health Insurance Information Program	93.048	NC-15	8,465	-	-
MIPPA - Medicare Improvement for Patients and Providers Act	93.071	NC-15	20,131	-	-
<b>Total U.S. Department of Health and Human Services</b>			<b>3,416,868</b>	<b>121,444</b>	<b>2,953,957</b>

CAPE FEAR COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass- Through Grantor's Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient
<u>U.S. Department of Labor</u>					
Passed-through the N.C. Department of Commerce – Division of Employment and Training					
National Dislocated Worker Grant: Hurricane Florence	17.277	NC-33	\$ 3,052	\$ -	\$ -
National Dislocated Worker Grant: COVID	17.277	NC-33	134,120	-	109,118
Workforce Investment and Opportunity Act Cluster: (17.258, 17.259, 17.278)					
WIA Adult Program	17.258	NC-33	1,015,061	-	880,940
WIA Adult Program (2010 Administration)	17.258	NC-33	111,221	-	-
WIA Youth Activities	17.259	NC-33	1,036,804	-	910,150
WIA Youth Activities (2010 Administration)	17.259	NC-33	114,979	-	-
WIA Dislocated Workers	17.278	NC-33	826,663	-	698,010
WIA Dislocated Workers (2010 Administration)	17.278	NC-33	91,675	-	-
WIA State Wide Activities	17.278	NC-33	274,888	-	-
WIA Innovations Grant	17.259	NC-33	176,609	-	166,609
WIA Dislocated Workers Finish Line Grant	17.278	NC-33	20,688	-	20,688
<b>Total Workforce Cluster</b>			<b>3,668,588</b>	<b>-</b>	<b>2,676,397</b>
<b>Total U.S. Department of Labor</b>			<b>3,805,760</b>	<b>-</b>	<b>2,785,515</b>
<u>U.S. Department of Housing and Urban Development</u>					
Direct funding:					
Continuum of Care Planning Grant	14.267		20,184	-	-
Passed-through the N.C. Department of Health and Human Services					
Emergency Solutions Grant	14.231	NC-15	156,006	-	118,685
COVID-19 Emergency Solutions Grant	14.231	NC-15	35,568	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>211,758</b>	<b>-</b>	<b>118,685</b>
<u>U.S. Department of Defense</u>					
Direct funding:					
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610		3,474	-	-
<u>U.S. Department of Commerce</u>					
Passed through the Southeastern Economic Development Commission					
EDA Disaster Recovery Grant	11.307		28,840	-	-
<u>U.S. Department of Transportation</u>					
Passed-through the N.C. Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction	20.205	NC-15	161,735	-	-

**CAPE FEAR COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
Year Ended June 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass- Through Grantor's Number	Federal Expenditures	State Expenditures	Pass-Through to Subrecipient
<b>State Awards</b>					
<u>N.C. Department of Health and Human Services</u>					
Direct funding:					
Division of Aging					
Aging Cluster:					
Ombudsman 90% State funds	-	NC-15	\$ -	\$ 19,990	\$ -
Access – 90% State funds	-	NC-15	-	64,114	71,238
In-home/Support Services – 90% State funds	-	NC-15	-	1,258,726	1,251,597
Home-delivered meals – 90% State funds	-	NC-15	-	663,728	663,716
Title III P&A/AAA Administration	-	NC-15	-	48,262	-
Project CARE	-	NC-15	-	104,000	-
Senior Center Development	-	NC-15	-	107,713	107,707
Operation Fan	-	NC-15	-	3,618	3,618
<b>Total N.C. Department of       Health and Human Services</b>			-	2,270,151	2,097,876
<u>N.C. Office of State Budget &amp; Management</u>					
Direct funding:					
Recovery Grant: Matthew	-	NC-15	-	7,168	-
<b>Total expenditures of federal and state awards</b>			<b>\$ 7,628,435</b>	<b>\$ 2,398,763</b>	<b>\$ 7,956,033</b>

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS Year Ended June 30, 2021

### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Cape Fear Council of Governments and is presented on the modified accrual basis of accounting. The information in this schedule 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*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The Council has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

### Note 2. Subrecipients

Federal and State awards have been passed-through to subrecipients as follows for the year ended June 30, 2021:

Subrecipient	Program Name	Federal AL/ State Pass-Through Number	Federal Amount	State Amount	Total Federal and State Amount
Brunswick Senior Resources, Inc.	Preventative Health	93.043	\$ 14,802	\$ 871	\$ 15,673
Columbus County Dept. of Aging	Preventative Health	93.043	6,661	392	7,053
New Hanover County Dept. of Aging	Preventative Health	93.043	15,608	919	16,527
Pender Adult Services	Preventative Health	93.043	5,741	338	6,079
Brunswick Senior Resources, Inc.	Access / In-Home/Support Services	93.044	134,095	7,880	141,975
Columbus County Dept. of Aging	Access / In-Home/Support Services	93.044	99,217	5,845	105,062
New Hanover County Dept. of Aging	Access / In-Home/Support Services	93.044	314,826	18,939	333,765
Pender Adult Services	Access / In-Home/Support Services	93.044	87,095	5,123	92,218
Legal Services of the Lower Cape Fear	Legal	93.044	19,038	1,096	20,134
Brunswick Senior Resources, Inc.	COVID-19 - Access / In-Home/Support Services	93.044	91,711	-	91,711
Columbus County Dept. of Aging	COVID-19 - Access / In-Home/Support Services	93.044	89,558	-	89,558
New Hanover County Dept. of Aging	COVID-19 - Access / In-Home/Support Services	93.044	69,142	-	69,142
Legal Services of the Lower Cape Fear	COVID-19 - Legal	93.044	9,991	-	9,991
Brunswick Senior Resources, Inc.	Congregate Meals / Home-delivered Meals	93.045	259,071	15,263	274,334
Columbus County Dept. of Aging	Congregate Meals / Home-delivered Meals	93.045	120,758	7,114	127,872
New Hanover County Dept. of Aging	Congregate Meals / Home-delivered Meals	93.045	269,318	15,866	285,184
Pender Adult Services	Congregate Meals / Home-delivered Meals	93.045	102,073	6,014	108,087
Brunswick Senior Resources, Inc.	Families First Congregate Meals / Home-delivered Meals	93.045	380	-	380
Columbus County Dept. of Aging	Families First Congregate Meals / Home-delivered Meals	93.045	48,461	-	48,461
New Hanover County Dept. of Aging	Families First Congregate Meals / Home-delivered Meals	93.045	71,463	-	71,463
Pender Adult Services	Families First Congregate Meals / Home-delivered Meals	93.045	54,328	-	54,328
Brunswick Senior Resources, Inc.	COVID-19 - Nutrition Services	93.045	226,980	-	226,980
Columbus County Dept. of Aging	COVID-19 - Nutrition Services	93.045	5,313	-	5,313
New Hanover County Dept. of Aging	COVID-19 - Nutrition Services	93.045	124,919	-	124,919
Pender Adult Services	COVID-19 - Nutrition Services	93.045	134,966	-	134,966
Brunswick Senior Resources, Inc.	Family Caregiver Support	93.052	60,938	4,063	65,001
Columbus County Dept. of Aging	Family Caregiver Support	93.052	30,469	2,031	32,500
New Hanover County Dept. of Aging	Family Caregiver Support	93.052	32,813	2,188	35,001
YWCA of the Lower Cape Fear	Family Caregiver Support	93.052	14,706	980	15,686
Pender Adult Services	Family Caregiver Support	93.052	46,873	3,125	49,998
Brunswick Senior Resources, Inc.	COVID-19 - Family Caregiver Support	93.052	40,541	-	40,541
Columbus County Dept. of Aging	COVID-19 - Family Caregiver Support	93.052	22,621	-	22,621
New Hanover County Dept. of Aging	COVID-19 - Family Caregiver Support	93.052	5,410	-	5,410
Pender Adult Services	COVID-19 - Family Caregiver Support	93.052	30,000	-	30,000
Brunswick Senior Resources, Inc.	Nutrition Services Incentive Program	93.053	63,937	-	63,937
Columbus County Dept. of Aging	Nutrition Services Incentive Program	93.053	24,380	-	24,380
New Hanover County Dept. of Aging	Nutrition Services Incentive Program	93.053	88,479	-	88,479
Pender Adult Services	Nutrition Services Incentive Program	93.053	19,228	-	19,228

# CAPE FEAR COUNCIL OF GOVERNMENTS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS Year Ended June 30, 2021

### Note 2. Subrecipients (Continued)

Subrecipient	Program Name	Federal AL/ State Pass-Through Number	Federal		State		Total
			Federal Amount	State Amount	Federal and State Amount		
Brunswick Senior Resources, Inc.	In Home Support Services	NC-15	\$ -	\$ 507,134	\$ -	\$ 507,134	
Columbus County Dept. of Aging	In Home Support Services	NC-15	-	217,140	-	217,140	
New Hanover County Dept. of Aging	In Home Support Services	NC-15	-	309,666	-	309,666	
Pender Adult Services	In Home Support Services	NC-15	-	217,657	-	217,657	
Brunswick Senior Resources, Inc.	Home-delivered Meals	NC-15	-	225,663	-	225,663	
Columbus County Dept. of Aging	Home-delivered Meals	NC-15	-	106,195	-	106,195	
New Hanover County Dept. of Aging	Home-delivered Meals	NC-15	-	232,301	-	232,301	
Pender Adult Services	Home-delivered Meals	NC-15	-	99,557	-	99,557	
Columbus County Dept. of Aging	Access	NC-15	-	8,549	-	8,549	
New Hanover County Dept. of Aging	Access	NC-15	-	55,566	-	55,566	
Pender Adult Services	Access	NC-15	-	7,123	-	7,123	
Brunswick Senior Resources, Inc.	Operation Fan	NC-15	-	744	-	744	
Columbus County Dept. of Aging	Operation Fan	NC-15	-	968	-	968	
New Hanover County Dept. of Aging	Operation Fan	NC-15	-	994	-	994	
Pender Adult Services	Operation Fan	NC-15	-	912	-	912	
Brunswick Senior Resources, Inc.	Senior Center General Purpose	NC-15	-	52,570	-	52,570	
Columbus County Dept. of Aging	Senior Center General Purpose	NC-15	-	23,593	-	23,593	
New Hanover County Dept. of Aging	Senior Center General Purpose	NC-15	-	10,514	-	10,514	
Pender Adult Services	Senior Center General Purpose	NC-15	-	21,030	-	21,030	
<b>Aging Programs Pass-Through</b>				<b>2,855,910</b>	<b>2,195,923</b>	<b>5,051,833</b>	
Eckerd Connect, Inc.	WIA Adult Program – 2020	17.258	104,752	-	-	104,752	
Education Data Systems	WIA Adult Program – 2020	17.258	543,494	-	-	543,494	
Southeastern Community College	WIA Adult Program – 2020	17.258	232,694	-	-	232,694	
Education Data Systems	WIA COVID 3130	17.277	96,260	-	-	96,260	
Southeastern Community College	WIA COVID 3130	17.277	12,859	-	-	12,859	
Eckerd Connect, Inc.	WIA Dislocated Workers – 2030	17.278	104,752	-	-	104,752	
Education Data Systems	WIA Dislocated Workers – 2030	17.278	393,063	-	-	393,063	
Southeastern Community College	WIA Dislocated Workers – 2030	17.278	132,696	-	-	132,696	
Cape Fear Solar Systems, LLC	WIA Dislocated Workers – 2030	17.278	10,000	-	-	10,000	
Carolina Connections	WIA Dislocated Workers – 2030	17.278	9,716	-	-	9,716	
Hester Development, LLC	WIA Dislocated Workers – 2030	17.278	5,000	-	-	5,000	
Master Machining	WIA Dislocated Workers – 2030	17.278	10,000	-	-	10,000	
Morris Store Number III	WIA Dislocated Workers – 2030	17.278	3,750	-	-	3,750	
Rising Stars of Wilmington	WIA Dislocated Workers – 2030	17.278	4,500	-	-	4,500	
RM Services & Sales, Inc.	WIA Dislocated Workers – 2030	17.278	627	-	-	627	
Sturdy Corporation	WIA Dislocated Workers – 2030	17.278	1,855	-	-	1,855	
Topsail Montessori, LLC	WIA Dislocated Workers – 2030	17.278	21,260	-	-	21,260	
Wilmington Area Rebuilding Ministry	WIA Dislocated Workers – 2030	17.278	790	-	-	790	
Brunswick Community College	WIA Statewide Activities – 4050	17.259	117,552	-	-	117,552	
Education Data Systems	WIA Statewide Activities – 4050	17.259	49,057	-	-	49,057	
Education Data Systems	WIA Statewide Activities – 4050	17.278	1,704	-	-	1,704	
Southeastern Community College	WIA Statewide Activities – 4050	17.278	18,984	-	-	18,984	
Two-Hawk Workforce Services	WIA Youth Program - 2040	17.259	316,088	-	-	316,088	
Eckerd Connect, Inc.	WIA Youth Program - 2040	17.259	104,752	-	-	104,752	
Education Data Systems	WIA Youth Program - 2040	17.259	324,830	-	-	324,830	
Southeastern Community College	WIA Youth Program - 2040	17.259	164,480	-	-	164,480	
<b>Workforce Development Programs Pass-Through</b>				<b>2,785,515</b>	<b>-</b>	<b>2,785,515</b>	
First Fruit Ministries	Emergency Solutions Grant	14.231	15,000	-	-	15,000	
Good Shepherd Center	Emergency Solutions Grant	14.231	85,611	-	-	85,611	
MI Coalition Against Homelessness	Emergency Solutions Grant	14.231	18,074	-	-	18,074	
<b>Continuum of Care Programs Pass-Through</b>				<b>118,685</b>	<b>-</b>	<b>118,685</b>	
<b>Total Federal and State Awards Passed-Through to Subrecipients</b>			<b>\$ 5,760,110</b>	<b>\$ 2,195,923</b>	<b>\$ -</b>	<b>\$ 7,956,033</b>	