

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CLEVELAND COUNTY



For Year Ended
June 30, 2024

**CLEVELAND COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

Prepared by: Finance Department

CLEVELAND COUNTY, NORTH CAROLINA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION

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Cleveland County

NORTH CAROLINA

December 13th, 2024

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

The Annual Comprehensive Financial Report of Cleveland County, North Carolina, for fiscal year ended June 30, 2024 is hereby submitted. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the State publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

However, responsibility for both the accuracy of the data and the completeness as well as the fairness of the presentation, including all disclosures, rests with Cleveland County. To provide a reasonable basis for making these representations, the management of Cleveland County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and compile sufficient, reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operation of the various funds of Cleveland County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The goal of the independent audit was to provide reasonable assurance that the financial statements of Cleveland County for the fiscal year ended June 30, 2024 are free of material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, there was a reasonable basis for rendering an unmodified opinion that Cleveland County's financial statements for the year ended June 30, 2024 are fairly presented in conformity with GAAP.

The County is required to undergo an annual single audit in conformity with the provisions of the Revised State Single Audit Implementation Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and independent auditors' reports on internal control and compliance with applicable laws and regulations are presented in the compliance section of this document.

PROFILE OF CLEVELAND COUNTY

Cleveland County was established in 1841 and is in the piedmont of North Carolina. It is one of 100 counties established in North Carolina under North Carolina General Statute § 153A-10. Our County has a total land area of 469 square miles and a population of 101,378. There are fifteen municipalities within the County, the largest being the city of Shelby, which serves as the county seat.

The County operates under the commissioners/manager form of government. The five members of the Board of Commissioners are elected under the single-plurality system serving staggered four-year terms. Further, the Commissioners are elected by the registered voters casting ballots throughout the County. Policy-making and legislative authority are vested in the governing board. The Commissioners are responsible, among other duties, for passing ordinances, adopting the budget, appointing the County's manager, attorney, clerk to the board, tax collector and tax administrator. The County manager is responsible for implementing the vision, policies and priorities established by the governing board, managing daily operations and appointing various department directors.

The County provides the citizens with a wide range of services, which include public safety, health, social services, planning and development, environmental protection, cultural and recreational activities as well as a myriad of other crucial services. Public safety, human services, education and debt service represent the majority of the annual budget. This report includes all the County activities required to maintain these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among those receiving the largest support are the Cleveland County Board of Education and Cleveland Community College.

ECONOMIC CONDITIONS AND OUTLOOK

Cleveland County, nestled in the rolling piedmont of the southwestern portion of North Carolina, is the gateway between Asheville and Charlotte and is centered between two of the largest metropolitan areas of the Carolinas – Charlotte and Greenville/Spartanburg. Small town charm with the big city only thirty minutes away, Cleveland County is the prime location to benefit from the best of both worlds. The County's current economic condition is based on various factors, including the construction and remodeling values of new and existing homes and businesses, new and expanding manufacturing facilities and unemployment rates.

A balanced base of agriculture, tourism and manufacturing contributes to growth in the local economy. Agriculture is Cleveland County's leading industry, generating cash receipts of \$215 million each year. There are 872 small family-owned farms producing food and fiber on 104,633 acres of fertile farmland, representing nearly 40 percent of the county's land mass. Broilers and beef cattle are the leading commodities, generating a combined \$186 million in farm gate sales. Crops (grains, oilseeds, produce, nursery stock, and forages) contribute an additional \$29 million. The farming sector is becoming more diversified, with 534 females and 449 new and beginning farmers actively engaged in production of food and fiber. A growing number of farmers are capturing a larger share of the food dollar by selling direct to consumers, thanks to vibrant farmers markets in Shelby and Kings Mountain.

Domestic and international visitors to and within Cleveland County spent \$149.82 million in 2023, a decrease of 1.6 percent from 2022. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

2023 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 943 people in Cleveland County (3.4% decrease)
- Total payroll generated by Cleveland County Tourism Industry = \$37.4 million, (\$200,000 increase)
- State and local tax revenues totaled \$9.8 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of \$96.01 per resident.

- Sales tax numbers daily figures declined slightly to \$10,410.96 (-\$273.97 per day).
 - State & Local Taxes Combined Generated Daily: \$26,489.32
 - State Taxes Generated Daily: \$ 16,438.36
 - Local Taxes Generated Daily: \$10,410.96
 - Labor Income Generated Daily: \$102,465.75

These statistics come from the “Economic Impact of Travel on North Carolina Counties 2023,” which can be accessed at partners.visitnc.com/economic-impact-studies. The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association.

As indicated by this report, Cleveland County’s Visitor Spending is in a stronger position than it has been for several years. Numerous contributors are indicated through our Zartico data analytics tool.

In 2023, the NC Liver Mush Festival, the annual event presented each October by VISIT Cleveland County, drew the largest crowd ever topping the 2022 estimates by approximately 2,500 for a total estimated attendance of 17,500. In addition to the number of attendees, the geographic radius for the attendee places of origin also grew with a higher volume of attendees coming from further away than in any prior year.

**CLEVELAND COUNTY, NORTH CAROLINA
CHART OF CONSTRUCTION VALUES AND UNEMPLOYMENT RATES**

<u>Fiscal Year</u>	<u>Permits</u>	<u>Dollar Value</u>	<u>Unemployment Rate</u>
2024	239	\$ 83,180,979	3.5%
2023	401	\$ 31,165,699	3.3%
2022	441	\$ 162,257,488	4.4%
2021	427	\$ 91,531,729	4.9%
2020	338	\$ 31,498,731	7.7%
2019	348	\$ 29,667,204	4.6%
2018	324	\$ 40,145,389	4.3%

The number of permits issued for new residential and commercial construction was down from FY 2023 but the dollar value of those new permits increase by approximately \$52 million due to some large commercial projects. The local unemployment rate increase during the fiscal year.

Healthcare and Education ranks first in County employment and manufacturing ranks second. The County continues to offer and provide economic incentive payments to companies based on the number of new hires and the total new taxable investment planned in an effort to attract new industry and to help existing industry to expand. The expansion of existing industry has been a focus of the Board of Commissioners in the recent past. The following table lists the top 10 employers in the County:

<u>Company Name</u>	<u>Company Industry</u>	<u>Employment Range</u>
Cleveland County Board of Education	Education & Health Services	1000+
Atrium Health	Education & Health Services	1000+
Wal-Mart Associates Inc.	Trade, Transportation & Utilities	1000+
County of Cleveland	Public Administration	500-999
Gardner-Webb University	Education & Health Services	500-999
PPG Industries Inc.	Manufacturing	500-999
Hanesbrands, Inc.	Manufacturing	500-999
Ingles Markets, Inc	Trade, Transportation & Utilities	500-999
Clearwater Paper Corporation	Manufacturing	250-499
Electric Glass Fiber America, LLC	Manufacturing	250-499

MAJOR INITIATIVES

FOR THE YEAR.

The Board of Commissioners adopted a balanced budget for the fiscal year with a county-wide ad valorem property tax rate of 54.75 cents per \$100 dollars of valuation. Total General fund revenues increased by approximately \$15.3 M over the previous fiscal year or 9.75 percent. Total General Fund expenditures increased by approximately \$15.6 M or 9.71 percent over FY 2023. Total General Fund Balance decreased by \$2,531,498 to \$58,585,045 and the Unassigned Fund Balance amount was \$30,343,130. The net position of the County's only Enterprise Fund decreased in FY 2024 by \$36,512.

The Commissioners continue to focus on a community wide economic development strategy and job creation. Unemployment in Cleveland County is 3.5% which ranks strongly across North Carolina peer Counties. In collaboration with the City of Shelby, a joint industrial park has been completed that is located in west Shelby. Economic Development and fiscal sustainability both continue to be a high priority of the Commissions strategic plan.

For FY 2023 – 2024, the Board budgeted revenues conservatively without any tax increase. Expenditures for most County Departments, the community college, and other outside agencies were budgeted conservatively as well.

FOR THE FUTURE.

FY 2024 – 2025 brings unique challenges to Cleveland County, some of which are results of past success. The County is experiencing economic growth which creates a workforce development shortage and a shortage of housing stock. Due to the increased values, the Board of Commissioners were able to adopt a balanced budget for FY 2024-2025 with a .5475 tax rate without service interruptions.

Cleveland County has poised itself for long-term sustainability with an external focus on a strong tax base and job creation. Moving into FY 2024 – 2025, the County is also focused on internal strategic planning. The Strategic Goals for FY 2024 – 2025 are to accurately and conservatively forecast budgeted revenues and expenditures while maintaining outstanding service delivery to the citizens of Cleveland County. Strategic investments toward the funding of our capital projects, education, public safety, health, and quality of life are also included in the FY25 budget.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

FUND BALANCE.

Fund balance should always be measured based on the portion that is available for appropriation at the end of the fiscal year. The Board's Fund Balance direction is to have at least 16 percent, with a goal of achieving 18-20 percent in General Fund Unassigned Fund Balance at fiscal year-end. Cleveland County had \$30.3 million in Unassigned General Fund Balance or 20.2 percent of total General Fund expenditures excluding transfers. The Local Government Commission of the North Carolina Department of State Treasurer recommends that local governments have at least 8 percent of General Fund Expenditures in Unassigned General Fund Balance available for appropriation.

OTHER POST-EMPLOYMENT BENEFITS.

Cleveland County maintains a retiree medical plan in which the County pays 100 percent of the employee-only coverage for retirees until age 65. In general, retirees must have at least 30 years of service with the County or are at least 55 years of age, but not Medicare eligible, with a minimum of 10 years of service with the County and have a combined age and years of service total of at least 70. Retired employees, who began employment prior to July 1, 2014, meeting these criteria will be provided hospitalization in the same manner as active County employees. The County pays 100 percent of the payments for any retiree with 30 or more years of service with the County or a combined age and years of service total of at least 80. Reduced contribution rates are made by the County for retirees with a combined age and years of service that total 70 or 75 at retirement.

OTHER INFORMATION

INDEPENDENT AUDIT.

State statutes require an annual audit by independent certified public accountants. The firm of Thompson, Price, Scott, Adams & Co. was selected by the government's management. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Revised State Single Audit Implementation Act of 1996 and the related U.S. Office of Management and Budget Uniform Guidance, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Auditing standards generally accepted in the United States of America and the standards set forth in Government Auditing Standards, issued by the Comptroller General of the United States, were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

FINANCIAL INFORMATION.

The North Carolina Local Government Budget and Fiscal Control Act requires that all money expended by a unit of local government be budgeted. Because of this requirement, the budget is an integral part of the county's accounting system and daily operations. The annual budget, together with the various project budgets, forms an operating plan in addition to setting spending limits. For Cleveland County, annual budgets are adopted for the General Fund, some Special Revenue Funds, and Enterprise Operating Fund. Multiyear project budgets are adopted for some Special Revenue Funds, Capital Project Funds and Enterprise Capital Project Funds. Appropriations in the General Fund are made at the department level, and Enterprise and Special Revenue appropriations are made at the fund level. Capital Project appropriations are made at the object level. For internal accounting purposes, budgetary control is maintained at the line-item account level. Purchase orders within any line item are not issued until additional appropriations are made available through budget amendments or transfers. County department heads may make transfers of appropriations within a fund as long as total fund appropriations are not changed. The Board of Commissioners must approve budget amendments that change total fund appropriations or transfer appropriations between funds. The annual budget process begins in the fall with capital planning work sessions. Finance staff meet with individual departments to develop a finance recommend budget. The County Manager reviews and presents a recommended budget to the Board of Commissioners for consideration. The Board of Commissioners vote and adopt an annual budget in early June of each fiscal year.

AWARDS.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cleveland County, North Carolina, for the year ended June 30, 2023. This was the tenth consecutive year Cleveland County received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

USE OF THE REPORT.

The Government Finance Officers Association reports a growing awareness that the annual financial report should be management's report to its governing body, constituents, oversight bodies, resource providers, investors and creditors. We agree with this direction, and in keeping with our past practice, have made available a copy of this report to each of you, bond rating agencies, the Local Government Commission, and other financial institutions which have expressed an interest in Cleveland County's financial affairs.

ACKNOWLEDGMENTS.

A combined effort of Cleveland County Board of Commissioners, the Managers Office, Finance Department staff and other county departments, along with Thompson, Price, Scott, Adams & Co. made preparation of this comprehensive annual financial report possible. Each has my sincere appreciation for their contributions made towards the completion of this report.

In closing, I wish to thank the Board of Commissioners for their leadership in making Cleveland County a fiscally sound, well-governed community. Without the support of the Board of Commissioners and County Management, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. B. Cotton', written in a cursive style.

David B. Cotton
County Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Cleveland
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CLEVELAND COUNTY, NORTH CAROLINA

List of Principal Officials

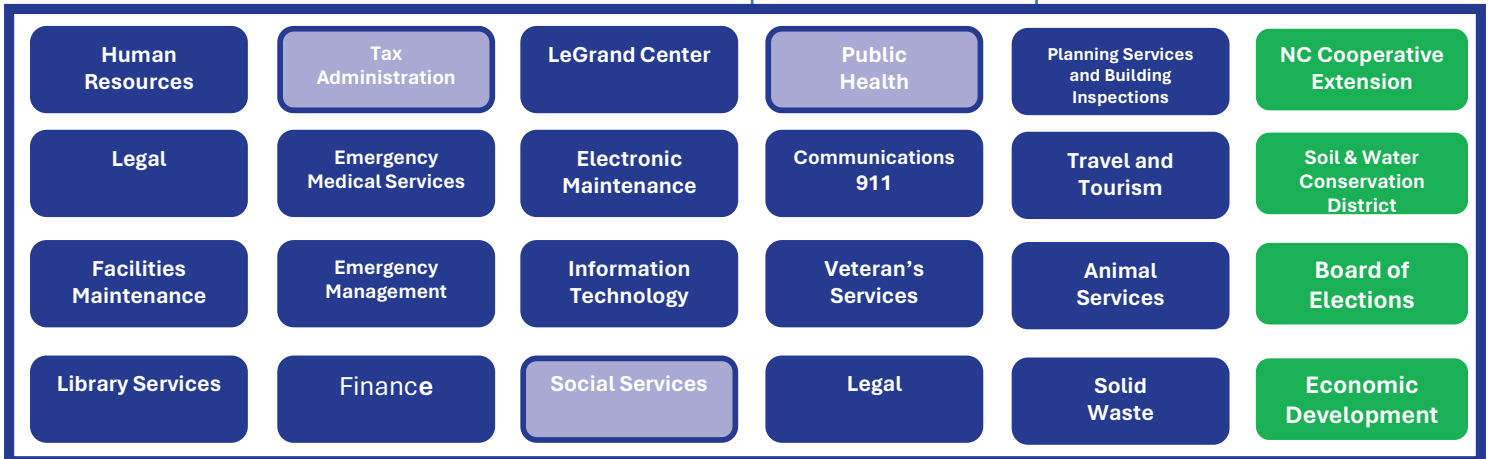
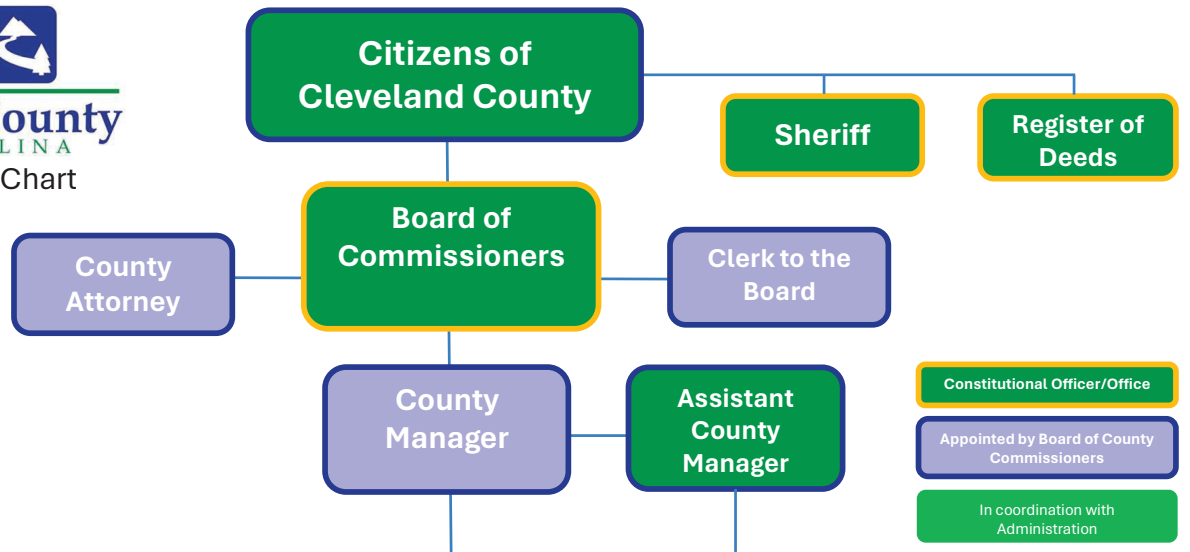
June 30, 2024

Board of Commissioners

Chairman.....Kevin Gordon
Vice Chairman Deb Hardin
CommissionerJohnny Hutchins
Commissioner Doug Bridges
Commissioner Tony Berry

County Officials

Interim Animal Services Director Jenna Mullinax
Asst County Manager Kerri Melton
County Manager..... David Cotton
Building Codes Administrator Colt Farrington
Clerk to the Board..... Phyllis Nowlen
Cooperative Extension Director.....Greg Traywick
County Tax Assessor Sherry Lavender
Tax Collector.....Denise Jones
County Attorney..... Martha Thompson
Elections Director Clifton Philbeck
Electronic Equipment Services Director Daryl Sando
EMS Director Tommy McNeilly
Finance Director..... Philip Steffen
Fire Marshal/Emergency Services Director.....Perry Davis
Interim Human Resources Director Lauren Sloan
Information Technology Director Marty Gold
Business Development Director Jason Falls
Library Director Wright Adams
Maintenance Director..... Scott Bowman
Planning Director Chris Martin
Public Health Director Tiffany Hansen
Register of Deeds..... Betsy Harnage
Sheriff Alan Norman
Social Services Director..... Rebecca Johnson
Soil and Water Conservation District Jamie Bridges
Solid Waste & Environmental Health Josh Davis
Travel & Tourism..... Emily Epley
Veteran Services Officer Julie Crotts



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FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion & Analysis

Government-Wide Financial Statements

Fund Financial Statements

Notes to Financial Statements



Thompson, Price, Scott, Adams & Co, P.A.

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Cleveland County
Shelby, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise Cleveland County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cleveland County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of 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.

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Governmental Auditing Standards, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 65 and 66, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 67 and 68, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 69 and 70, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 71, be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Cleveland County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of Cleveland County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is 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 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 Cleveland County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 12, 2024

CLEVELAND COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2024

As management of Cleveland County, we offer readers of Cleveland County's financial statements this narrative overview and analysis of the financial activities of Cleveland County for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here, in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

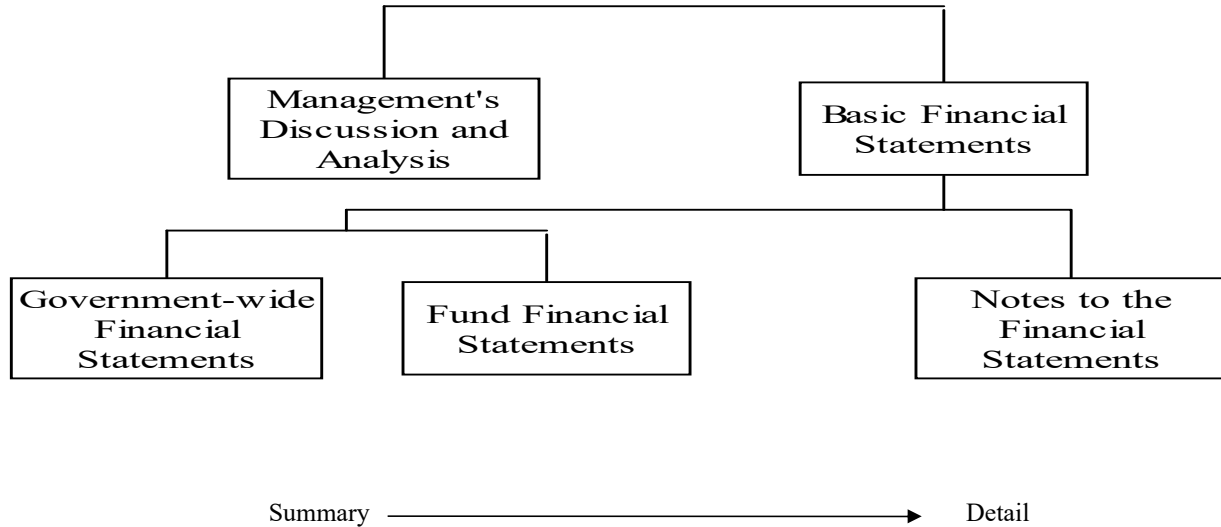
- The assets and deferred outflows of resources of Cleveland County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$195,323,778 (*net position*). In accordance with North Carolina law, liabilities of the County include approximately \$3,913,095 in long-term debt associated with assets which the County does not hold title. These assets are not reflected in the County's financial statements and the full amount of the long-term debt is reported.
- The County's total net position increased by \$19,244,476, primarily due to the receipt of state grants for the construction of a new Justice Center and federal grant funds dedicated to the response and mitigation of the COVID-19 pandemic. The County also recorded a restatement of beginning net position that increased Governmental Activities by \$9,406,557 associated with the change in recording Opioid Settlement receivables and a change in capitalization policies that was implemented retroactively. Additionally, the Solid Waste Fund (business-type activities) also reflected a decrease in net position of \$217,929, which was associated with the change in the capitalization policy as well as the correction of errors computing depreciation expense in prior years.
- As of the close of the current fiscal year, Cleveland County's governmental funds reported combined ending fund balances of \$103,393,109. That amount is an increase of \$ 2,867,765 in comparison with the prior year. Approximately 38.69 percent of this total amount, or \$40,006,455, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30,343,130 or 19.27 percent, of total General Fund expenditures including transfers out adjusted for loan and lease/IT subscription proceeds.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **government-wide financial statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through J) are **fund financial statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The final section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is the **required supplemental information**. This section contains funding information about the County's pension plans. After the required supplemental information, **supplemental schedules** are provided to show details about the County's nonmajor governmental funds and the Internal Service Fund all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also 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 County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide financial statements are divided into the following two types of activities:

Government Activities. These activities of the County include general government, public safety, environmental protection, economic and physical development, human services, education, and cultural recreation. Property taxes, along with state and federal grants, finance most of these activities.

Business-Type Activities. The County charges fees to recover the costs associated with providing certain services. The activities include solid waste and sewage disposal.

The government-wide financial statements directly follow the Management's Discussion and Analysis of this report on Exhibits A and B.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County'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. Cleveland County, 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 County's budget ordinance. All of the funds of Cleveland County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County'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*. This method also has a current financial resources 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 County'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 a reconciliation that is a part of the fund financial statements.

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities, is shown at the end of the budgetary statement.

Proprietary Funds. The Enterprise Fund is the only proprietary-type fund that the County utilizes. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste disposal and user disposal fees. These funds are the same as those shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Cleveland County has two fiduciary funds, both of which are custodial funds.

Notes to the 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 directly follow the basic financial statements of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Cleveland County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found directly following the notes of this report.

Government-Wide Financial Analysis

Cleveland County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 220,107,882	\$ 182,159,528	\$ 9,837,254	\$ 7,562,043	\$ 229,945,136	\$ 189,721,571
Capital assets	152,585,378	140,502,525	23,033,757	23,698,771	175,619,135	164,201,296
Total assets	372,693,260	322,662,053	32,871,011	31,260,814	405,564,271	353,922,867
Deferred Outflows of Resources						
	28,505,260	25,553,854	1,409,839	1,272,346	29,915,099	26,826,200
Liabilities:						
Long-term liabilities	96,547,066	97,039,608	30,251,197	28,371,298	126,798,263	125,410,906
Other liabilities	108,664,397	83,486,995	372,678	239,463	109,037,075	83,726,458
Total liabilities	205,211,463	180,526,603	30,623,875	28,610,761	235,835,338	209,137,364
Deferred Inflows of Resources						
	4,145,414	4,535,206	174,840	185,823	4,320,254	4,721,029
Net Position:						
Net investment in capital assets	117,456,363	101,636,238	23,033,757	23,698,771	140,490,120	125,335,009
Restricted	39,147,301	38,435,503	-	-	39,147,301	38,435,503
Unrestricted	35,237,979	23,082,537	(19,551,622)	(19,962,195)	15,686,357	3,120,342
Total net position	\$ 191,841,643	\$ 163,154,278	\$ 3,482,135	\$ 3,736,576	\$ 195,323,778	\$ 166,890,854

As noted earlier, net position may serve, over time, as one useful indicator of a government’s financial condition. The assets and deferred outflows of resources of Cleveland County exceeded its liabilities and deferred inflows of resources by \$195,323,778 as of June 30, 2024. The County’s net position increased by \$19,244,476 for the fiscal year ended June 30, 2024. Net position of the County is reported in three categories: net investment in capital assets of \$140,490,120; restricted net position of \$39,147,301; and unrestricted net position of \$15,686,357.

The net investment in capital assets category is defined as the County's investment in County-owned capital assets (e.g. land, buildings, automotive equipment, and office and other equipment), less any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of outstanding related debt, the resources needed to repay that debt must be provided by other resources since the capital assets cannot be used to liquidate these liabilities.

Restricted net position consists of restrictions for stabilization for State statute, register of deeds emergency 911 funds, other public safety protection costs, economic and physical development, human services, cultural and recreational, education, and other unspent restricted proceeds.

Under North Carolina law, the County is responsible for providing capital funding for the school system and the community college. The County has chosen to meet its legal obligation to provide the school system and the community college capital funding by using a mixture of County funds and the issuance of debt. These assets funded by the County are owned by the County and leased to the school system and the community college over the term of the debt. After the debt is completely serviced, the title of the asset is passed to the school system or community college.

Several particular aspects of the County's financial operations influenced the total governmental net position:

- Continued diligence in the collection of all revenue sources, both current and delinquent
- A strong property tax collection rate of 98.28 percent
- Federal and State grant revenues
- Other budgetary control efforts
- Budgetary re-engineering and cost benefit analyses
- Management's proactive stance on monitoring budget compliance without slowing County growth and operations.

Governmental Activities. Governmental activities increased the County's net position by \$19,280,988. Key elements of this increase are as follows:

- Increased property tax revenue as a result of a 2.06% increase in the property tax base
- Increased capital project activity that is funded by grants, which resulted in an increase of approximately \$13.6 million
- American Rescue Funds which were used as revenue replacement
- Increase in investment earnings of \$1.4 million as a result of market conditions

Business-Type Activities. Business-type activities decreased the County's net position by \$36,641. Key elements of this decrease are as follows:

- Increase of approximately \$608k in landfill postclosure costs.

Financial Analysis of the County's Funds
Cleveland County's Change in Net Position
Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 23,309,008	\$ 22,207,059	\$ 9,468,147	\$ 9,398,600	\$ 32,777,155	\$ 31,605,659
Operating grants and contributions	29,144,235	31,836,700	-	-	29,144,235	31,836,700
Capital grants and contributions	25,661,973	29,281,002	-	-	25,661,973	29,281,002
General revenues:						
Property taxes	81,887,675	79,974,882	-	-	81,887,675	79,974,882
Other taxes	31,105,595	30,263,533	865,534	872,370	31,971,129	31,135,903
Other	6,493,308	5,044,594	440,087	244,253	6,933,395	5,288,847
Total revenues	<u>197,601,794</u>	<u>198,607,770</u>	<u>10,773,768</u>	<u>10,515,223</u>	<u>208,375,562</u>	<u>209,122,993</u>
Expenses:						
General government	22,393,696	12,784,906	-	-	22,393,696	12,784,906
Public safety	58,033,374	48,337,683	-	-	58,033,374	48,337,683
Environmental protection	297,642	257,148	-	-	297,642	257,148
Economic and physical development	6,251,709	14,422,503	-	-	6,251,709	14,422,503
Human services	40,402,127	36,753,772	-	-	40,402,127	36,753,772
Cultural and recreational	837,631	865,200	-	-	837,631	865,200
Education	49,257,523	54,350,996	-	-	49,257,523	54,350,996
Interest on long-term debt	1,262,439	1,344,909	-	-	1,262,439	1,344,909
Solid waste disposal	-	-	10,394,945	9,116,937	10,394,945	9,116,937
Total expenses	<u>178,736,141</u>	<u>169,117,117</u>	<u>10,394,945</u>	<u>9,116,937</u>	<u>189,131,086</u>	<u>178,234,054</u>
Increase (decrease) in net position before transfers	18,865,653	29,490,653	378,823	1,398,286	19,244,476	30,888,939
Transfers	415,335	515,335	(415,335)	(515,335)	-	-
Increase (decrease) in net position	19,280,988	30,005,988	(36,512)	882,951	19,244,476	30,888,939
Net Position:						
Beginning of year - July 1, previously reported	163,154,098	133,108,843	3,736,576	2,853,625	166,890,674	135,962,468
Restatement	9,406,557	39,267	(217,929)	-	9,188,628	39,267
Beginning of year - July 1, restated	<u>172,560,655</u>	<u>133,148,110</u>	<u>3,518,647</u>	<u>2,853,625</u>	<u>176,079,302</u>	<u>136,001,735</u>
End of year - June 30	<u>\$191,841,643</u>	<u>\$ 163,154,098</u>	<u>\$ 3,482,135</u>	<u>\$ 3,736,576</u>	<u>\$195,323,778</u>	<u>\$166,890,674</u>

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

Governmental Funds. The focus of Cleveland County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Cleveland County's financing requirements. Specifically, fund balance available for appropriation 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 Cleveland County. At the end of the current fiscal year, available fund balance of the General Fund was \$47,788,256 while total fund balance was \$58,585,045. As a measure of the General Fund's liquidity, it may be useful to compare available fund balance to total fund expenditures and transfers out adjusted for loan and lease/IT subscription proceeds. Available fund balance represents 30.36 percent of total General Fund expenditures and transfers out less loan and lease/IT subscription proceeds while total fund balance represents 37.21 percent of that same amount.

The Justice Center Campus Capital Project Fund is also considered a major fund. At the end of the current fiscal year, total fund balance was \$9,704,758, which was an increase of \$208,921 over the prior year. The increase was a result of investment earnings.

The governing body of Cleveland County has determined that the County should maintain an unassigned fund balance of 16% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an unassigned fund balance percentage of 19.27 percent.

At June 30, 2024, the governmental funds of the County reported a combined fund balance of \$103,393,109, a 2.85 percent increase from last year. The increase in fund balance was primarily due to a substantial increase in investment earnings and grants received to fund projects.

General Fund Budgetary Highlights. The County's financial position increased during FY 2024 due to General Fund expenditures coming in well under budget at fiscal year-end. County departments' diligence in monitoring their operational budgets resulted in total expenditures being \$14,304,740 under budget at fiscal year-end. Most notable the general government function had total expenditures \$5.4 million under budget at fiscal year end. On the revenue side, the largest positive budget variances were in ad valorem tax revenues, local option sales taxes, and sales and services.

The County revised the budget for various reasons during the fiscal year. Generally, budget amendments fall into one of three 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; and 3) increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues by \$14,802,754, or 10.75 percent, and expenditures by \$27,198,986, or 19.82 percent, of the original budget. Budgeted amounts exceeded total actual revenues by \$3.7 million with most of that shortfall related to restricted intergovernmental and investment earnings. Total actual expenditures were \$14.3 million less than amended budgeted amounts, with the majority of that amount relating to expenditures lower than budgeted in human services, general government, and public safety.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Total net position for the proprietary fund at the end of the fiscal year amounted to \$3,482,135. During the fiscal year 2024, proprietary fund net position decreased \$36,512. The decrease in total net position for the proprietary funds is primarily due to postclosure costs. The fund also reported a restatement in beginning net position associated with changing the capitalization policy and correcting depreciation expense from prior years which decreased beginning net position by \$217,929.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024 totals \$175,619,135 (net of accumulated depreciation/amortization). These assets include land, buildings, vehicles and motor equipment, leasehold improvements, infrastructure, construction in progress, and right to use assets.

Cleveland County's Capital Assets (net of depreciation/amortization)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 20,427,654	\$ 18,856,331	\$ 19,428,489	\$ 18,956,452	\$ 39,856,143	\$ 37,812,783
Buildings	82,956,187	86,686,194	659,433	690,846	83,615,620	87,377,040
Vehicles and motor equipment	11,982,443	8,474,794	2,865,250	3,270,212	14,847,693	11,745,006
Leasehold improvements	51,709	60,209	1,054	1,605	52,763	61,814
Infrastructure	206,636	560,868	79,531	89,689	286,167	650,557
Construction in progress	35,064,757	21,848,081	-	472,037	35,064,757	22,320,118
Right to use assets	1,895,992	2,525,768	-	-	1,895,992	2,525,768
Total	\$ 152,585,378	\$ 139,012,245	\$ 23,033,757	\$ 23,480,841	\$ 175,619,135	\$ 162,493,086

Additional information on the County's capital assets can be found in Note 2, capital assets section of the notes to the basic financial statements.

Long-Term Debt. As of June 30, 2024, Cleveland County had total bonded debt outstanding of \$3,420,000. The County also has multiple installment notes outstanding, of which the majority is related to debt issued for the construction and renovation of school, county and community college facilities, and economic development projects. A summary of long-term debt is shown in Figure 5.

Cleveland County's Outstanding Debt & Long-Term Liabilities

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Limited obligation bonds	\$ 3,420,000	\$ 4,555,000	\$ -	\$ -	\$ 3,420,000	\$ 4,555,000
Leases and IT Subscriptions	1,681,660	2,233,331	-	-	1,681,660	2,233,331
Installment purchases	33,940,450	39,980,549	-	-	33,940,450	39,980,549
Total	\$ 39,042,110	\$ 46,768,880	\$ -	\$ -	\$ 39,042,110	\$ 46,768,880

The bond ratings are a clear indication of the sound financial condition of the County, which helps to keep interest cost low on the County's outstanding debt. Cleveland County worked through a detailed bond rating review process with both S&P and Moody's in the current year, receiving excellent ratings.

Standard & Poors	AA+
Moody's	Aa2

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Cleveland County is \$865,274,524

Additional information regarding Cleveland County’s long-term debt can be found in note 2, Long Term Debt section of the notes to the basic financial statements.

Economic Factors and Fiscal Year End 2024 Budgets and Rates

Cleveland County’s local economy is continuing to show steady trend data as we move through this prolonged inflationary economy. In November 2024, the median listing home price in Cleveland County, NC was \$294.9K, trending up 1.7% year-over-

With unemployment rates at 3.6% to end the second quarter of calendar year 2023, continued job and company growth led to slightly decreasing the unemployment to a rate of 3.5% as of November 27, 2024.

Domestic and international visitors to and within Cleveland County spent \$149.82 million in 2023, a decrease of 1.6 percent from 2022. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

2023 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 943 people in Cleveland County (3.4% decrease)
- Total payroll generated by Cleveland County Tourism Industry = \$37.4 million, (\$200,000 increase)
- State and local tax revenues totaled \$9.8 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of \$96.01 per resident.

Sales tax numbers daily figures declined slightly to \$10,410.96 (-\$273.97 per day).

- State & Local Taxes Combined Generated Daily: \$26,489.32
 - State Taxes Generated Daily: \$ 16,438.36
 - Local Taxes Generated Daily: \$10,410.96
- Labor Income Generated Daily: \$102,465.75

These statistics come from the “Economic Impact of Travel on North Carolina Counties 2023,” which can be accessed at partners.visitnc.com/economic-impact-studies. The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association.

As indicated by this report, though there was a 1.6% decline in the growth rate between 2022 and 2023, Cleveland County’s overall visitor spending is still up by 5% from 2021 and up almost 20% from 2019, the first-year tourism functioned as a County Department. Even with this decline, tourism is still in a very strong position.

In 2023, the NC Liver Mush Festival, the annual event presented each October by VISIT Cleveland County, drew the largest crowd ever topping the 2022 estimates by approximately 2,500 for a total estimated attendance of 17,500. In addition to the number of attendees, the geographic radius for the attendee places of origin also grew with a higher volume of attendees coming from further away than in any prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2025

The focus of the FY25 budget is to accurately and conservatively forecast budgeted revenues and expenditures while maintaining outstanding service delivery to the citizens of Cleveland County. Strategic investments toward the funding of our capital projects, education, public safety, health, and quality of life are included in this budget. The budget includes eleven new positions and a 3.5 percent cost of living adjustment (2% July 1st & 1.5% January 1st) for Cleveland County's most valued asset – the employees of the organization. Eight of the eleven recommended positions will be funded through alternative revenue sources not requiring direct general fund support.

The recommended FY 2025 budget is balanced with a general fund tax rate of 54.75 cents – which is accompanied by a 14-cent public school tax rate. The budget is designed to function as a work plan in guiding departmental operations to incorporate and accomplish the goals and objectives established by the Board of County Commissioners.

Business-Type Activities. The solid waste household fees and current tipping fees were budgeted based on the adopted rate schedule for the 24-25 budget year which included slight fee increases. Management has developed a 10-year rate schedule to offset rising operational and personnel costs as well as future post closure and expansion costs.

Requests for Information

This financial report is designed to provide an overview of Cleveland County's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Cleveland County Manager, 311 East Marion St. Shelby, North Carolina.

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BASIC FINANCIAL STATEMENTS – OVERVIEW

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CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 87,840,500	\$ 8,942,244	\$ 96,782,744
Taxes receivable, net	2,905,265	-	2,905,265
Receivables, net	18,327,980	894,155	19,222,135
Inventories	270,174	-	270,174
Prepaid items	711,520	855	712,375
Restricted cash	100,814,965	-	100,814,965
Restricted opioid receivable, net	9,114,938	-	9,114,938
Total current assets	<u>219,985,342</u>	<u>9,837,254</u>	<u>229,822,596</u>
Non-current assets:			
Net pension asset	122,540	-	122,540
Capital assets:			
Land and construction in progress	55,492,411	19,428,489	74,920,900
Other capital assets, net of depreciation	95,196,975	3,605,268	98,802,243
Right to use assets, net of amortization	1,895,992	-	1,895,992
Total capital assets	<u>152,585,378</u>	<u>23,033,757</u>	<u>175,619,135</u>
Total non-current assets	<u>152,707,918</u>	<u>23,033,757</u>	<u>175,741,675</u>
Total assets	<u>372,693,260</u>	<u>32,871,011</u>	<u>405,564,271</u>
Deferred Outflows of Resources:			
OPEB deferrals	3,929,031	206,791	4,135,822
Pension deferrals	24,576,229	1,203,048	25,779,277
Total deferred outflows of resources	<u>28,505,260</u>	<u>1,409,839</u>	<u>29,915,099</u>
Total assets and deferred outflows of resources	<u>401,198,520</u>	<u>34,280,850</u>	<u>435,479,370</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	10,507,729	284,383	10,792,112
Unearned grant revenues	89,447,179	-	89,447,179
Due within one year	8,709,489	88,295	8,797,784
Total current liabilities	<u>108,664,397</u>	<u>372,678</u>	<u>109,037,075</u>
Long-term liabilities:			
Due in more than one year	34,591,284	27,364,359	61,955,643
Net pension liability - LGERS	36,581,988	1,925,368	38,507,356
Total pension liability - LEOSSA	5,828,684	-	5,828,684
Total OPEB liability	19,545,110	961,470	20,506,580
Total long-term liabilities	<u>96,547,066</u>	<u>30,251,197</u>	<u>126,798,263</u>
Total liabilities	<u>205,211,463</u>	<u>30,623,875</u>	<u>235,835,338</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Deferred Inflows of Resources:			
Prepaid taxes	215,372	-	215,372
OPEB deferrals	2,970,160	156,324	3,126,484
Pension deferrals	959,882	18,516	978,398
Total deferred inflows of resources	<u>4,145,414</u>	<u>174,840</u>	<u>4,320,254</u>
Net Position:			
Net investment in capital assets	117,456,363	23,033,757	140,490,120
Restricted for:			
Stabilization for State statute	13,396,095	-	13,396,095
Register of Deeds' pension plan	122,540	-	122,540
Register of Deeds	75,833	-	75,833
Public safety	12,077,760	-	12,077,760
Economic and physical development	28,061	-	28,061
Education	10,199,590	-	10,199,590
Human services	38,500	-	38,500
Opioid settlement	2,875,815	-	2,875,815
Cultural and recreation	333,107	-	333,107
Unrestricted	<u>35,237,979</u>	<u>(19,551,622)</u>	<u>15,686,357</u>
Total net position	<u>\$ 191,841,643</u>	<u>\$ 3,482,135</u>	<u>\$ 195,323,778</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs:	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General government	\$ 22,393,696	\$ 5,877,312	\$ 4,004,122	88,000
Public safety	58,033,374	11,359,062	7,970,670	14,126,939
Environmental protection	297,642	-	33,600	-
Economic and physical development	6,251,709	414,704	558,334	856,494
Human services	40,402,127	5,646,874	15,382,476	-
Cultural and recreational	837,631	11,056	195,033	-
Education	49,257,523	-	1,000,000	10,590,540
Interest on long-term debt	<u>1,262,439</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>178,736,141</u>	<u>23,309,008</u>	<u>29,144,235</u>	<u>25,661,973</u>
Business-Type Activities:				
Solid Waste	<u>10,394,945</u>	<u>9,468,147</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>10,394,945</u>	<u>9,468,147</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 189,131,086</u>	<u>\$ 32,777,155</u>	<u>\$ 29,144,235</u>	<u>\$ 25,661,973</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs:	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Primary Government:			
Governmental Activities:			
General government	\$ (12,424,262)	\$ -	\$ (12,424,262)
Public safety	(24,576,703)	-	(24,576,703)
Environmental protection	(264,042)	-	(264,042)
Economic and physical development	(4,422,177)	-	(4,422,177)
Human services	(19,372,777)	-	(19,372,777)
Cultural and recreational	(631,542)	-	(631,542)
Education	(37,666,983)	-	(37,666,983)
Interest on long-term debt	(1,262,439)	-	(1,262,439)
Total governmental activities	<u>(100,620,925)</u>	<u>-</u>	<u>(100,620,925)</u>
Business-Type Activities:			
Landfill	-	(926,798)	(926,798)
Total business-type activities	<u>-</u>	<u>(926,798)</u>	<u>(926,798)</u>
Total primary government	<u>(100,620,925)</u>	<u>(926,798)</u>	<u>(101,547,723)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	81,887,675	-	81,887,675
Local option sales tax	29,250,887	-	29,250,887
Other taxes and licenses	1,854,708	865,534	2,720,242
Investment earnings, unrestricted	3,986,216	439,958	4,426,174
Miscellaneous, unrestricted	2,507,092	129	2,507,221
Total general revenues	<u>119,486,578</u>	<u>1,305,621</u>	<u>120,792,199</u>
Transfers	<u>415,335</u>	<u>(415,335)</u>	<u>-</u>
Total general revenues, capital contribution, and transfers	<u>119,901,913</u>	<u>890,286</u>	<u>120,792,199</u>
Change in net position	19,280,988	(36,512)	19,244,476
Net Position:			
Beginning of year - July 1, previously reported	163,154,098	3,736,576	166,890,674
Restatement (see Note 6)	9,406,557	(217,929)	9,188,628
Beginning of year - July 1, restated	<u>172,560,655</u>	<u>3,518,647</u>	<u>176,079,302</u>
End of year - June 30	<u>\$ 191,841,643</u>	<u>\$ 3,482,135</u>	<u>\$ 195,323,778</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	Major		Nonmajor	
	General	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 54,403,886	\$ 12,571,503	\$ 20,865,111	\$ 87,840,500
Taxes receivable, net	2,745,240	-	160,025	2,905,265
Due from other governments	491,685	58,877	-	550,562
Other receivables, net	14,197,151	-	3,580,267	17,777,418
Due from other funds	232,282	-	-	232,282
Inventories	270,174	-	-	270,174
Prepaid items	341,006	-	370,514	711,520
Restricted assets:				
Cash and investments	4,519,649	79,553,972	16,741,344	100,814,965
Opioid receivable, net	-	-	9,114,938	9,114,938
Total assets	<u>\$ 77,201,073</u>	<u>\$ 92,184,352</u>	<u>\$ 50,832,199</u>	<u>\$ 220,217,624</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 6,400,258	\$ 2,925,622	\$ 848,090	\$ 10,173,970
Unearned grant revenue	4,519,649	79,553,972	5,373,558	89,447,179
Due to other funds	-	-	232,282	232,282
Total liabilities	<u>10,919,907</u>	<u>82,479,594</u>	<u>6,453,930</u>	<u>99,853,431</u>
Deferred Inflows of Resources:				
Property taxes receivable	2,745,240	-	160,025	2,905,265
Prepaid taxes	215,372	-	-	215,372
Other receivables	4,735,509	-	-	4,735,509
Opioid settlement	-	-	9,114,938	9,114,938
Total deferred inflows of resources	<u>7,696,121</u>	<u>-</u>	<u>9,274,963</u>	<u>16,971,084</u>
Fund Balances:				
Non-spendable:				
Inventory	270,174	-	-	270,174
Prepaid items	341,006	-	370,514	711,520
Restricted:				
Stabilization for State statute	10,185,609	-	3,210,486	13,396,095
Restricted, all other	1,159,076	9,704,758	14,764,832	25,628,666
Committed	8,597,606	-	6,803,547	15,401,153
Assigned for subsequent year's expenditures	7,218,696	-	-	7,218,696
Assigned, all other	469,748	-	10,577,887	11,047,635
Unassigned	30,343,130	-	(623,960)	29,719,170
Total fund balances	<u>58,585,045</u>	<u>9,704,758</u>	<u>35,103,306</u>	<u>103,393,109</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,201,073</u>	<u>\$ 92,184,352</u>	<u>\$ 50,832,199</u>	

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

Amounts reported in the governmental activities in the Statement of Net Position (Exhibit A) are different because:

Total Fund Balance, Governmental Funds	\$ 103,393,109
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	150,689,386
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,895,992
Deferred inflows in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Position.	16,755,712
Long-term liabilities and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.	(43,300,773)
Net pension asset	122,540
Deferred outflows of resources related to pensions are not related in the funds.	24,576,229
Deferred outflows of resources related to OPEB are not related in the funds.	3,929,031
Some liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(333,759)
Deferred inflows of resources related to pensions are not related in the funds.	(959,882)
Deferred inflows of resources related to OPEB are not related in the funds.	(2,970,160)
Net pension liability	(36,581,988)
Total OPEB liability	(19,545,110)
Total pension liability	<u>(5,828,684)</u>
Net position of governmental activities	<u>\$ 191,841,643</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Major</u>		<u>Nonmajor</u>	
	<u>General Fund</u>	<u>Justice Center Campus Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 77,536,091	\$ -	\$ 4,126,852	\$ 81,662,943
Local option sales taxes	22,627,998	-	6,622,889	29,250,887
Other taxes	1,205,505	-	177,188	1,382,693
Unrestricted intergovernmental revenues	572,014	-	-	572,014
Restricted intergovernmental revenues	19,775,872	13,668,484	22,849,470	56,293,826
Permits and fees	5,066,932	-	-	5,066,932
Sales and services	16,663,994	-	611,594	17,275,588
Investment earnings	2,792,592	208,921	984,703	3,986,216
Miscellaneous	2,493,051	-	14,379	2,507,430
Total revenues	<u>148,734,049</u>	<u>13,877,405</u>	<u>35,387,075</u>	<u>197,998,529</u>
Expenditures:				
General government	18,121,083	-	2,043,679	20,164,762
Public safety	46,017,810	13,668,484	10,064,248	69,750,542
Environmental protection	286,482	-	-	286,482
Economic and physical development	5,148,617	-	1,009,745	6,158,362
Human services	39,380,591	-	309,100	39,689,691
Cultural and recreational	1,354,776	-	-	1,354,776
Education	37,375,979	-	10,590,540	47,966,519
Insurance settlements	1,252,871	-	-	1,252,871
Debt service:				
Principal	1,116,196	-	6,633,086	7,749,282
Interest	65,954	-	1,129,370	1,195,324
Total expenditures	<u>150,120,359</u>	<u>13,668,484</u>	<u>31,779,768</u>	<u>195,568,611</u>
Revenues over (under) expenditures	<u>(1,386,310)</u>	<u>208,921</u>	<u>3,607,307</u>	<u>2,429,918</u>
Other Financing Sources (Uses):				
Lease and IT Subscriptions issued	-	-	22,512	22,512
Transfers from other funds	6,161,731	-	-	6,161,731
From General Fund	-	-	7,306,914	7,306,914
From Capital Reserve Fund	-	-	1,541,120	1,541,120
From School Capital Reserve	-	-	2,910,247	2,910,247
From Reimbursement Resolution	-	-	119,806	119,806
Transfers to other funds	(7,306,914)	-	(10,317,569)	(17,624,483)
Total other financing sources (uses)	<u>(1,145,183)</u>	<u>-</u>	<u>1,583,030</u>	<u>437,847</u>
Net change in fund balances	<u>(2,531,493)</u>	<u>208,921</u>	<u>5,190,337</u>	<u>2,867,765</u>
Fund Balances:				
Beginning of year - July 1	<u>61,116,538</u>	<u>9,495,837</u>	<u>29,912,969</u>	<u>100,525,344</u>
End of year - June 30	<u>\$ 58,585,045</u>	<u>\$ 9,704,758</u>	<u>\$ 35,103,306</u>	<u>\$ 103,393,109</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Total net change in fund balances - total governmental funds	\$ 2,867,765
Property tax revenues and other fees and services in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	226,748
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of difference causes timing of revenue recognition differences for the following revenue types:	
EMS revenues and other revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	1,157,227
Opioid settlement revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the governmental funds statement.	(1,781,899)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	394,376
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	6,294,702
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	140,836
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	1,277,188
Pension expense (LEOSSA, LGERS, and ROD)	(11,306,392)
OPEB plan expense	(1,222,351)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	22,145,923
Depreciation/amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(7,117,020)
Net gain/loss on the disposal of capital assets, not recognized on modified accrual basis.	(1,455,770)
Accrued interest that does not require current financial resources are not reported as expenditures in the governmental funds statement.	(67,115)
The issuance of long-term debt provides current financial resources to governmental funds, but does not effect net assets.	(22,512)
Principal repayments and capital lease payments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	7,749,282
Total change in net position of governmental activities	<u>\$ 19,280,988</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			Variance from Final Budget Over/Under
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 76,348,069	\$ 76,740,155	\$ 77,536,091	\$ 795,936
Local option sales taxes	21,000,000	21,000,000	22,627,998	1,627,998
Other taxes and licenses	1,225,000	1,225,000	1,205,505	(19,495)
Unrestricted intergovernmental revenues	300,000	300,000	572,014	272,014
Restricted intergovernmental revenues	17,121,206	27,172,798	19,775,872	(7,396,926)
Permits and fees	4,786,200	5,187,598	5,066,932	(120,666)
Sales and services	14,110,228	11,430,410	16,663,994	5,233,584
Investment earnings	501,600	7,048,853	2,792,592	(4,256,261)
Miscellaneous	2,287,852	2,378,095	2,493,051	114,956
Total revenues	<u>137,680,155</u>	<u>152,482,909</u>	<u>148,734,049</u>	<u>(3,748,860)</u>
Expenditures:				
General government	16,619,554	23,576,588	18,121,083	5,455,505
Public safety	39,093,567	48,132,443	46,017,810	2,114,633
Environmental protection	295,923	303,178	286,482	16,696
Economic and physical development	5,567,607	6,048,437	5,148,617	899,820
Human services	35,551,358	42,900,496	39,380,591	3,519,905
Cultural and recreational	1,422,471	1,792,508	1,354,776	437,732
Intergovernmental:				
Education	35,956,612	37,606,417	37,375,979	230,438
Risk management	804,969	2,900,980	1,252,871	1,648,109
Contingency	750,000	-	-	-
Debt service:				
Installment principal	1,139,052	1,139,052	1,116,196	22,856
Interest and other charges	25,000	25,000	65,954	(40,954)
Total expenditures	<u>137,226,113</u>	<u>164,425,099</u>	<u>150,120,359</u>	<u>14,304,740</u>
Revenues over (under) expenditures	<u>454,042</u>	<u>(11,942,190)</u>	<u>(1,386,310)</u>	<u>10,555,880</u>
Other Financing Sources (Uses):				
Transfers from other funds	5,201,459	5,349,840	6,161,731	811,891
Transfers to other funds	(11,549,281)	(8,383,696)	(7,306,914)	1,076,782
Appropriated fund balance	5,893,780	14,976,046	-	(14,976,046)
Total other financing sources (uses)	<u>(454,042)</u>	<u>11,942,190</u>	<u>(1,145,183)</u>	<u>(13,087,373)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,531,493)</u>	<u>\$ (2,531,493)</u>
Fund Balance:				
Beginning of year - July 1			<u>61,116,538</u>	
End of year - June 30			<u>\$ 58,585,045</u>	

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2024

	Major
	Solid Waste Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 8,942,244
Accounts receivable, net	894,155
Prepaid items	855
Total current assets	9,837,254
Capital assets:	
Land and construction in progress	19,428,489
Other capital assets, net of depreciation	3,605,268
Total non-current assets	23,033,757
Total assets	32,871,011
Deferred Outflow of Resources:	
OPEB deferrals	206,791
Pension deferrals	1,203,048
Total deferred outflows of resources	1,409,839
Liabilities:	
Current liabilities:	
Accounts payable	180,323
Accrued payroll	104,060
Current portion of long term liabilities	88,295
Total current liabilities	372,678
Non-current liabilities:	
Other non-current liabilities:	
Accrued landfill closure and post-closure care costs	27,174,684
Compensated absences	189,675
Net pension liability	1,925,368
Total OPEB liability	961,470
Total non-current liabilities	30,251,197
Total liabilities	30,623,875
Deferred Inflows of Resources:	
Pension deferrals	18,516
OPEB deferrals	156,324
Total deferred outflows of resources	174,840
Net Position:	
Net investment in capital assets	23,033,757
Unrestricted	(19,551,622)
Total net position	\$ 3,482,135

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2024

	Major
	Solid Waste Fund
Operating Revenues:	
Charges for services	\$ 9,468,147
Unrestricted intergovernmental	865,534
Total operating revenues	10,333,681
Operating Expenses:	
Salaries and employee benefits	3,459,178
Other operating expenses	4,415,604
Landfill closure and post-closure care costs	1,547,442
Depreciation	972,721
Total operating expenses	10,394,945
Operating income (loss)	(61,264)
Non-Operating Revenues (Expenses):	
Interest income	439,958
Miscellaneous income	129
Total non-operating revenues (expenses)	440,087
Income (loss) before capital contributions and transfers	378,823
Transfers:	
Transfers out	(415,335)
Total Transfers	(415,335)
Change in net position	(36,512)
Net Position:	
Beginning of year - July 1	3,736,576
Change in Accounting Principle (see Note 6)	(217,929)
Beginning of year - July 1, restated	3,518,647
End of year - June 30	\$ 3,482,135

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Major</u>
	<u>Solid Waste</u>
	<u>Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 10,518,233
Cash paid for goods and services	(4,353,352)
Cash paid to employees for services	(3,204,904)
Net cash provided (used) by operating activities	<u>2,959,977</u>
Cash Flows from Non-Capital Financing Activities:	
Transfers out	(415,335)
Miscellaneous	129
Net cash provided (used) by non-capital financing activities	<u>(415,206)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(525,637)
Proceeds from sale of long-term asset	-
Net cash provided (used) for capital and related financing activities	<u>(525,637)</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>439,958</u>
Net increase (decrease) in cash and cash equivalents	2,459,092
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>6,483,152</u>
End of year - June 30	<u>\$ 8,942,244</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Major</u>
	<u>Solid Waste</u>
	<u>Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (61,264)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	972,721
Landfill closure and post-closure care costs	1,547,442
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	184,552
Increase (decrease) in accounts payable and accrued liabilities	62,923
Increase (decrease) in prepaid expense	(671)
Increase (decrease) in accrued vacation pay	30,724
Increase (decrease) in net OPEB liability	(37,434)
(Increase) decrease in deferred outflows of resources - pensions	(170,424)
(Increase) decrease in deferred outflows of resources - OPEB	32,931
(Increase) in net pension liability	409,460
Decrease in deferred inflows of resources - pension	(12,600)
Increase in deferred inflows of resources - OPEB	1,617
Total adjustments	<u>3,021,241</u>
Net cash provided (used) by operating activities	<u>\$ 2,959,977</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2024

	Custodial Funds
	<u> </u>
Assets	
Cash and cash equivalents	\$ 474,925
Taxes receivable for other governments, net	1,128,000
Accounts receivable	<u>-</u>
Total assets	<u>1,602,925</u>
Liabilities	
Accounts payable and accrued liabilities	20,579
Due to other governments	<u>363,624</u>
Total liabilities	<u>384,203</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	<u>1,218,722</u>
Total fiduciary net position	<u>\$ 1,218,722</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Total Custodial Funds
Additions	
Ad valorem taxes for other governments	\$ 25,521,381
Collections on behalf of inmates	778,016
Total additions	<u>26,299,397</u>
Deductions	
Tax distributions to other governments	25,359,056
Payments on behalf of inmates	796,673
Total deductions	<u>26,155,729</u>
Net increase (decrease) in fiduciary net position	143,668
Net position, beginning	<u>1,075,054</u>
Net position, ending	<u>\$ 1,218,722</u>

The accompanying notes are an integral part of the financial statements.

CLEVELAND COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

The accounting policies of Cleveland County (the "County") and its discretely presented component unit 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 County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component unit, legally separate entities for which the County is financially accountable. Cleveland County Industrial Facility and Pollution Control Financing Authority (the Authority) is the County's sole component unit.

Cleveland County Industrial Facility and Pollution Control Financing Authority

The Cleveland County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private business for economic development purposes. The Authority is governed by a seven-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation - Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (1) fees and charges paid by the recipients of goods or services offered by the programs, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Justice Center Campus Capital Project Fund. This fund accounts for financial resources to be used for the construction of a Justice Center Campus.

The County reports the following major enterprise fund:

Solid Waste Fund. This fund accounts for the maintenance and post-closure of the County's landfill, transfer station operations, and recycling.

The County also reports the following fund types:

Special Revenue Funds. Special revenue funds are used to account for specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains six non-major special revenue funds, Emergency Telephone System Fund (E-911), American Rescue Plan Fund, Fire Districts Fund, Fines & Forfeiture Fund, the Representative Payee Fund, and the Opioid Settlement Fund.

Debt Service Fund. The Debt Service Fund accounts for funds set aside to meet certain long-term debt requirements.

Capital Project Funds. The capital project funds account for financial resources to be used for the acquisition and construction for major capital facilities (other than those by proprietary funds, special assessments, or trust funds). The County has fifteen non-major capital project funds within the governmental fund types: County General Capital Projects Fund, Public Shooting Range, Reimbursement Resolution Capital Reserve Fund, Board of Elections, Shell IV, DSS Colocation, School Capital Reserve Fund, Capital Reserve Fund, Public School Building Capital Fund, CCHD Erosion Control Project Fund, Broad River Greenway Improvements Fund, 911 Call Center, Cleveland County Fair, LaGrand AV System, and Waco Substation Capital Project Funds.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Measurement Focus, Basis of Accounting

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, propriety fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt acquisitions under leases and IT subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with the change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in the financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the County's General Fund, Emergency Telephone System Fund (E-911), Fire Districts Fund, General Capital Projects Fund, Capital Reserve Fund, School Capital Reserve Fund, Solid Waste Fund, Representative Payee, Fines & Forfeiture, Opioid Settlement Fund, and Debt Service Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for all the other special revenue and capital project funds.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The Budget Officer is authorized to transfer authorized appropriations within a function and to amend the authorized budget for pass-through funds, including federal and State grants. During the year, several amendments to the original budget were necessary; the effects of which were not material. 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. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Balance (Net Position)

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The County's investments are reported at fair value. The NCCMT- Government Portfolio, an SEC-registered (2a-7) external investment pool, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

In accordance with State law, the County has invested in securities, which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

Money for Tax Revaluation is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Reserve Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22. The amount of unspent resources obtained for the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$9,114,938, related to the settlement are also reported as restricted assets. The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets. In addition, unspent grant funds are considered restricted assets. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

Governmental Activities		
<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Unspent grant proceeds	\$ 4,519,649
Fire District Fund	Unspent grant proceeds	1,010,660
School Capital Reserve Fund	Restricted for school capital	10,199,590
American Rescue Plan Fund	Unspent grant proceeds	1,289,237
Opioid Settlement Funds	Unspent Settlement Proceeds	2,888,825
Cleveland County Fair Capital Project Fund	Unspent grant proceeds	1,353,032
Justice Center Campus Capital Project Fund	Unspent grant proceeds	<u>79,553,972</u>
Total		<u>\$ 100,814,965</u>

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the County has established a schedule of discounts that apply to such taxes that are paid prior to the due date. In the County’s General Fund and County Fire Service Fund, ad valorem tax revenues are reported net of such discounts.

Lease Receivable

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

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as a basis for the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market values. The County’s General Fund inventory consists of pharmaceuticals and certain pharmaceutical supplies that are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Cleveland County accounts for prepaid items using the consumption method of accounting. Under this methodology purchases are debited to a prepaid asset account and are recorded as expenditures when used rather than when purchased.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as is \$5,000 for the year ended June 30, 2024. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the City reports a lease (only applies when the City is the lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

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

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
Computer equipment	3 years
Electronic items and vehicles	5 years
Firearms, furniture, and equipment	7 years
Infrastructure and improvements	15 years
Buildings	39 years

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as leave when earned. Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

The overtime policy of the County provides for the accumulation of up to sixty days (480 hours) for non-exempt public safety employees and up to thirty days for all other non-exempt employees. Non-exempt employees will earn compensatory hours at the rate of one and one-half the number of hours worked above forty hours during a specific week. Exempt employees earn an hour of compensatory leave for each hour worked beyond forty in a specific week. There is no maximum ceiling for compensatory hours earned by an exempt employee because exempt employees will not be paid upon termination of employment; therefore, there is no liability reflected in the government-wide or enterprise fund financial statements for overtime earned by exempt employees. There is an expense and liability recorded in the government-wide and enterprise funds for compensated absences and salary-related overtime earned by public safety employees and all other non-exempt employees.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County. However, with the implementation of GASB No. 101, the County will estimate what leave is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absence and salary-related payments.

Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. The County received \$935,063 as part of this settlement in Fiscal Years 2022 and 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used to opioid abatement and remediation activities.

The significance of this issues resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restrictions on the use of the fund's revenue should not be recognized until the funds were expended. Because the County did not expend any amounts in FY22 and FY23, the total \$935,063 hat was received remained on hand at June 30, 2023.

As litigation progressed and more settlements were finalized, the conclusion on the appropriate accounting and financial reporting also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary nonexchange transactions, there are other cases were it is appropriate to apply the guidance for exchange and exchange-like transactions.

Essentially, the guidance for nonexchange transactions bases revenue recognition on the unit fulfilling all the eligibility requirements for the nonexchange transaction. In some cases, the incurrence of expenditures is one of the eligibility requirements. The initial guidance viewed all of the opioid settlements' activity as nonexchange transactions that included the incurrence of qualifying expenditure amounts among their eligibility requirements. Accordingly, the nonexchange transaction guidance was applied to all of the opioid settlements' activity.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin stated that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling state in exchange for their agreement to release the tobacco companies from present and future litigation."

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See Note 6 Changes in Accounting Principal for additional discussion about those adjustments.

In FY24 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of \$1,979,888 was recognized in the Opioid Settlement Special Revenue Fund. Additional revenue was also recognized for Governmental Activities. This amount was calculated as follows:

Accrual basis of accounting	<u>Governmental Activities</u>	
County's share of North Carolina's unpaid aggregate settlement through FY24	\$ 10,127,709	
Less: Allowance for uncollectible accounts	<u>(1,012,771)</u>	
Opioid Settlement receivable on June 30, 2024		\$ 9,114,938
County's share of North Carolina's unpaid aggregate settlements through FY23	12,107,597	
Less: Allowance for uncollectible accounts	<u>(1,210,760)</u>	
Opioid Settlement receivable on June 30, 2023		<u>10,896,837</u>
Accrual basis revenue previously recognized		<u>\$ (1,781,899)</u>

Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$19,025,057 of fiscal recovery funds to be paid in two installments. The first installment of \$9,512,529 was received in August 2021. The second installment was received in September 2022. County staff and the Board of Commissioners have elected to use these funds for revenue replacement and salaries associated with pandemic response. \$9,512,529 was transferred to the General Fund from the ARPA Fund for Revenue replacement in FY 2021-22 and \$1,790,158 was transferred in FY 2022-23.

The unspent amount of funds, \$1,251,735, on hand (total allocation of \$19,025,058 minus totals spent to date of \$17,773,323) is reported in the American Rescue Plan Special Revenue Fund as an asset with an offsetting amount reported as unearned revenues, a liability. As the use of these remaining funds are determined, the amounts will be transferred to the appropriate fund(s) and the revenue will be recognized.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criteria – pension related deferrals and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has six items that meet the criteria for this category – property taxes receivable, prepaid taxes, other receivables, opioid settlement receivables, pension and OPEB related deferrals.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts, depreciation lives, other post-employment benefits, and law enforcement officers' pension obligations.

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

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

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

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

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Restricted for Public Safety - portion of fund balance restricted by revenue source for public safety related activities such as police, fire, EMS, and E-911.

Restricted for Human Services – portion of spendable fund balance available and restricted by donors to pay for items of a human service nature, such as medications and eyeglasses for needy persons.

Restricted for Cultural and Recreation – portion of spendable fund balance restricted by donors to pay for library books, materials, equipment, and facility upgrades.

Restricted for Education – portion of spendable fund balance that can only be used for school capital per G.S. 159-18-22.

Restricted for Opioid Settlement - portion of spendable fund balance restricted for opioid abatement and remediation activities.

Restricted for Economic and Physical Development – portion of fund balance restricted for economic development projects.

Restricted fund balance at June 30, 2024 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total Restricted
Public safety	\$ 684,258	\$ 9,704,758	\$ 1,688,744	\$ 12,077,760
Economic and physical development	27,378	-	683	28,061
Human services	38,500	-	-	38,500
Register of deeds	75,833	-	-	75,833
Opioid Settlement	-	-	2,875,815	2,875,815
Cultural and recreation	333,107	-	-	333,107
Education	-	-	10,199,590	10,199,590
Total	\$ 1,159,076	\$ 9,704,758	\$ 14,764,832	\$ 25,628,666

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by ROD Pension Plan of \$165,486.

Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that 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.

Committed for General Government – portion of fund balance committed by the governing board for LeGrand AV System upgrades.

Committed for Cultural and Recreational – portion of fund balance committed for the Fairgrounds project.

Committed for Public Safety – portion of fund balance committed for Inmates and various donations for specific uses, as well as project expenses for the Justice center.

Committed fund balance at June 30, 2024 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Committed:				
General Government	\$ 412,458	\$ -	\$ 6,790,626	\$ 7,203,084
Cultural & recreational	507,987	-	12,921	520,908
Public Safety	7,677,161	-	-	7,677,161
Total	\$ 8,597,606	\$ -	\$ 6,803,547	\$ 15,401,153

Assigned Fund Balance

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager and Finance Director to make certain modifications without requiring board approval.

Assigned for General Government – portion of fund balance budgeted assigned by the Board to manage future general operational processes.

Assigned for Public Safety – portion of fund balance budgeted assigned by the Board for donations received that can be used for any departmental needs.

Assigned for Risk Management Operations – portion of fund balance budgeted assigned by the Board to manage future risk management processes.

Assigned for Economic and Physical Development – portion of fund balance budgeted by the board for economic development and incentive projects.

Assigned for Debt Service – portion of fund balance budgeted by the board for future debt service needs.

Assigned fund balance at June 30, 2024 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total
Assigned:				
Subsequent year's expenditures	\$ 7,218,696	\$ -	\$ -	\$ 7,218,696
General government	-	-	4,947,700	4,947,700
Public safety	40,623	-	-	40,623
Risk management operations	427,247	-	-	427,247
Economic and physical development	1,878	-	-	1,878
Debt service	-	-	5,630,187	5,630,187
Total	\$ 7,688,444	\$ -	\$ 10,577,887	\$ 18,266,331

Unassigned fund balance is the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the general fund may report a positive unassigned fund balance.

Cleveland County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following order: bond/debt proceeds, federal funds, State funds, local non-county funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Cleveland County has adopted a minimum fund balance policy for the General Fund, which instructs management to conduct business of the County in such a manner that unassigned fund balance is at least equal to or greater than 16% of actual expenditures. Any portion of the General Fund balance in excess of 16% of actual expenditures may be appropriated for future use for a specific purpose.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 58,585,045
Less:	
Inventories	(270,174)
Prepays	(341,006)
Stabilization by State statute	(10,185,609)
Total available fund balance	\$ 47,788,256

Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees’ Retirement System (LGERS), and the Registers of Deeds’ Supplemental Pension Fund (RODSPF), (collectively, the “state-administered defined benefit pension plans”). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans’ fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County’s employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

Net Investment in Capital Assets:

Net investment in capital assets at June 30, 2024 are computed as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets and Right to Use assets	\$ 152,585,378	\$ 23,033,757
Less: Long-term debt	(39,042,110)	-
Add: School debt for assets to which the County does not hold title	3,913,095	-
Total	<u>\$ 117,456,363</u>	<u>\$ 23,033,757</u>

2. Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

Excess of Expenditures over Appropriations

The following funds and/or departments had excess expenditures over appropriations:

General Fund	
Debt Service	\$ 18,098

The over-expenditures in the General Fund debt service accounts relates to lease subscription payments that had to be reclassified from the department budget to the debt service accounts for financial statement purposes only. Because the County did budget for the payment in the respective department where the payment was originally coded, this was not disclosed as a finding.

3. Detail Notes On All Funds

A. Assets

Deposits

All of the County’s deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County’s agent in these units’ names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County these deposits are considered to be held by their agents in the entities’ names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method and to monitor them for compliance. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the County's deposits had a carrying amount of \$29,949,081 and a bank balance of \$731,434,815. Of the bank balance, \$649,707 was covered by federal depository insurance, and \$30,785,108 was covered by collateral held under the Pooling Method. At June 30, 2024, the County had \$28,900 cash on hand.

Investments

At June 30, 2024, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Met</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
U.S. government agencies	Fair Value - Level 2	\$ 8,130,036	\$ 1,966,843	\$ 2,459,433	\$ 3,703,760
NC Capital Management Trust - Government Portfolio	Amortized Cost	131,762,702	131,762,702	-	-
Commercial paper	Fair Value - Level 2	28,201,915	24,399,681	3,802,234	-
Total		<u>\$ 168,094,653</u>	<u>\$ 158,129,226</u>	<u>\$ 6,261,667</u>	<u>\$ 3,703,760</u>

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

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

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the County's investments in commercial paper were rated P1 by Standard and Poor's and A-1 by Moody's Investment Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA-mf by Standard & Poor's and Aaa by Moody's Investors Services as of June 30, 2024. The County's investment in U.S. government agencies (Federal Home Loan Mortgage Company) and (Federal National Mortgage Agency) were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service as of June 30, 2024.

Concentration of Credit Risk.

To further hedge against credit risk, the County's policy on investments requires diversification among financial instruments and requires the investment officer to routinely monitor financial market conditions. The county will diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities as follows:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>
U.S. Government Agency	100%
U.S. Government Treasury	100%
Repurchase Agreements / CDs	25%
Commercial Bank Certificate of Deposit	25%
Commercial Paper	98%

Property Tax – Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the present use-value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable.

The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Tax Year Levied</u>	<u>Additional Tax</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,747,784	\$ -	\$ 1,747,784
2023	1,743,647	100,260	1,843,907
2022	1,741,599	256,886	1,998,485
2021	1,746,558	414,807	2,161,365
Total	<u>\$ 6,979,588</u>	<u>\$ 771,953</u>	<u>\$ 7,751,541</u>

Receivables

Receivables at the government-wide level at June 30, 2024 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 20,677,008	\$ 3,490,465	\$ 536,387	\$ 491,685	\$ 25,195,545
Other governmental	<u>3,479,571</u>	<u>185,230</u>	<u>-</u>	<u>166,256</u>	<u>3,831,057</u>
Total receivables	24,156,579	3,675,695	536,387	657,941	29,026,602
Allowance for doubtful accounts	<u>(7,016,245)</u>	<u>(777,112)</u>	<u>-</u>	<u>-</u>	<u>(7,793,357)</u>
Total governmental activities	<u>\$ 17,140,334</u>	<u>\$ 2,898,583</u>	<u>\$ 536,387</u>	<u>\$ 657,941</u>	<u>\$ 21,233,245</u>
Business-Type Activities:					
Solid waste	\$ 953,814	\$ -	\$ -	76,917	\$ 1,030,731
Allowance for doubtful accounts	<u>(136,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,576)</u>
Total business-type activities	<u>\$ 817,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,917</u>	<u>\$ 894,155</u>

Due from other governments that is owed to the County consists of the following:

Sales and Use Tax	<u>\$ 734,858</u>
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Lease Receivables

GASB Statement No. 87, Leases, requires a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, the County entered into a 25 month lease as Lessor for the use of O Fielding Drive. An initial lease receivable was recorded in the amount of \$37,825. As of 06/30/2024, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$1,521. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of 06/30/2024 was \$0, and Cleveland County recognized lease revenue of \$1,796 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 18,856,331	\$ 1,887,532	\$ (316,209)	\$ -	\$ 20,427,654
Construction in progress	21,848,081	15,200,971	(1,984,295)	-	35,064,757
Total non-depreciable capital assets	<u>40,704,412</u>	<u>17,088,503</u>	<u>(2,300,504)</u>	-	<u>55,492,411</u>
Depreciable Capital Assets:					
Buildings	123,911,326	411,271	(1,207,351)	-	123,115,246
Vehicles and motor equipment	31,576,119	6,607,932	(510,631)	-	37,673,420
Leasehold improvements	425,178	-	-	-	425,178
Infrastructure	6,740,713	-	-	-	6,740,713
Total depreciable capital assets	<u>162,653,336</u>	<u>7,019,203</u>	<u>(1,717,982)</u>	-	<u>167,954,557</u>
Less Accumulated Depreciation:					
Buildings	37,225,132	3,052,598	(118,671)	-	40,159,059
Vehicles and motor equipment	23,101,325	3,049,402	(459,750)	-	25,690,977
Leasehold improvements	364,969	8,500	-	-	373,469
Infrastructure	6,179,845	354,232	-	-	6,534,077
Total accumulated depreciation	<u>66,871,271</u>	<u>6,464,732</u>	<u>(578,421)</u>	-	<u>72,757,582</u>
Total depreciable capital assets	<u>95,782,065</u>	<u>554,471</u>	<u>(1,139,561)</u>	-	<u>95,196,975</u>
Capital Assets being Amortized:					
Right to use assets:					
Leased Equipment	1,453,405	-	-	-	1,453,405
Leased Easements	37,961	-	-	-	37,961
IT Subscriptions	1,660,111	22,512	(35,203)	-	1,647,420
Total capital assets being amortized	<u>3,151,477</u>	<u>22,512</u>	<u>(35,203)</u>	-	<u>3,138,786</u>
Less Accumulated Amortization:					
Right to use assets:					
Leased Equipment	272,040	307,833	-	-	579,873
Leased Buildings	4,924	2,462	-	-	7,386
IT Subscriptions	348,745	341,993	(35,203)	-	655,535
Total accumulated amortization	<u>625,709</u>	<u>652,288</u>	<u>(35,203)</u>	-	<u>1,242,794</u>
Total capital assets being amortized, net	<u>2,525,768</u>	<u>(629,776)</u>	-	-	<u>1,895,992</u>
Governmental activities capital assets, net	<u>\$ 139,012,245</u>	<u>\$ 17,013,198</u>	<u>\$ (3,440,065)</u>	<u>\$ -</u>	<u>\$ 152,585,378</u>

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

General government	\$ 1,035,845
Public safety	3,593,339
Economic and physical development	7,469
Human services	898,362
Cultural and recreational	291,001
Education	1,291,004
Total	<u>\$ 7,117,020</u>

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>
Business-Type Activities:					
Solid Waste:					
Non-Depreciable Capital Assets:					
Land	\$ 18,956,452	\$ 472,037	\$ -	\$ -	\$ 19,428,489
Construction in progress	472,037	-	(472,037)	-	-
Total non-depreciable capital assets	<u>19,428,489</u>	<u>472,037</u>	<u>(472,037)</u>	<u>-</u>	<u>19,428,489</u>
Depreciable Capital Assets:					
Buildings	1,238,863	-	-	-	1,238,863
Equipment and vehicles	12,732,870	525,637	(347,245)	-	12,911,262
Leasehold improvements	16,518	-	-	-	16,518
Infrastructure	4,283,007	-	-	-	4,283,007
Total depreciable capital assets	<u>18,271,258</u>	<u>525,637</u>	<u>(347,245)</u>	<u>-</u>	<u>18,449,650</u>
Less Accumulated Depreciation:					
Buildings	548,017	31,413	-	-	579,430
Equipment and vehicles	9,462,658	930,599	(347,245)	-	10,046,012
Leasehold improvements	14,913	551	-	-	15,464
Infrastructure	4,193,318	10,158	-	-	4,203,476
Total accumulated depreciation	<u>14,218,906</u>	<u>972,721</u>	<u>(347,245)</u>	<u>-</u>	<u>14,844,382</u>
Total depreciable capital assets, net	<u>4,052,352</u>	<u>(447,084)</u>	<u>-</u>	<u>-</u>	<u>3,605,268</u>
Solid Waste capital assets, net	<u>\$ 23,480,841</u>	<u>\$ 24,953</u>	<u>\$ (472,037)</u>	<u>\$ -</u>	<u>\$ 23,033,757</u>

Construction Commitments

Cleveland County has active construction projects as of June 30, 2024. The projects include the Cleveland County Justice Center, E911 Communications & Emergency Operations Joint Center and renovations to an existing asset for the benefit of the Elections' Department. At June 30, 2024, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining</u> <u>Commitment</u>
Cleveland County Justice Center ¹	\$ 81,424,661	\$ 102,319,949
E911 Communications & Emergency Operations Joint Center ²	789,390	6,799,279
Election Department - Renovations ³	-	-
	<u>\$ 82,214,051</u>	<u>\$ 109,119,228</u>

¹ = assumes Remaining Commitment based on project budget.

² = assumes Remaining Commitment based on project budget.

³ = Contract for this building renovation was signed in December 2024 for a commitment of \$1,517,400.

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2024 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
Governmental Activities:					
General	\$ 3,408,713	\$ 2,417,614	\$ 333,759	\$ 573,931	\$ 6,734,017
Other governmental	<u>3,773,712</u>	-	-	-	<u>3,773,712</u>
Total governmental activities	<u>\$ 7,182,425</u>	<u>\$ 2,417,614</u>	<u>\$ 333,759</u>	<u>\$ 573,931</u>	<u>\$ 10,507,729</u>
Business-Type Activities:					
Solid Waste	<u>\$ 180,323</u>	<u>\$ 104,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,383</u>

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the members 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 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.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County’s contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.89% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$6,616,592 for the year ended June 30, 2024.

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

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

At June 30, 2024, the County reported a liability of \$38,507,356 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the County’s proportion was .5814% (measured as of June 30, 2023), which was an increase of .044% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$11,145,315. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,290,860	\$ 92,375
Changes of assumptions	1,636,341	-
Net difference between projected and actual earnings on pension plan investments	10,306,254	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,210,918	277,944
County contributions subsequent to the measurement date	<u>6,616,592</u>	<u>-</u>
Total	<u>\$ 24,060,965</u>	<u>\$ 370,319</u>

\$6,616,592 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer’s or governmental nonemployer contributing entity’s reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 6,106,859
2026	3,350,023
2027	7,181,370
2028	<u>435,802</u>
Total	<u>\$ 17,074,054</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, 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, 2022 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation protection	6.0%	4.3%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 66,712,482	\$ 38,507,356	\$ 15,286,254

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

Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of 126 active plan members and 18 retired members receiving benefits.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

MORTALITY ASSUMPTION: All mortality rates use Pub-2010 amount-weighted tables.

MORTALITY PROJECTION: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

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

DEATHS AFTER RETIREMENT (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

DEATHS AFTER RETIREMENT (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

DEATHS PRIOR TO RETIREMENT: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions

The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$280,194 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a total pension liability of \$5,828,684. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$707,083.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,057,509	\$ -
Changes in assumptions	448,783	576,330
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	<u>140,836</u>	<u>-</u>
Total	<u>\$ 1,647,128</u>	<u>\$ 576,330</u>

The County paid \$140,836 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 357,481
2026	237,762
2027	87,443
2028	89,018
2029	129,548
Thereafter	<u>28,710</u>
Total	<u>\$ 929,962</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.00 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(3.00%)</u>	<u>Discount Rate</u> <u>(4.00%)</u>	<u>1% Increase</u> <u>(5.00%)</u>
Total pension liability	\$ 6,324,642	\$ 5,828,684	\$ 5,380,383

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

	<u>2024</u>
Beginning balance	\$ 4,766,302
Service Cost	257,731
Interest on the total pension liability	200,160
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	715,001
Changes of assumptions or other inputs	(244,425)
Benefit payments	-
Net changes	<u>1,062,382</u>
Ending balance of the total pension liability	<u>\$ 5,828,684</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at June 30, 2022 to 4.00 percent at June 30, 2023.

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on 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, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$779,721, which consisted of \$487,198 from the County and \$292,523 from the law enforcement officers. No amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$8,940 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$122,540 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was 1.0197% (measured as of June 30, 2023), which was an increase of .13265% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$12,449. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,425
Net difference between projected and actual earnings on pension plan investments	62,244	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	26,324
County contributions subsequent to the measurement date	<u>8,940</u>	<u>-</u>
Total	<u>\$ 71,184</u>	<u>\$ 31,749</u>

\$8,940 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ (3,501)
2026	12,001
2027	18,069
2028	3,926
2029	-
Thereafter	-
Total	\$ 30,495

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 to 8.25%, including inflation and productivity factor
Investment rate of return	3.00 percent, 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, 2022, valuation was based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2024, is 0.9%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 83,648</u>	<u>\$ (122,540)</u>	<u>\$ 155,334</u>

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

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

The net pension liability for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 38,507,356	\$ (122,540)	\$ -	\$ 38,384,816
Proportion of the Net Pension Liability (Asset)	0.537%	0.887%	NA	
Total Pension Liability	-	-	5,828,684	5,828,684
Pension Expense	11,145,315	12,449	707,083	11,864,847

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 4,290,860	\$ 1,057,509	\$ -	\$ 5,348,369
Changes in assumptions	1,636,341	448,783	-	2,085,124
Net difference between projected and actual earnings on pension plan investments	10,306,254	-	62,244	10,368,498
Changes in proportion and differences between County contributions and proportionate share of contributions	1,210,918	-	-	1,210,918
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	6,616,592	140,836	8,940	6,766,368
	<u>\$ 24,060,965</u>	<u>\$ 1,647,128</u>	<u>\$ 71,184</u>	<u>\$ 25,779,277</u>

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 92,375	\$ -	\$ 5,425	97,800
Changes in assumptions	-	576,330	-	576,330
Changes in proportion and differences between County contributions and proportionate share of contributions	277,944	-	26,324	304,268
	<u>\$ 370,319</u>	<u>\$ 576,330</u>	<u>\$ 31,749</u>	<u>\$ 978,398</u>

Post-Employment Benefits

Other Post-Employment Benefits - Healthcare Benefits

Plan Description. In addition to providing pension benefits, the County has elected to provide healthcare benefits to retirees of the County who were hired on or before June 30, 2014 and have at least twenty (20) years of service with the County or are at least 50, but not Medicare eligible. Cleveland County has a single-employer plan. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active County employees. The County is self-insured and contracts with a private carrier to administer the healthcare plan. A separate report was not issued for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	102
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>257</u>
Total	<u><u>359</u></u>

Funding Policy. Under a County resolution that can be amended by the Board of County Commissioners, the County pays 100% of the cost of coverage for the healthcare benefits paid to qualified retirees with twenty (20) years of service to the County, and that were hired on or before June 30, 2014. Employees can purchase coverage for their dependents at the County’s group rates, retirees can only purchase coverage under C.O.B.R.A. guidelines for a specific number of months following retirement. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

Total OPEB Liability

The County’s total OPEB liability of \$20,573,800 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 to 8.41 percent, including wage inflation
Discount rate	3.65 percent
Healthcare cost trend rates	Pre-Medicare - 7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2033

The discount rate is based on the last published June rate of the Bond Buyer General Obligation 20-Year Municipal Bond Index, published weekly.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	<u>\$ 21,322,481</u>
Changes for the year	
Service Cost	470,695
Interest	748,543
Changes of benefit terms	-
Differences between expected and actual experience	(1,089,450)
Changes in assumptions or other inputs	428,692
Benefit Payments	(1,307,161)
Net changes	<u>(748,681)</u>
Balance at June 30, 2023	<u><u>\$ 20,573,800</u></u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.54% to 3.65%.

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2023 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 22,171,886	\$ 20,573,800	\$ 19,116,074

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 18,976,794	\$ 20,573,800	\$ 22,387,460

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$1,286,685. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 746,571	\$ 1,445,003
Changes of assumptions	2,044,843	1,681,481
Benefit payments and plan administrative expense made subsequent to the measurement date	1,344,408	-
Total	<u>\$ 4,135,822</u>	<u>\$ 3,126,484</u>

\$1,344,408 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's or governmental nonemployer contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 377,577
2026	79,661
2027	(506,006)
2028	(286,302)
Total	<u>\$ (335,070)</u>

Landfill Closure and Post-Closure Care Costs

Federal and State laws and regulations require the County to place a final cover on its landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Current federal and State regulations required all unlined landfills to stop accepting waste by January 1, 1998. Although certain closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period.

The \$27,174,684 reported as landfill post-closure care liability at June 30, 2024 represents the cumulative amount reported at that date for costs yet to be incurred. The County will recognize the remaining estimated cost of post-closure care as incurred. These amounts are based on what it would cost to perform all post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension deferrals	\$ 25,779,277	\$ 978,398
OPEB deferrals	4,135,822	3,126,484
Prepaid taxes, not yet earned (General)	-	215,372
Total - Government-wide Statements	<u>\$ 29,915,099</u>	<u>\$ 4,320,254</u>
Taxes receivable, net less penalties (General)	\$ -	\$ 2,745,240
Taxes receivable, net less penalties (Special Revenue)	-	160,025
Prepaid taxes, not yet earned (General)	-	215,372
Opioid settlement, net (Special Revenue)	-	9,114,938
Other receivable (General Fund)	-	4,735,509
Total - Fund Statements	<u>\$ -</u>	<u>\$ 16,971,084</u>

Risk Management

In accordance with G.S. 159-29, the County’s employees that have access to \$100 or more at any given time of the County’s funds that are performance bonded through a commercial surety bond. The Finance Director and Tax Collector are bonded for \$1,000,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of position; errors and omissions; injuries to employees; and natural disasters. The County is self-funded for property and liability claims up to a maximum of \$350,000 per occurrence and purchases coverage up to statutory limits through Travelers. Travelers is rated A++ by A.M. Best and A+ by Standard & Poor’s. Cleveland County contracts with Specialized Contract Administrators as an independent 3rd party administrator for property and liability consultation.

The County does not carry flood insurance. County offices are not located in a flood plain; therefore, flood insurance is not deemed necessary.

The County is self-funded for workers’ compensation claims up to a maximum of \$500,000 per claim and purchases coverage up to statutory limits through Safety National Casualty Corporation. Cleveland County contracts with Specialized Contract Administrators as an independent 3rd party administrator for workers compensation. The estimated liability for outstanding losses includes \$264,433, for incurred but unpaid claims as of June 30, 2024.

Effective July 1, 2002, the County became self-insured for health insurance coverage on a cost-reimbursement basis. Under this program, the County is obligated for claims payments. The County contributes up to \$1,100 per employee as part of a HSA plan. A stop-loss insurance contract executed with an insurance carrier covers claims in excess of \$125,000 per person. The estimated liability for outstanding losses includes \$259,803 for incurred but unrecorded claims as of June 30, 2024. The County has contracted with a private insurer (BCBS) to administer the payment of claims and the County reimburses the insurer each week.

The County also operates a dental plan on a cost reimbursement basis up to \$2,000 per person per year. Employees are reimbursed each month.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's).

Changes in the balances of claims liabilities for health insurance during the past fiscal year are as follows:

	Year Ending	
	June 30	
	<u>2023</u>	<u>2024</u>
Health	\$ 333,433	\$ 259,803
Workers' compensation	421,474	313,759
Total	<u>\$ 754,907</u>	<u>\$ 573,562</u>

Claims typically have been liquidated in the General Fund and the Solid Waste Fund.

Claims and Judgments

At June 30, 2024, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Leases

The County has entered into agreements to lease equipment and easements. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. For additional information, refer to the disclosures below.

On 03/04/2022, the County entered into a 60 month lease as Lessee for the use of RFID Equipment - Library. An initial lease liability was recorded in the amount of \$72,582. As of 06/30/2024, the value of the lease liability is \$29,266. The County is required to make annual fixed payments of \$14,998. The lease has an interest rate of 1.6590%. The value of the right to use asset as of 06/30/2024 of \$72,582 with accumulated amortization of \$33,751 is included with Leased Equipment on the Capital Asset schedule.

On 07/01/2021, the County entered into a 185 month lease as Lessee for the use of Number 8 Township. An initial lease liability was recorded in the amount of \$37,961. As of 06/30/2024, the value of the lease liability is \$31,669. The County is required to make annual fixed payments of \$2,662. The lease has an interest rate of 1.9908%. The value of the right to use asset as of 06/30/2024 of \$37,961 with accumulated amortization of \$7,387 is included with Leased Easements on the Capital Asset schedule.

On 07/02/2022, the County entered into a 60 month lease as Lessee for the use of Axon Taser. An initial lease liability was recorded in the amount of \$1,205,439. As of 06/30/2024, the value of the lease liability is \$723,640. The County is required to make annual fixed payments of \$251,473. The lease has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2024 of \$1,245,077 with accumulated amortization of \$497,615 is included with Leased Equipment on the Capital Asset schedule.

On 05/01/2023, the County entered into a 48 month lease as Lessee for the use of Axon Body Cameras. An initial lease liability was recorded in the amount of \$70,468. As of 06/30/2024, the value of the lease liability is \$35,352. The County is required to make annual fixed payments of \$18,258. The lease has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2024 of \$70,468 with accumulated amortization of \$20,553 is included with Leased Equipment on the Capital Asset schedule.

On 01/01/2023, the County entered into a 48 month lease as Lessee for the use of Axon Body Cams -Detention Center. An initial lease liability was recorded in the amount of \$65,279. As of 06/30/2024, the value of the lease liability is \$38,760. The County is required to make annual fixed payments of \$13,593. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2024 of \$65,279 with accumulated amortization of \$27,954 is included with Leased Equipment on the Capital Asset schedule.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 282,811	\$ 18,173	\$ 300,984
2026	288,788	12,196	300,984
2027	261,902	6,092	267,994
2028	2,427	501	2,928
2029	2,475	453	2,928
2030-2034	14,030	1,489	15,519
2035-2039	6,255	187	6,442
Total	<u>\$ 858,688</u>	<u>\$ 39,091</u>	<u>\$ 897,779</u>

Other Long-Term Obligations

The County has executed various other long-term obligations including Qualified School Construction Bonds, Recovery Zone Economic Development Bonds, American Recovery Zone Bonds, and private placement loans for the purpose of property acquisition and construction.

As authorized by state law G.S. 160A-20 and 153A-158.1, the County has financed a portion of these property acquisitions in direct placements for use by various County departments and the Cleveland County Community College. The installment purchases were issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The County has entered into contracts to help finance the costs of implementing a Public Safety Communication System in 2007, the costs of constructing a multi-use facility at Cleveland Community College through direct loans from a financial institution in 2010, and an advanced refunding of existing debt obligations for various County projects in 2021. When due, principal and interest are appropriated in the County's Debt Service Fund. The face value of the outstanding loans is recorded in the government-wide Statement of Net Position, along with any accrued interest payable at year-end.

Serviced by the General Fund:

Direct Placement Debt:

\$1,933,173 - Series Multi Capital Installment, Tax-Exempt installment contract, due in annual installments ranging from \$73,253 to \$597,176; Payments are due to HomeTrust Bank.	\$ 150,227
\$8,500,000 - Public Infrastructure Project, Taxable Installment Financing Contract, Series 2022; due in annual installments of \$854,000 through February 2032; interest at 2.39%; payments are due to Truist Bank	6,828,000
\$3,500,000 - First Supplement to Installment Financing Contract, DSS Expansion, Tax-Exempt Installment Financing Contract, due in annual installments of \$350,000 through September 2031; interest at 2.95%; payments are due to Capital One Public Funding, LLC.	2,800,000
\$4,930,950- Community College Building Project, Series 2010; due in semi-annual installments of \$164,365 through September 2025; interest payable at 4.91%; These are American Recovery Zone Bonds and interest payments are partially subsidized by the federal government; payments are due to BB&T.	493,095
\$34,631,000 - Advanced refunding of existing debt for various County projects; due in semi-annual installments of \$3,783,000 through September 2034; interest at 2.10%; payments are due to Capital One Public Finance.	23,328,000
\$12,255,000 - City of Shelby Enterprise System Revenue Bonds, Series 2004; due in annual installments ranging from \$315,000 to \$810,000 through May 1, 2029; County's portion of revenue bonds (\$634,599) per contract with City of Shelby are due in annual installments of \$16,312 to \$41,944 through May 1, 2029; interest is payable at 5% and are due to the City of Shelby	192,114
\$445,136 - Stryker; due in three annual installments of \$161,588 plus sales tax and interest at 8.10%. Loan is collateralized by equipment. Final payment is due in February 2025.	<u>149,014</u>
Total direct placement	<u>\$ 33,940,450</u>

The County's outstanding notes from direct placement contain provisions that an event of default could (a) declare the unpaid portion of the principal components of installment payments immediately due and payable without notice or demand to the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof; (c) exercise or direct the Deed of Trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract and the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all cost and expenses, including court costs and attorneys' fees incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition, toward the balance due under the contract and, thereafter, shall pay any remaining proceeds to the County (d) direct the Deed of Trust trustee to institute foreclosure proceedings and sell the property.

Annual debt service requirements to maturity for the County's other long-term obligation bonds and loans are as follows:

Year Ending June 30	Installment Financing	
	Principal	Interest
2025	\$ 5,056,949	\$ 739,722
2026	4,290,106	613,886
2027	3,597,319	522,310
2028	4,669,132	429,112
2029	4,627,944	325,037
2030-2034	11,598,000	418,045
2035-2039	101,000	1,061
Total	\$ 33,940,450	\$ 3,049,173

Limited Obligation Indebtedness

The County's Limited Obligation Bonds consisted of the following at June 30, 2024:

\$22,000,000 - Shelby Middle School, Series 2010 A & B Limited Obligation Bonds; due in semi-annual installments ranging from \$1,080,000 to \$1,140,000 through March 2030; interest is payable semi-annually ranging from 4.49% to 6.07%. These are Build America Bonds and interest payments are partially subsidized by federal government; payments are due to Wells Fargo.	<u>\$ 3,420,000</u>
Total General Obligation and Limited Obligation Bonds	<u>\$ 3,420,000</u>

The County issued Limited Obligation Bonds for which the County does not hold title to the capital assets. The bonds were issued for public school construction and renovation projects. The amount of outstanding debt at June 30, 2024 for which the County held no collateral totaled \$3,420,000.

As authorized by State law [G.S.160A-20 and 153A-158.1], the County has financed various property acquisitions for use by the Cleveland County Public School by installment purchase. The installment purchase was issued pursuant to a deed of trust that requires legal title remain with the County as long as the debt is outstanding.

All limited obligation indebtedness that is serviced by the County are collateralized by the full faith credit and taxing power of the County. In 2010, the County sold limited obligation bonds to investors to finance the construction of a new middle school in Shelby and such bonds are considered a variation of the installment purchase loan mentioned above. The debt is serviced out of the County's Debt Service Fund and the face amount of principal is recorded in the government-wide Statement of Net Position. The loan contains provisions that an event of default could (a) declare all payments under the Trust Agreement immediately due and payable (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof (c) exercise or direct the Deed of Trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract and the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the premises without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition , after deducting all cost and expenses, including court costs and attorneys' fees incurred with the recovery, repair, storage and other sale, lease ,sublease or other disposition, toward the balance due under the contract and , thereafter, shall pay any remaining proceeds to the County (d) direct the Deed of Trust trustee to institute foreclosure proceedings and sell the property.

Annual debt service for the County's limited obligation bonds to maturity at June 30, 2024 are:

Year Ending June 30	Principal	Interest
2025	\$ 1,140,000	\$ 200,754
2025	1,140,000	133,836
2026	1,140,000	66,918
Total	<u>\$ 3,420,000</u>	<u>\$ 401,508</u>

Subscriptions

The County has entered into Subscription Based Information Technology Arrangements. These arrangements qualify as other than short-term leases under GASB 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. For additional information, refer to the disclosures below.

On 07/01/2022, the County entered into a 23 month subscription for the use of Revize Web Service. An initial subscription liability was recorded in the amount of \$1,176. As of 06/30/2023, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$1,200. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2024 of \$4,876 with accumulated amortization of \$4,876 were listed as disposals with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 35 month subscription for the use of LinkedIn Learning Software. An initial subscription liability was recorded in the amount of \$55,648. As of 06/30/2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$28,140. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2024 of \$55,648 with accumulated amortization of \$37,656 is included with IT Subscriptions on the Capital Asset schedule. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 72 month subscription for the use of EMS' Office 365 Software. An initial subscription liability was recorded in the amount of \$130,027. As of 06/30/2024, the value of the subscription liability is \$73,770. The County is required to make annual fixed payments of \$19,385. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2024 of \$130,027 with accumulated amortization of \$43,222 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 months.

On 07/01/2023, the County entered into a 36 month subscription for the use of Priority Dispatch System Software. An initial subscription liability was recorded in the amount of \$22,512. As of 06/30/2024, the value of the subscription liability is \$14,832. The County is required to make annual fixed payments of \$7,680. The subscription has an interest rate of 2.3630%. The value of the right to use asset as of 06/30/2024 of \$22,512 with accumulated amortization of \$7,504 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 54 month subscription for the use of Revize Software Systems. An initial subscription liability was recorded in the amount of \$27,786. As of 06/30/2024, the value of the subscription liability is \$14,310. The County is required to make annual fixed payments of \$6,900. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of 06/30/2024 of \$30,861 with accumulated amortization of \$13,599 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 17 month subscription for the use of Reimbursement Optimization Software. An initial subscription liability was recorded in the amount of \$17,859. As of 06/30/2023, the value of the subscription liability is \$0.00. The County is required to make annual fixed payments of \$18,000. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$19,359 with accumulated amortization of \$19,359 is included as a disposal in IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 60 month subscription for the use of Motorola Software License. An initial subscription liability was recorded in the amount of \$0. As of 06/30/2024, the value of the subscription liability is \$0. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2024 of \$16,000. with accumulated amortization of \$6,400 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 60 month subscription for the use of JurisLink Services. An initial subscription liability was recorded in the amount of \$87,212. As of 06/30/2024, the value of the subscription liability is \$23,880. The County is required to make annual fixed payments of \$59,000. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2024 of \$87,212 with accumulated amortization of \$34,558 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 36 month subscription for the use of Human Resource Training Platform An initial subscription liability was recorded in the amount of \$139,707. As of 06/30/2024, the value of the subscription liability is \$59,687. The County is required to make annual fixed payments of \$33,545. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2024 of \$151,181 with accumulated amortization of \$100,787 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 12 months. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 13 month subscription for the use of TnTech Software. An initial subscription liability was recorded in the amount of \$10,403. As of 06/30/2024, the value of the subscription liability is \$0. The County is required to make monthly fixed payments of \$801. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2024 of \$10,403 with accumulated amortization of \$10,403 was listed as a disposal in IT Subscriptions on the Capital Asset schedule. The County had a termination period of 2 months as of the subscription commencement.

On 07/01/2022, the County entered into a 43 month subscription for the use of TCP Software. An initial subscription liability was recorded in the amount of \$116,646. As of 06/30/2024, the value of the subscription liability is \$41,531. The County is required to make annual fixed payments of \$37,832. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of 06/30/2024 of \$120,164 with accumulated amortization of \$67,016 is included with IT Subscriptions on the Capital Asset schedule. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 72 month subscription for the use of IT Office 365 Software. An initial subscription liability was recorded in the amount of \$1,034,379. As of 06/30/2024, the value of the subscription liability is \$594,963. The County is required to make annual fixed payments of \$156,342. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2024 of \$1,034,379 with accumulated amortization of \$344,793 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 months.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 282,250	\$ 17,025	\$ 299,275
2026	184,753	11,054	195,807
2027	173,470	7,256	180,726
2028	182,499	3,729	186,228
2029	-	-	-
Total	\$ 822,972	\$ 39,064	\$ 862,036

Debt Related to Capital Activities - Of the total governmental activities debt listed, only \$35,129,015 relates to assets the County holds title. The County also has capital proceeds that were reimbursed via installment financing in the Reimbursement Resolution Capital Project Fund. These funds are not considered unspent debt proceeds and are not restricted by debt covenants. A summary of changes in long-term debt follows:

Long-Term Obligation Activity

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
Limited obligation bonds	\$ 4,555,000	\$ -	\$ (1,135,000)	\$ 3,420,000	\$ 1,140,000
Direct placement					
installment purchases	39,980,549	-	(6,040,099)	33,940,450	5,056,949
Lease Liabilities	1,139,488	-	(280,800)	858,688	282,811
IT Subscription Liabilities	1,093,843	22,512	(293,383)	822,972	282,250
Compensated absences	4,653,039	3,703,760	(4,098,136)	4,258,663	425,866
Total OPEB Liability	20,256,357	-	(711,247)	19,545,110	1,277,188
Net pension liability (LGERS)	28,802,254	7,779,734	-	36,581,988	-
Total Pension Liability (LEO)	4,766,302	1,062,382	-	5,828,684	244,425
Total governmental activities	<u>\$ 105,246,832</u>	<u>\$ 12,568,388</u>	<u>\$ (12,558,665)</u>	<u>\$ 105,256,555</u>	<u>\$ 8,709,489</u>
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	\$ 25,627,242	\$ 1,547,442	\$ -	\$ 27,174,684	\$ -
Total OPEB Liability	1,066,124	-	(37,434)	1,028,690	67,220
Net pension liability (LGERS)	1,515,908	409,460	-	1,925,368	-
Compensated absences	180,026	202,857	(172,133)	210,750	21,075
Total business-type activities	<u>\$ 28,389,300</u>	<u>\$ 2,159,759</u>	<u>\$ (209,567)</u>	<u>\$ 30,339,492</u>	<u>\$ 88,295</u>

At June 30, 2024, the County had no bonds authorized, but unissued, and a legal debt margin available of \$865,274,524.

Compensated absences and other post-employment benefits typically have been liquidated in the General Fund. Compensated absences are accounted for on a FIFO basis.

Conduit Debt Obligations

Cleveland County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private business owners involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. As of June 30, 2024, there was one series of industrial revenue bonds outstanding, with an aggregate principal payable of \$450,000. Neither the County, Authority, State, nor any political subdivision thereof, is obligated in any manner for the repayment of these bonds. Accordingly, these bonds were not reported in the accompanying financial statements.

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2024 consist of the following:

	Transfers		Purpose
	From	To	
General Fund	\$ 7,306,914	\$ -	
Capital Reserve Fund	-	1,495,114	Fund capital expansion
School Capital Reserve Fund	-	2,497,485	Fund capital expansion
Waco Sub Capital Project Fund	-	6,000	Fund capital expansion
Debt Service	-	3,308,315	Debt service
Capital Reserve Fund	1,541,120		
County General Capital Project Fund	-	1,309,227	Fund capital expansion
Board of Elections Capital Project Fund	-	19,325	Fund capital expansion
E911 Call Center Project Fund	-	26	Fund capital expansion
LaGrand AV System	-	212,542	Fund capital expansion
Reimbursement Resolution Capital Project Fund	119,806		
Broad River Greenway Improvement Project	-	119,806	Fund capital expansion
School Capital Reserve	4,910,247	-	
Debt Service Fund	-	2,910,247	Debt service
General Fund	-	2,000,000	Capital allotment
ARPA Grant Fund	3,746,395		
General Fund	-	3,746,395	Revenue replacement
Solid Waste	415,335	-	
General Fund	-	415,335	Environmental health expense
Total	<u>\$ 18,039,817</u>	<u>\$ 18,039,817</u>	

Balances due to / from other funds at June 30, 2024, consists of the following:

	From	To	Purpose
General Fund	\$ 232,282	\$ -	
Capital Project Fund	-	182,354	To cover negative cash
DSS Colocation Capital Project Fund	-	44,747	To cover negative cash
LaGrand AV System Capital Project Fund	-	5,181	To cover negative cash

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

3. Joint Ventures

The County, in conjunction with the State of North Carolina and Cleveland County Board of Education, participates in a joint venture to operate Cleveland Community College ("Community College"). Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The President of the Community College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College, because of the statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,918,872 to the Community College for operational expenses and \$480,000 for capital expenditures during the fiscal year ended June 30, 2024. In addition, the County made debt service payments of \$328,730, including interest, during the year ended June 30, 2024, for the Community College facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2024. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Blue Ridge Community College, Flat Rock, North Carolina.

4. Jointly Governed Organization

The County, in conjunction with three other counties and twenty municipalities, established the Isothermal Planning and Development Commission (IPDC). The participating governments established the commission to coordinate various funding received from federal and state agencies. Each participating member appoints one member to IPDC's governing board. The County paid membership fees of \$46,168 during the fiscal year ended June 30, 2024.

5. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County has received 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. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

6. Change in Accounting Principal and Correction of Errors in Previously issued Financial Statements

In the prior fiscal year, the County received money from the Opioid Settlement. See Note D Opioid Settlement Funds for further discussion of this nationwide settlement.

During FY24 the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, it was determined that the appropriate guidance is either that for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

After reviewing the method through which the County received the resources it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to record prior period adjustment in FY 24 for a change in accounting principal.

As an exchange/exchange-like transaction the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement the County obtains a claim to the resources on an accrual basis as the settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

In the prior year, the County received cash payments of \$935,063, which was properly recorded on the modified accrual basis. However, the total net receivable had not been accrued on the accrual basis (on the government-wide statements) at June 30, 2023, so that was recorded as a prior year restatement. Given that settlements had reached \$26 billion in FY23 it was necessary to determine the portion of that amount related to the County and recognize an additional prior period adjustment for that amount.

Following are the prior period adjustments for this change in accounting principle:

Accrual basis of accounting

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position, beginning, as previously reported	\$ 163,154,098	3,736,576
Prior period adjustment - change in accounting principle - County's share of North Carolina's unpaid aggregate settlements through FY23, net of allowance for uncollectible accounts of \$1,210,760	10,896,837	-
Prior period adjustment - change in accounting principle - modified capitalization policy	(1,334,092)	(9,319)
Prior period adjustment - correction of errors in depreciation	<u>(156,188)</u>	<u>(208,610)</u>
Net position, beginning, as restated	<u>\$ 172,560,655</u>	<u>\$ 3,518,647</u>

Modified accrual basis of accounting

	<u>Solid Waste Fund</u>
Fund balances, beginning, as previously reported	\$ 3,736,576
Prior period adjustment - change in accounting principle - modified capitalization policy	(9,319)
Prior period adjustment - correction of errors in depreciation	<u>(208,610)</u>
Fund balances, beginning, as restated	<u>\$ 3,518,647</u>

The County modified its capitalization threshold to a minimum of \$5,000 for all assets. As a result, all previously reported assets under \$5,000 and their accumulated depreciation were removed from the fixed asset listing as of June 30, 2024. This resulted in a change of net position due to a change in accounting principle of \$1,334,092 on the government-type activities and \$9,319 on the Solid Waste Fund (and business-type activities).

Additionally, the County changed fixed asset software and identified several errors in previously reported fixed asset costs and accumulated depreciation. The effect of these errors were a decrease of \$156,188 in governmental activities and a decrease of \$208,610 on the Solid Waste Fund (and business-type activities).

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System
- Schedule of Contributions - Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Asset - Register of Deeds Supplemental Pension Fund
- Schedule of Contributions - Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll - Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios

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CLEVELAND COUNTY, NORTH CAROLINA**CLEVELAND COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Local Government Employees' Retirement System				
	2024	2023	2022	2021	2020
Cleveland County's proportion of the net pension liability (asset) (%)	0.581%	0.537%	0.508%	0.529%	0.561%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ 38,507,356	\$30,318,162	\$ 7,798,029	\$ 18,887,343	\$15,333,035
Cleveland County's covered payroll	\$ 48,379,250	\$39,607,119	\$ 34,824,337	\$ 36,908,124	\$37,041,797
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.59%	76.55%	22.39%	51.17%	41.39%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%
	2019	2018	2017	2016	2015
Cleveland County's proportion of the net pension liability (asset) (%)	0.519%	0.521%	0.524%	0.508%	0.505%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ 12,306,761	\$ 7,964,020	\$ 11,123,372	\$ 2,280,098	\$ (2,980,225)
Cleveland County's covered payroll	\$ 34,564,877	\$32,605,693	\$ 31,210,450	\$ 32,420,724	\$28,823,692
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.60%	24.43%	35.64%	7.03%	(10.34%)
Plan fiduciary net position as a percentage of the total pension liability**	92.00%	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 show information for ten years. Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY'S SCHEDULE OF CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TEN FISCAL YEARS

Local Government Employees' Retirement System					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 6,616,592	\$ 5,933,317	\$ 4,523,537	\$ 3,563,065	\$ 3,331,205
Contributions in relation to the contractually required contribution	<u>6,616,592</u>	<u>5,933,317</u>	<u>4,523,537</u>	<u>3,563,065</u>	<u>3,331,205</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cleveland County's covered payroll	\$ 43,359,232	\$ 48,379,250	\$ 39,607,119	\$ 34,824,337	\$ 36,908,124
Contributions as a percentage of covered payroll	15.26%	12.26%	11.42%	10.23%	9.03%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,914,078	\$ 2,629,021	\$ 2,403,167	\$ 2,108,026	\$ 2,119,306
Contributions in relation to the contractually required contribution	<u>2,914,078</u>	<u>2,629,021</u>	<u>2,403,167</u>	<u>2,108,026</u>	<u>2,119,306</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cleveland County's covered payroll	\$ 37,041,797	\$ 34,564,877	\$ 32,605,693	\$ 31,210,450	\$ 32,420,724
Contributions as a percentage of covered payroll	7.87%	7.61%	7.37%	6.75%	6.54%

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA**CLEVELAND COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Registers of Deeds' Supplemental Pension Fund					
	2024	2023	2022	2021	2020
Cleveland County's proportion of the net pension liability (asset) (%)	1.020%	0.887%	0.752%	0.805%	0.816%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ (122,540)	\$ (117,448)	\$ (144,455)	\$ (184,499)	\$ (161,170)
Plan fiduciary net position as a percentage of the total pension	135.74%	139.04%	156.53%	173.62%	164.11%
	2019	2018	2017	2016	2015
Cleveland County's proportion of the net pension liability (asset) (%)	0.806%	0.704%	0.659%	0.670%	0.640%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ (133,496)	\$ (120,186)	\$ (123,136)	\$ (155,352)	\$ (144,972)
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	153.77%	160.17%	197.29%	193.88%

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

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

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA**CLEVELAND COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Registers of Deeds' Supplemental Pension Fund					
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 8,940	\$ 9,101	\$ 10,169	\$ 9,023	\$ 7,708
Contributions in relation to the contractually required contribution	<u>8,940</u>	<u>9,101</u>	<u>10,169</u>	<u>9,023</u>	<u>7,708</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 7,759	\$ 6,897	\$ 6,118	\$ 5,381	\$ 5,364
Contributions in relation to the contractually required contribution	<u>7,759</u>	<u>6,897</u>	<u>6,118</u>	<u>5,381</u>	<u>5,364</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS*

Law Enforcement Officers' Special Separation Allowance

	2024	2023	2022	2021
Beginning balance	\$ 4,766,302	\$ 4,617,362	\$ 4,528,906	\$ 3,116,377
Service Cost	257,731	275,372	255,707	156,108
Interest on the total pension liability	200,160	101,294	85,119	98,097
Changes in benefit terms	-	296,360	-	-
Differences between expected and actual experience in the measurement of the total pension liability	715,001	480,884	101,532	237,833
Changes of assumptions or other inputs	133,915	(774,135)	(116,677)	1,135,045
Benefit payments	<u>(244,425)</u>	<u>(230,835)</u>	<u>(237,225)</u>	<u>(214,554)</u>
Ending balance of the total pension liability	<u>\$ 5,828,684</u>	<u>\$ 4,766,302</u>	<u>\$ 4,617,362</u>	<u>\$ 4,528,906</u>
	2020	2019	2018	2017
Beginning balance	\$ 2,829,769	\$ 2,725,009	\$ 2,470,182	\$ 2,454,014
Service Cost	140,541	136,342	113,259	118,880
Interest on the total pension liability	99,352	83,878	92,071	85,238
Differences between expected and actual experience in the measurement of the total pension liability	162,286	126,505	62,677	-
Changes of assumptions or other inputs	85,047	(100,651)	156,674	(55,151)
Benefit payments	<u>(200,618)</u>	<u>(141,314)</u>	<u>(169,854)</u>	<u>(132,799)</u>
Ending balance of the total pension liability	<u>\$ 3,116,377</u>	<u>\$ 2,829,769</u>	<u>\$ 2,725,009</u>	<u>\$ 2,470,182</u>

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

*This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS*

Law Enforcement Officers' Special Separation Allowance				
	2024	2023	2022	2021
Total pension liability	\$ 5,828,684	\$ 4,766,302	\$ 4,617,362	\$ 4,528,906
Covered-employee payroll	8,264,808	6,873,328	5,870,799	5,483,584
Total pension liability as a percentage of covered-employee payroll	70.52%	69.34%	78.65%	82.59%

	2020	2019	2018	2017
Total pension liability	\$ 3,116,377	\$ 2,829,769	\$ 2,725,009	\$ 2,470,182
Covered-employee payroll	5,565,675	4,966,309	4,621,958	4,568,949
Total pension liability as a percentage of covered-employee payroll	55.99%	56.98%	58.96%	54.06%

Notes to the schedules:

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

*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS*

Total OPEB Liability	2024	2023	2022	2021
Service Cost	\$ 470,695	\$ 607,548	\$ 777,666	\$ 577,986
Interest	748,543	525,551	499,427	706,837
Differences between expected and actual experience	(1,089,450)	(745,312)	(167,916)	(112,374)
Changes of assumptions	428,692	(2,371,645)	1,839,382	2,169,405
Benefit payments	(1,307,161)	(829,915)	(1,259,452)	(1,015,366)
Net change in total OPEB liability	(748,681)	(2,813,773)	1,689,107	2,326,488
Total OPEB liability - beginning	21,322,481	24,136,254	22,447,147	20,120,659
Total OPEB liability - ending	\$ 20,573,800	\$ 21,322,481	\$ 24,136,254	\$ 22,447,147

Total OPEB Liability	2020	2019	2018
Service Cost	\$ 670,355	\$ 691,281	\$ 744,068
Interest	613,306	574,289	495,401
Differences between expected and actual experience	3,246,013	(24,112)	482,688
Changes of assumptions	448,183	(534,720)	(917,780)
Benefit payments	(1,235,048)	(913,210)	(1,347,122)
Net change in total OPEB liability	3,742,809	(206,472)	(542,745)
Total OPEB liability - beginning	16,377,850	16,584,322	17,127,067
Total OPEB liability - ending	\$ 20,120,659	\$ 16,377,850	\$ 16,584,322

Notes to Schedule

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

Fiscal year	Rate
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes - General Fund		\$ 61,501,428	
Taxes - public schools		15,496,585	
Penalties, interest, and advertising		538,078	
Total	<u>76,740,155</u>	<u>77,536,091</u>	<u>795,936</u>
Other Taxes:			
Local option sales tax		16,961,693	
Local option sales tax - schools		5,666,305	
Other taxes		1,205,505	
Total	<u>22,225,000</u>	<u>23,833,503</u>	<u>1,608,503</u>
Unrestricted Intergovernmental Revenues:			
Local revenue		572,014	
Total	<u>300,000</u>	<u>572,014</u>	<u>272,014</u>
Restricted Intergovernmental Revenues:			
Federal and State grants		4,941,483	
DSS grants		12,157,567	
Health dept grants		2,676,822	
Total	<u>27,172,798</u>	<u>19,775,872</u>	<u>(7,396,926)</u>
Permits and Fees:			
Register of Deeds		597,616	
Carolina health care rent		3,035,510	
Other permits and fees		1,433,806	
Total	<u>5,187,598</u>	<u>5,066,932</u>	<u>(120,666)</u>
Sales and Services:			
Rents - Legrand		251,285	
EMS fees		5,490,926	
Sherriff fees		341,056	
Shooting complex fees		468,985	
Health department fees		4,646,322	
Contracted Revenues		1,219,415	
Court facility fees		117,493	
Insurance fees		2,059,152	
Wellness center fees		651,375	
Lease Revenue		1,796	
Other County fees		1,416,189	
Total	<u>11,430,410</u>	<u>16,663,994</u>	<u>5,233,584</u>

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>		Variance Over/Under
	<u>Budget</u>	<u>Actual</u>	
Investment Earnings	<u>7,048,853</u>	<u>2,792,592</u>	<u>(4,256,261)</u>
Miscellaneous:			
Sale of materials		1,220,733	
Other		<u>1,272,318</u>	
Total	<u>2,378,095</u>	<u>2,493,051</u>	<u>114,956</u>
Total revenues	<u>152,482,909</u>	<u>148,734,049</u>	<u>(3,748,860)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits		181,799	
Operating expenditures		<u>259,518</u>	
Total	<u>461,488</u>	<u>441,317</u>	<u>20,171</u>
Administration:			
Salaries and employee benefits		1,025,248	
Operating expenditures		100,588	
Capital outlay		<u>-</u>	
Total	<u>1,264,942</u>	<u>1,125,836</u>	<u>139,106</u>
Elections:			
Salaries and employee benefits		449,410	
Operating expenditures		168,088	
Capital outlay		<u>12,470</u>	
Total	<u>680,619</u>	<u>629,968</u>	<u>50,651</u>
Finance:			
Salaries and employee benefits		995,580	
Operating expenditures		<u>400,454</u>	
Total	<u>1,575,067</u>	<u>1,396,034</u>	<u>179,033</u>
Taxes:			
Salaries and employee benefits		1,783,243	
Operating expenditures		434,229	
Capital outlay		<u>61,543</u>	
Total	<u>2,302,549</u>	<u>2,279,015</u>	<u>23,534</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
Legal:			
Salaries and employee benefits		310,280	
Contracted services		135,473	
Capital outlay - foreclosure		6,153	
Total	478,824	451,906	26,918
Register of Deeds:			
Salaries and employee benefits		549,265	
Operating expenditures		328,054	
Total	977,904	877,319	100,585
Human Resources:			
Salaries and employee benefits		1,114,293	
Operating expenditures		84,100	
Total	1,306,709	1,198,393	108,316
Facilities Maintenance:			
Salaries and employee benefits		667,115	
Operating expenditures		1,310,562	
Capital outlay		13,000	
Total	2,056,207	1,990,677	65,530
Court Facilities:			
Salaries and employee benefits		115,548	
Operating expenditures		603,420	
Total	730,286	718,968	11,318
Information Technology:			
Salaries and employee benefits		1,154,261	
Operating expenditures		382,434	
Capital outlay		64,982	
Total	1,618,379	1,601,677	16,702
Municipal Elections:			
Salaries and employee benefits		63,364	
Operating expenditures		34,332	
Total	126,165	97,696	28,469
Pass-Thru Grants:			
Salaries and employee benefits		6,339	
Operating expenditures		2,623,463	
Total	6,979,218	2,629,802	4,349,416

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
Wellness Clinic:			
Salaries and employee benefits		740,594	
Operating expenditures		<u>1,788,611</u>	
Total	<u>2,864,961</u>	<u>2,529,205</u>	<u>335,756</u>
Communities in Schools:			
Operating expenditures	<u>57,870</u>	<u>57,870</u>	<u>-</u>
Historic Courthouse:			
Operating expenditures		<u>95,400</u>	
Total	<u>95,400</u>	<u>95,400</u>	<u>-</u>
Total general government	<u>23,576,588</u>	<u>18,121,083</u>	<u>5,455,505</u>
Public Safety:			
Sheriff and Communications:			
Salaries and employee benefits		12,541,856	
Operating expenditures		1,370,905	
Capital outlay		<u>1,068,860</u>	
Total	<u>16,115,614</u>	<u>14,981,621</u>	<u>1,133,993</u>
School Resource Officers:			
Salaries and employee benefits		1,457,142	
Operating expenditures		67,247	
Capital outlay		<u>157,791</u>	
Total	<u>1,826,649</u>	<u>1,682,180</u>	<u>144,469</u>
Jail:			
Salaries and employee benefits		6,845,611	
Operating expenditures		2,786,300	
Capital outlay		<u>106,005</u>	
Total	<u>10,142,789</u>	<u>9,737,916</u>	<u>404,873</u>
Emergency Management:			
Salaries and employee benefits		374,097	
Operating expenditures		323,925	
Capital outlay		<u>48,043</u>	
Total	<u>827,043</u>	<u>746,065</u>	<u>80,978</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
Emergency Communication:			
Salaries and employee benefits		1,775,450	
Operating expenditures		<u>152,323</u>	
Total	<u>1,952,435</u>	<u>1,927,773</u>	<u>24,662</u>
Electronic Maintenance:			
Salaries and employee benefits		415,711	
Operating expenditures		622,842	
Capital outlay		<u>262,792</u>	
Total	<u>1,336,311</u>	<u>1,301,345</u>	<u>34,966</u>
Inspections:			
Salaries and employee benefits		412,128	
Operating expenditures		48,084	
Capital outlay		<u>82,870</u>	
Total	<u>559,849</u>	<u>543,082</u>	<u>16,767</u>
Coroner:			
Operating expenditures		<u>77,100</u>	
Total	<u>88,500</u>	<u>77,100</u>	<u>11,400</u>
HAZ-MAT Control:			
Operating expenditures		<u>3,446</u>	
Total	<u>12,900</u>	<u>3,446</u>	<u>9,454</u>
Public Shooting Range:			
Salaries and employee benefits		663,792	
Operating expenditures		<u>250,259</u>	
Total	<u>1,036,550</u>	<u>914,051</u>	<u>122,499</u>
Emergency Medical Services:			
Salaries and employee benefits		11,926,537	
Operating expenditures		1,874,868	
Capital outlay		<u>162,801</u>	
Total	<u>14,059,662</u>	<u>13,964,206</u>	<u>95,456</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
Federal/State Forfeited Property:			
Operating expenditures		115,039	
Capital outlay		23,986	
Total	174,141	139,025	35,116
Total public safety	48,132,443	46,017,810	2,114,633
Environmental Protection:			
Soil and Water Conservation:			
Salaries and employee benefits		185,878	
Operating expenditures		14,793	
Total	207,480	200,671	6,809
Forestry Service:			
Operating expenditures	95,698	85,811	9,887
Total environmental protection	303,178	286,482	16,696
Economic and Physical Development:			
Travel and Tourism:			
Salaries and employee benefits		102,374	
Operating expenditures		196,705	
Total	309,199	299,079	10,120
Planning:			
Salaries and employee benefits		562,615	
Operating expenditures		87,236	
Total	686,086	649,851	36,235
LeGrand Center:			
Salaries and employee benefits		622,438	
Operating expenditures		276,902	
Total	922,015	899,340	22,675
Economic Development:			
Salaries and employee benefits		224,907	
Operating expenditures		2,289,630	
Total	3,012,338	2,514,537	497,801

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
Business Development:			
Operating expenditures		12,611	
Total	300,000	12,611	287,389
Cooperative Extension:			
Salaries and employee benefits		297,287	
Operating expenditures		100,590	
Capital outlay		40,632	
Total	484,109	438,509	45,600
Transportation Admin:			
Operating expenditures		334,690	
Total	334,690	334,690	-
Total economic and physical development	6,048,437	5,148,617	899,820
Human Services:		299,078	
Health:			
General and Administration:			
Salaries and employee benefits		704,876	
Operating expenditures		494,701	
Capital outlay		26,972	
Total	1,676,020	1,226,549	449,471
Public Health:			
Salaries and employee benefits		285,279	
Operating expenditures		249,753	
Total	669,785	535,032	134,753
AIDS Grant:			
Salaries and employee benefits		98,150	
Operating expenditures		830	
Total	98,981	98,980	1
Tuberculosis Clinic:			
Salaries and employee benefits		110,157	
Operating expenditures		83,080	
Capital outlay		34,788	
Total	325,525	228,025	97,500

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		Variance Over/Under
	Budget	Actual	
School Health:			
Salaries and employee benefits		1,797,447	
Operating expenditures		32,912	
Capital outlay		-	
Total	<u>1,864,461</u>	<u>1,830,359</u>	<u>34,102</u>
Health Promotions:			
Salaries and employee benefits		66,900	
Operating expenditures		9,092	
Total	<u>87,568</u>	<u>75,992</u>	<u>11,576</u>
Maternal Health:			
Salaries and employee benefits		485,041	
Operating expenditures		10,610	
Total	<u>745,123</u>	<u>495,651</u>	<u>249,472</u>
Family Planning:			
Salaries and employee benefits		880,594	
Operating expenditures		92,570	
Total	<u>1,173,557</u>	<u>973,164</u>	<u>200,393</u>
Adolescent Pregnancy Prevention:			
Salaries and employee benefits		74,307	
Operating expenditures		16,828	
Total	<u>104,126</u>	<u>91,135</u>	<u>12,991</u>
Child Health:			
Salaries and employee benefits		864,411	
Operating expenditures		12,692	
Total	<u>1,009,583</u>	<u>877,103</u>	<u>132,480</u>
WIC:			
Salaries and employee benefits		624,482	
Operating expenditures		76,801	
Capital outlay		-	
Total	<u>856,906</u>	<u>701,283</u>	<u>155,623</u>
Animal/Rabies Control:			
Salaries and employee benefits		1,454,190	
Operating expenditures		413,027	
Capital outlay		151,668	
Total	<u>2,139,982</u>	<u>2,018,885</u>	<u>121,097</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	Budget	Actual	Variance Over/Under
Health Department Grants:			
Salaries and employee benefits		61,963	
Operating expenditures		<u>3,000</u>	
Total	<u>64,966</u>	<u>64,963</u>	<u>3</u>
Dental Clinic:			
Salaries and employee benefits		180,834	
Operating expenditures		<u>175,317</u>	
Total	<u>392,508</u>	<u>356,151</u>	<u>36,357</u>
Nurse Family Partnerships:			
Salaries and employee benefits		323,377	
Operating expenditures		<u>57,935</u>	
Total	<u>781,475</u>	<u>381,312</u>	<u>400,163</u>
Carolina Access II:			
Salaries and employee benefits		-	
Operating expenditures		193,363	
Capital outlay		<u>-</u>	
Total	<u>200,550</u>	<u>193,363</u>	<u>7,187</u>
CC4C PCM:			
Salaries and employee benefits		660,947	
Operating expenditures		<u>18,753</u>	
Total	<u>762,505</u>	<u>679,700</u>	<u>82,805</u>
CODAP:			
Salaries and employee benefits		132,160	
Operating expenditures		<u>149,341</u>	
Total	<u>453,823</u>	<u>281,501</u>	<u>172,322</u>
Environmental Health:			
Salaries and employee benefits		1,128,864	
Operating expenditures		<u>53,423</u>	
Total	<u>1,263,449</u>	<u>1,182,287</u>	<u>81,162</u>
Veteran Services:			
Salaries and employee benefits		147,606	
Operating expenditures		<u>6,526</u>	
Total	<u>155,910</u>	<u>154,132</u>	<u>1,778</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	Budget	Actual	Variance Over/Under
Primary Care:			
Salaries and employee benefits		679,754	
Operating expenditures		1,698,920	
Capital outlay		1,608,594	
Total	<u>3,987,280</u>	<u>3,987,268</u>	<u>12</u>
Total public health	<u>18,814,083</u>	<u>16,432,835</u>	<u>2,381,248</u>
Social Services:			
Mental Health:			
Operating expenditures		552,000	
Total	<u>552,000</u>	<u>552,000</u>	<u>-</u>
Administration:			
Salaries and employee benefits		1,490,560	
Operating expenditures		724,080	
Total	<u>2,516,351</u>	<u>2,214,640</u>	<u>301,711</u>
Outside Poor:			
Operating expenditures		2,374,805	
Total	<u>2,464,258</u>	<u>2,374,805</u>	<u>89,453</u>
TANF Program:			
Salaries and employee benefits		6,625,886	
County participation only		732,946	
Total	<u>7,646,667</u>	<u>7,358,832</u>	<u>287,835</u>
Income Maintenance Program:			
Salaries and employee benefits		6,579,163	
Operating expenditures		263,090	
Capital outlay		122,000	
Total	<u>7,037,785</u>	<u>6,964,253</u>	<u>73,532</u>
Special Assistance:			
Salaries and employee benefits		51,825	
Total	<u>83,478</u>	<u>51,825</u>	<u>31,653</u>
Foster Care:			
Salaries and employee benefits		1,663,599	
Operating expenditures		7,646	
Total	<u>1,763,459</u>	<u>1,671,245</u>	<u>92,214</u>

CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	Budget	Actual	Variance Over/Under
Smart Start:			
Salaries and employee benefits		128,603	
Total	130,935	128,603	2,332
Other Assistance:			
Operating expenditures	1,723,148	1,463,221	259,927
Total social services	23,918,081	22,779,424	1,138,657
Council on Aging:			
Operating expenditures	168,332	168,332	-
Total human services	42,900,496	39,380,591	3,519,905
Cultural and Recreational:			
Library:			
Salaries and employee benefits		937,246	
Operating expenditures		288,556	
Total	1,663,533	1,225,802	437,731
Parks and Recreation:			
Operating expenditures		128,974	
Total	128,975	128,974	1
Total cultural and recreational	1,792,508	1,354,776	437,732
Intergovernmental:			
Education:			
Public schools - current expense		32,517,278	
Public schools - operational expense		76,507	
Public schools - capital expense		1,400,000	
Community colleges - capital expense		3,382,194	
Total education	37,606,417	37,375,979	230,438
Debt Service:			
Principal		1,116,196	
Interest		65,954	
Total debt service	1,164,052	1,182,150	(18,098)

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Risk Management:			
Operating expenditures	2,900,980	1,252,871	1,648,109
Total	<u>2,900,980</u>	<u>1,252,871</u>	<u>1,648,109</u>
Total expenditures	<u>164,425,099</u>	<u>150,120,359</u>	<u>14,304,740</u>
Revenues over (under) expenditures	<u>(11,942,190)</u>	<u>(1,386,310)</u>	<u>10,555,880</u>
Other Financing Sources (Uses):			
Transfers in	5,349,840	6,161,731	811,891
Transfers out	(8,383,696)	(7,306,914)	1,076,782
Appropriated fund balance	<u>14,976,046</u>	<u>-</u>	<u>(14,976,046)</u>
Total other financing sources (uses)	<u>11,942,190</u>	<u>(1,145,183)</u>	<u>(13,087,373)</u>
Net changes in fund balance	<u>\$ -</u>	<u>(2,531,493)</u>	<u>\$ (2,531,493)</u>
Fund Balance:			
Beginning of year - July 1		<u>61,116,538</u>	
End of year - June 30		<u>\$ 58,585,045</u>	

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY JUSTICE CENTER CAMPUS CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 103,150,000	\$ 9,927,544	\$ 13,668,484	\$ 23,596,028	\$ (79,553,972)
Investment income	-	-	208,921	208,921	417,842
Total revenues	<u>103,150,000</u>	<u>9,927,544</u>	<u>13,877,405</u>	<u>23,804,949</u>	<u>(79,136,130)</u>
Expenditures:					
Capital outlay:					
Public Safety	<u>119,778,692</u>	<u>9,927,544</u>	<u>13,668,484</u>	<u>23,596,028</u>	<u>96,182,664</u>
Total expenditures	<u>119,778,692</u>	<u>9,927,544</u>	<u>13,668,484</u>	<u>23,596,028</u>	<u>96,182,664</u>
Revenues over (under) expenditures	<u>(16,628,692)</u>	<u>-</u>	<u>208,921</u>	<u>208,921</u>	<u>17,046,534</u>
Other Financing Sources (Uses):					
Transfers in:					
From Reimbursement Resolution	-	467,694	-	467,694	467,694
From General Fund	<u>16,628,692</u>	<u>9,028,143</u>	<u>-</u>	<u>9,028,143</u>	<u>(7,600,549)</u>
Total other financing sources (uses)	<u>16,628,692</u>	<u>9,495,837</u>	<u>-</u>	<u>9,495,837</u>	<u>(7,132,855)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,495,837</u>	208,921	<u>\$ 9,704,758</u>	<u>\$ 9,913,679</u>
Fund Balance:					
Beginning of year - July 1			<u>9,495,837</u>		
End of year - June 30			<u>\$ 9,704,758</u>		

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Nonmajor Governmental Funds

Special Revenue Funds – account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

Capital Project Funds – account for financial resources to be used for acquisition and construction for major capital facilities.

Debt Service Fund – accounts for all expenditures for principal and interest for certain long-term debt payments.

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CLEVELAND COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>Nonmajor Governmental Funds</u>			
	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Totals June 30, 2024</u>
Assets:				
Cash and investments	\$ 1,775,298	\$ 13,459,626	\$ 5,630,187	\$ 20,865,111
Accounts receivable, net	457,836	2,116,397	1,006,034	3,580,267
Taxes receivable, net	160,025	-	-	160,025
Prepaid items	126,706	243,808	-	370,514
Restricted opioid receivable, net	9,114,938	-	-	9,114,938
Restricted cash	<u>5,188,722</u>	<u>11,552,622</u>	-	<u>16,741,344</u>
Total assets	<u>\$ 16,823,525</u>	<u>\$ 27,372,453</u>	<u>\$ 6,636,221</u>	<u>\$ 50,832,199</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 97,139	\$ 750,951	\$ -	\$ 848,090
Due to other funds	-	232,282	-	232,282
Unearned revenue	<u>2,262,395</u>	<u>3,111,163</u>	-	<u>5,373,558</u>
Total liabilities	<u>2,359,534</u>	<u>4,094,396</u>	-	<u>6,453,930</u>
Deferred Inflows of Resources:				
Taxes receivable	160,025	-	-	160,025
Opioid settlement	<u>9,114,938</u>	-	-	<u>9,114,938</u>
Total deferred inflows of resources	<u>9,274,963</u>	-	-	<u>9,274,963</u>
Fund Balances:				
Non-spendable:				
Prepays	126,706	243,808	-	370,514
Restricted				
Stabilization for State statute	457,536	1,746,916	1,006,034	3,210,486
Restricted, all other	4,564,559	10,200,273	-	14,764,832
Committed	-	6,803,547	-	6,803,547
Assigned	-	4,947,700	5,630,187	10,577,887
Unassigned	<u>40,227</u>	<u>(664,187)</u>	-	<u>(623,960)</u>
Total fund balances	<u>5,189,028</u>	<u>23,278,057</u>	<u>6,636,221</u>	<u>35,103,306</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,823,525</u>	<u>\$ 27,372,453</u>	<u>\$ 6,636,221</u>	<u>\$ 50,832,199</u>

CLEVELAND COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Nonmajor Governmental Funds</u>			
	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Totals June 30, 2024</u>
Revenues:				
Ad valorem taxes	\$ 4,126,852	\$ -	\$ -	\$ 4,126,852
Other taxes and licenses	1,652,071	5,148,006	-	6,800,077
Restricted intergovernmental revenues	9,087,953	11,993,489	1,768,028	22,849,470
Sales and services	611,594	-	-	611,594
Investment earnings	173,493	811,210	-	984,703
Miscellaneous	-	14,379	-	14,379
Total revenues	<u>15,651,963</u>	<u>17,967,084</u>	<u>1,768,028</u>	<u>35,387,075</u>
Expenditures:				
General government	611,594	1,432,085	-	2,043,679
Public safety	9,605,767	458,481	-	10,064,248
Human services	309,100	-	-	309,100
Economic and physical development	-	1,009,745	-	1,009,745
Debt service:				
Principal repayments	7,680	180,276	6,445,130	6,633,086
Interest	-	16,733	1,112,637	1,129,370
Total expenditures	<u>10,534,141</u>	<u>13,687,860</u>	<u>7,557,767</u>	<u>31,779,768</u>
Revenues over (under) expenditures	<u>5,117,822</u>	<u>4,279,224</u>	<u>(5,789,739)</u>	<u>3,607,307</u>
Other Financing Sources (Uses):				
Lease and IT Subscription Proceeds	22,512	-	-	22,512
Transfers from:				
General Fund	-	3,998,599	3,308,315	7,306,914
Capital Reserve Fund	-	1,541,120	-	1,541,120
School Capital Reserve Fund	-	-	2,910,247	2,910,247
Reimbursement Resolution	-	119,806	-	119,806
Transfers to:				
General Fund	(3,746,396)	(2,000,000)	-	(5,746,396)
County General Capital Projects Fund	-	(1,660,926)	-	(1,660,926)
Debt Service Fund	-	(2,910,247)	-	(2,910,247)
Total other financing sources (uses)	<u>(3,723,884)</u>	<u>(911,648)</u>	<u>6,218,562</u>	<u>1,583,030</u>
Net change in fund balances	1,393,938	3,367,576	428,823	5,190,337
Fund Balances:				
Fund balance, beginning	<u>3,795,090</u>	<u>19,910,481</u>	<u>6,207,398</u>	<u>29,912,969</u>
End of year - June 30	<u>\$ 5,189,028</u>	<u>\$ 23,278,057</u>	<u>\$ 6,636,221</u>	<u>\$ 35,103,306</u>

Nonmajor Governmental Funds

Special Revenue Funds – account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

- **Emergency Telephone Systems Fund (E-911)** – accounts for the funds received for the operation of the County’s Emergency 911 Communications Center.
- **Fire Districts Fund** – accounts for the property tax revenue received and used to fund County fire operations.
- **American Rescue Plan Act Special Revenue Fund** – accounts for federal grant funds received and used to respond and recover from the COVID-19 pandemic.
- **Fines and Forfeitures Fund** – accounts for fines and forfeitures collected by the court system and passed directly to the public school system as required by General Statute.
- **Representative Payee Fund** – accounts for funds held by the County on behalf of individuals or other entities.
- **Opioid Settlement Fund** – accounts for funds received to aid with Opioid abuse recovery.

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COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	<u>Nonmajor Special Revenue Funds</u>			
	<u>Emergency Telephone System Fund (E-911)</u>	<u>Fire Districts Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Fines and Forfeiture Fund</u>
Assets:				
Cash and investments	\$ 974,487	\$ 595,037	\$ -	\$ 2,725
Accounts receivable, net	25,796	412,403	68	19,269
Taxes receivable, net	-	160,025	-	-
Prepaid items	99,236	27,470	-	-
Restricted opioid receivable, net	-	-	-	-
Restricted cash	-	1,010,660	1,289,237	-
Total assets	<u>\$ 1,099,519</u>	<u>\$ 2,205,595</u>	<u>\$ 1,289,305</u>	<u>\$ 21,994</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,058	\$ 82,771	\$ -	\$ -
Unearned revenue	-	1,010,660	1,251,735	-
Total liabilities	<u>1,058</u>	<u>1,093,431</u>	<u>1,251,735</u>	<u>-</u>
Deferred Inflows of Resources:				
Taxes receivable	-	160,025	-	-
Opioid settlement	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>160,025</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Non-spendable:				
Prepays	99,236	27,470	-	-
Restricted:				
Stabilization for State statute	25,796	412,403	68	19,269
Restricted, all other	973,429	512,266	-	-
Unassigned	-	-	37,502	2,725
Total fund balances	<u>1,098,461</u>	<u>952,139</u>	<u>37,570</u>	<u>21,994</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,099,519</u>	<u>\$ 2,205,595</u>	<u>\$ 1,289,305</u>	<u>\$ 21,994</u>

CLEVELAND COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	<u>Nonmajor Special Revenue Funds</u>		
	<u>Representative Payee Fund</u>	<u>Opioid Settlement Funds</u>	<u>Totals June 30, 2024</u>
Assets:			
Cash and investments	\$ 203,049	\$ -	\$ 1,775,298
Accounts receivable, net	-	300	457,836
Taxes receivable, net	-	-	160,025
Prepaid items	-	-	126,706
Restricted opioid receivable, net	-	9,114,938	9,114,938
Restricted cash	-	2,888,825	5,188,722
Total assets	<u>\$ 203,049</u>	<u>\$ 12,004,063</u>	<u>\$ 16,823,525</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 13,310	\$ 97,139
Unearned revenue	-	-	2,262,395
Total liabilities	<u>-</u>	<u>13,310</u>	<u>2,359,534</u>
Deferred Inflows of Resources:			
Taxes receivable	-	-	160,025
Opioid settlement	-	9,114,938	9,114,938
Total deferred inflows of resources	<u>-</u>	<u>9,114,938</u>	<u>9,274,963</u>
Fund Balances:			
Non-spendable:			
Prepays	-	-	126,706
Restricted:			
Stabilization for State statute	-	-	457,536
Restricted, all other	203,049	2,875,815	4,564,559
Unassigned	-	-	40,227
Total fund balances	<u>203,049</u>	<u>2,875,815</u>	<u>5,189,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 203,049</u>	<u>\$ 12,004,063</u>	<u>\$ 16,823,525</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Nonmajor Special Revenue Funds</u>			
	<u>Emergency Telephone System Fund (E-911)</u>	<u>Fire Districts Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Fines and Forfeiture Fund</u>
Revenues:				
Ad valorem taxes	\$ -	\$ 4,126,852	\$ -	\$ -
Other taxes and licenses	177,188	1,474,883	-	-
Restricted intergovernmental revenues	-	714,397	6,116,356	-
Sales and services	-	-	-	611,594
Investment earnings	52,560	83,363	37,570	-
Total revenues	<u>229,748</u>	<u>6,399,495</u>	<u>6,153,926</u>	<u>611,594</u>
Expenditures:				
General government	-	-	-	611,594
Public safety	188,940	7,046,867	2,369,960	-
Human Services	-	-	-	-
Debt service:				
Principal repayments	7,680	-	-	-
Total expenditures	<u>196,620</u>	<u>7,046,867</u>	<u>2,369,960</u>	<u>611,594</u>
Revenues over (under) expenditures	<u>33,128</u>	<u>(647,372)</u>	<u>3,783,966</u>	<u>-</u>
Other Financing Sources (Uses):				
Lease and SBITA proceeds	22,512	-	-	-
Transfers from (to):				
General Fund	-	-	(3,746,396)	-
Total other financing sources (uses)	<u>22,512</u>	<u>-</u>	<u>(3,746,396)</u>	<u>-</u>
Net change in fund balances	55,640	(647,372)	37,570	-
Fund Balances:				
Beginning of year - July 1	<u>1,042,821</u>	<u>1,599,511</u>	<u>-</u>	<u>21,994</u>
End of year - June 30	<u>\$ 1,098,461</u>	<u>\$ 952,139</u>	<u>\$ 37,570</u>	<u>\$ 21,994</u>

CLEVELAND COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Nonmajor Special Revenue Funds</u>		
	<u>Representative Payee Fund</u>	<u>Opioid Settlement Fund</u>	<u>Totals June 30, 2024</u>
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ 4,126,852
Other taxes and licenses	-	-	1,652,071
Restricted intergovernmental revenues	277,312	1,979,888	9,087,953
Sales and services	-	-	611,594
Investment earnings	-	-	173,493
Total revenues	<u>277,312</u>	<u>1,979,888</u>	<u>15,651,963</u>
Expenditures:			
General government	-	-	611,594
Public safety	-	-	9,605,767
Human Services	269,964	39,136	309,100
Debt service:			
Principal repayments	-	-	7,680
Total expenditures	<u>269,964</u>	<u>39,136</u>	<u>10,534,141</u>
Revenues over (under) expenditures	<u>7,348</u>	<u>1,940,752</u>	<u>5,117,822</u>
Other Financing Sources (Uses):			
Lease and SBITA proceeds	-	-	22,512
Transfers from (to):			
General Fund	-	-	(3,746,396)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,723,884)</u>
Net change in fund balances	7,348	1,940,752	1,393,938
Fund Balances:			
Beginning of year - July 1	<u>195,701</u>	<u>935,063</u>	<u>3,795,090</u>
End of year - June 30	<u>\$ 203,049</u>	<u>\$ 2,875,815</u>	<u>\$ 5,189,028</u>

CLEVELAND COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND (E-911) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
User fees	\$ 212,265	\$ 177,188	\$ (35,077)
Investment income	10,000	52,560	42,560
Total revenues	222,265	229,748	7,483
Expenditures:			
Public safety:			
Operations	792,234	188,940	603,294
Capital expenditures	627,772	-	627,772
Debt Service:			
Lease Principal Payments	-	7,680	(7,680)
Total expenditures	1,420,006	196,620	1,223,386
Revenues over (under) expenditures	(1,197,741)	33,128	1,230,869
Other Financing Sources (Uses):			
Lease Proceeds	-	22,512	22,512
Appropriated fund balance	1,197,741	-	(1,197,741)
Total other financing sources (uses)	1,197,741	22,512	(1,175,229)
Net change in fund balance	\$ -	55,640	\$ 55,640
Fund Balance:			
Beginning of year - July 1		1,042,821	
End of year - June 30		\$ 1,098,461	

CLEVELAND COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 3,951,076	\$ 4,126,852	\$ 175,776
Unrestricted intergovernmental	1,714,374	1,474,883	(239,491)
Restricted intergovernmental	1,725,057	714,397	(1,010,660)
Investment income	15,000	83,363	68,363
Total revenues	7,405,507	6,399,495	(1,006,012)
Expenditures:			
Capital outlay:			
Public safety	8,205,507	7,046,867	1,158,640
Total expenditures	8,205,507	7,046,867	1,158,640
Revenues over (under) expenditures	(800,000)	(647,372)	152,628
Other Financing Sources (Uses):			
Appropriated fund balance	800,000	-	(800,000)
Total other financing sources (uses)	800,000	-	(800,000)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	(647,372)	\$ (647,372)
Fund Balance:			
Beginning of year, July 1		1,599,511	
End of year, June 30		\$ 952,139	

CLEVELAND COUNTY, NORTH CAROLINA

AMERICAN RESCUE PLAN ACT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 7,368,092	\$ 6,116,356	\$ (1,251,736)
Investment Income	-	37,570	37,570
Total revenues	7,368,092	6,153,926	(1,214,166)
Expenditures:			
Public safety	3,621,696	2,369,960	1,251,736
Total expenditures	3,621,696	2,369,960	1,251,736
Revenues over (under) expenditures	3,746,396	3,783,966	37,570
Other Financing Sources (Uses):			
Transfers To:			
General Fund	(3,746,396)	(3,746,396)	-
Total other financing sources (uses)	(3,746,396)	(3,746,396)	-
Net change in fund balance	\$ -	37,570	\$ 37,570
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ 37,570	

CLEVELAND COUNTY, NORTH CAROLINA

**FINES AND FORFEITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services	\$ 1,200,000	\$ 611,594	\$ (588,406)
Total revenues	<u>1,200,000</u>	<u>611,594</u>	<u>(588,406)</u>
Expenditures:			
General Government	<u>1,200,000</u>	<u>611,594</u>	<u>588,406</u>
Total expenditures	<u>1,200,000</u>	<u>611,594</u>	<u>588,406</u>
Revenues over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>21,994</u>	
End of year - June 30		<u>\$ 21,994</u>	

CLEVELAND COUNTY, NORTH CAROLINA

**REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 305,000	\$ 277,312	\$ (27,688)
Total revenues	<u>305,000</u>	<u>277,312</u>	<u>(27,688)</u>
Expenditures:			
Human Services	305,000	269,964	35,036
Total expenditures	<u>305,000</u>	<u>269,964</u>	<u>35,036</u>
Net change in fund balance	<u>\$ -</u>	7,348	<u>\$ 7,348</u>
Fund Balance:			
Beginning of year, July 1		<u>195,701</u>	
End of year, June 30		<u>\$ 203,049</u>	

CLEVELAND COUNTY, NORTH CAROLINA

**OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 277,102	\$ 1,979,888	\$ 1,702,786
Total revenues	<u>277,102</u>	<u>1,979,888</u>	<u>1,702,786</u>
Expenditures:			
Human Services	277,102	39,136	237,966
Total expenditures	<u>277,102</u>	<u>39,136</u>	<u>237,966</u>
Net change in fund balance	<u>\$ -</u>	1,940,752	<u>\$ 1,940,752</u>
Fund Balance:			
Beginning of year, July 1		<u>935,063</u>	
End of year, June 30		<u>\$ 2,875,815</u>	

Nonmajor Governmental Funds

Capital Project Funds – account for financial resources to be used for acquisition and construction for major capital facilities.

- **General Capital Projects Fund** – accounts for general capital projects within the County that are annually budgeted and financed with local dollars.
- **Public Shooting Range Capital Project Fund** – accounts for State grant dollars along with local match to finance the construction on a local public shooting range facility.
- **Capital Reserve Fund** – accounts for the accumulation of undedicated resources to fund future projects of the County.
- **Reimbursement Resolution Capital Reserve Fund** - This fund accounts for reimbursement proceeds used to fund capital initiatives of the County.
- **School Capital Reserve Fund** - accounts for local funds and financing proceeds used to fund school construction projects.
- **Board of Elections Capital Project Fund** - accounts for acquisition and construction of new Board of Elections site.
- **Shell Building IV Capital Project Fund** – accounts for the purchase and development of a future economic development site.
- **DSS Colocation Capital Project Fund** - accounts for local funds and financing proceeds used for capital improvements for Health and Human services.
- **Public School Building Capital Fund** - accounts for Needs Based Grant and Lottery funds received for school capital projects.
- **CCHD Erosion Control Project Fund** - accounts for local funds set aside for erosion control at the Health Department.
- **Broad River Greenway Improvements Project Fund** - accounts for local funds set aside for Broad River Greenway Improvements.
- **E911 Call Center Project Fund** - accounts for local and other restricted funds set aside for E911 Call Center project expenditures.
- **Cleveland County Fair Enhancement Capital Project Fund** - accounts for restricted funds set aside for improvements at the fair grounds.
- **Cleveland County LaGrand AV System Capital Project Fund** - accounts for restricted funds set aside for improvements to the LaGrand AV system.
- **Cleveland County Waco Substation Capital Project Fund** - accounts for restricted funds set aside for the Waco Substation improvements.

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CLEVELAND COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
JUNE 30, 2024

	<u>Nonmajor Capital Project Funds</u>			
	<u>General Capital Project Fund</u>	<u>Public Shooting Range Capital Project Fund</u>	<u>Capital Reserve Fund</u>	<u>Reimbursement Resolution Capital Reserve Fund</u>
Assets:				
Cash and investments	\$ -	\$ 12,921	\$ 4,947,700	\$ 6,790,626
Accounts receivable, net	30,529	-	2,300	-
Prepaid Expense	243,808	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 274,337</u>	<u>\$ 12,921</u>	<u>\$ 4,950,000</u>	<u>\$ 6,790,626</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 91,983	\$ -	\$ -	\$ -
Due to other funds	182,354	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>274,337</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Non-spendable				
Prepays	243,808	-	-	-
Restricted				
Stabilization for State statute	30,529	-	2,300	-
Restricted, all other	-	-	-	-
Committed	-	12,921	-	6,790,626
Assigned	-	-	4,947,700	-
Unassigned	(274,337)	-	-	-
Total fund balances	<u>-</u>	<u>12,921</u>	<u>4,950,000</u>	<u>6,790,626</u>
Total liabilities and fund balances	<u>\$ 274,337</u>	<u>\$ 12,921</u>	<u>\$ 4,950,000</u>	<u>\$ 6,790,626</u>

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
 JUNE 30, 2024

	<u>Nonmajor Capital Project Funds</u>				
	<u>School Capital Reserve Fund</u>	<u>Board of Elections Capital Project Fund</u>	<u>Shell Building IV Capital Project Fund</u>	<u>DSS Colocation Capital Project Fund</u>	<u>Public School Building Capital Fund</u>
Assets:					
Cash and investments	\$ -	\$ -	\$ 683	\$ -	\$ -
Accounts receivable, net	1,313,241	-	-	44,747	356,099
Prepaid Expense	-	-	-	-	-
Restricted cash	<u>10,199,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,512,831</u>	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ 44,747</u>	<u>\$ 356,099</u>
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 356,099
Due to other funds	-	-	-	44,747	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,747</u>	<u>356,099</u>
Fund Balances:					
Non-spendable					
Prepays	-	-	-	-	-
Restricted					
Stabilization for State statute	1,313,241	-	-	44,747	356,099
Restricted, all other	10,199,590	-	683	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,747)</u>	<u>(356,099)</u>
Total fund balances	<u>11,512,831</u>	<u>-</u>	<u>683</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,512,831</u>	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ 44,747</u>	<u>\$ 356,099</u>

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
 JUNE 30, 2024

	<u>Nonmajor Capital Project Funds</u>				
	<u>CCHD Erosion Control Project Fund</u>	<u>Broad River Greenway Improvements Fund</u>	<u>911 Call Center Project Fund</u>	<u>Cleveland County Fair Capital Project Fund</u>	<u>LaGrand AV System Capital Project Fund</u>
Assets:					
Cash and investments	\$ -	\$ -	\$ 1,707,696	\$ -	\$ -
Accounts receivable, net	-	-	351,113	7,572	10,796
Prepaid Expense	-	-	-	-	-
Restricted cash	-	-	-	1,353,032	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,058,809</u>	<u>\$ 1,360,604</u>	<u>\$ 10,796</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 47,813	\$ 249,441	\$ 5,615
Due to other funds	-	-	-	-	5,181
Unearned revenue	-	-	2,000,000	1,111,163	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,047,813</u>	<u>1,360,604</u>	<u>10,796</u>
Fund Balances:					
Non-spendable					
Prepays	-	-	-	-	-
Restricted					
Stabilization for State statute	-	-	-	-	-
Restricted, all other	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	10,996	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>10,996</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,058,809</u>	<u>\$ 1,360,604</u>	<u>\$ 10,796</u>

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
 JUNE 30, 2024

	<u>Nonmajor Capital Project Funds</u>	
	Waco Substation Capital Project Fund	Totals June 30, 2024
	<u> </u>	<u> </u>
Assets:		
Cash and investments	\$ -	\$ 13,459,626
Accounts receivable, net	-	2,116,397
Prepaid Expense	-	243,808
Restricted cash	<u>-</u>	<u>11,552,622</u>
 Total assets	 <u>\$ -</u>	 <u>\$ 27,372,453</u>
 Liabilities and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 750,951
Due to other funds	-	232,282
Unearned revenue	<u>-</u>	<u>3,111,163</u>
Total liabilities	<u>-</u>	<u>4,094,396</u>
 Fund Balances:		
Non-spendable		
Prepays	-	243,808
Restricted		
Stabilization for State statute	-	1,746,916
Restricted, all other	-	10,200,273
Committed	-	6,803,547
Assigned	-	4,947,700
Unassigned	<u>-</u>	<u>(664,187)</u>
Total fund balances	<u>-</u>	<u>23,278,057</u>
 Total liabilities and fund balances	 <u>\$ -</u>	 <u>\$ 27,372,453</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Nonmajor Capital Projects Funds</u>			
	<u>General Capital Project Fund</u>	<u>Public Shooting Range Capital Project Fund</u>	<u>Capital Reserve Fund</u>	<u>Reimbursement Resolution Capital Reserve Fund</u>
Revenues:				
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	88,000	-	-	-
Investment earnings	-	-	46,006	189,139
Local revenues	-	-	-	-
Total revenues	<u>88,000</u>	<u>-</u>	<u>46,006</u>	<u>189,139</u>
Expenditures:				
Current:				
General government	1,200,218	-	-	-
Public safety	-	-	-	-
Human services	-	-	-	-
Economic and physical development	-	-	-	27,445
Education	-	-	-	-
Debt service:				
Principal repayments	180,276	-	-	-
Interest	16,733	-	-	-
Total expenditures	<u>1,397,227</u>	<u>-</u>	<u>-</u>	<u>27,445</u>
Revenues over (under) expenditures	<u>(1,309,227)</u>	<u>-</u>	<u>46,006</u>	<u>161,694</u>
Other Financing Sources (Uses):				
Lease and IT Subscription Proceeds	-	-	-	-
Transfers from:				
General Fund	-	-	1,495,114	-
Capital Reserve Fund	1,309,227	-	-	-
Reimbursement Resolution CRF	-	-	-	-
Transfers to:				
General Fund	-	-	-	-
County General Capital Projects Fund	-	-	(1,541,120)	(119,806)
Debt Service Fund	-	-	-	-
Total other financing sources (uses)	<u>1,309,227</u>	<u>-</u>	<u>(46,006)</u>	<u>(119,806)</u>
Net change in fund balances	-	-	-	41,888
Fund Balances:				
Beginning of year - July 1	-	12,921	4,950,000	6,748,738
End of year - June 30	<u>\$ -</u>	<u>\$ 12,921</u>	<u>\$ 4,950,000</u>	<u>\$ 6,790,626</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Nonmajor Capital Projects Funds</u>				
	<u>School Capital Reserve Fund</u>	<u>Board of Elections Capital Project Fund</u>	<u>Shell Building IV Capital Project Fund</u>	<u>DSS Colocation Capital Project Fund</u>	<u>Public School Building Capital Fund</u>
Revenues:					
Other taxes and licenses	\$ 5,148,006	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	-	-	-	-	10,590,540
Investment earnings	565,069	-	-	-	-
Local revenues	14,379	-	-	-	-
Total revenues	<u>5,727,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,590,540</u>
Expenditures:					
Current:					
General government	-	19,325	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Education	-	-	-	-	10,590,540
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>19,325</u>	<u>-</u>	<u>-</u>	<u>10,590,540</u>
Revenues over (under) expenditures	<u>5,727,454</u>	<u>(19,325)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
Lease and IT Subscription Proceeds	-	-	-	-	-
Transfers from:					
General Fund	2,497,485	-	-	-	-
Capital Reserve Fund	-	19,325	-	-	-
Reimbursement Resolution CRF	-	-	-	-	-
Transfers to:					
General Fund	(2,000,000)	-	-	-	-
County General Capital Projects Fund	-	-	-	-	-
Debt Service Fund	(2,910,247)	-	-	-	-
Total other financing sources (uses)	<u>(2,412,762)</u>	<u>19,325</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,314,692	-	-	-	-
Fund Balances:					
Beginning of year - July 1	8,198,139	-	683	-	-
End of year - June 30	<u>\$ 11,512,831</u>	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Nonmajor Capital Projects Funds</u>				
	<u>CCHD</u>				
	<u>Erosion</u>	<u>Broad River</u>	<u>911 Call</u>	<u>Cleveland</u>	<u>LaGrand AV</u>
	<u>Control</u>	<u>Greenway</u>	<u>Center</u>	<u>County Fair</u>	<u>System</u>
	<u>Project</u>	<u>Improvements</u>	<u>Capital Project</u>	<u>Capital Project</u>	<u>Capital Project</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Revenues:					
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	-	-	458,455	856,494	-
Investment earnings	-	-	10,996	-	-
Local revenues	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>469,451</u>	<u>856,494</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	212,542
Public safety	-	-	458,481	-	-
Human services	-	-	-	-	-
Economic and physical development	-	119,806	-	856,494	-
Education	-	-	-	-	-
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>119,806</u>	<u>458,481</u>	<u>856,494</u>	<u>212,542</u>
Revenues over (under) expenditures	<u>-</u>	<u>(119,806)</u>	<u>10,970</u>	<u>-</u>	<u>(212,542)</u>
Other Financing Sources (Uses):					
Lease and IT Subscription Proceeds	-	-	-	-	-
Transfers from:					
General Fund	-	-	-	-	-
Capital Reserve Fund	-	-	26	-	212,542
Reimbursement Resolution CRF	-	119,806	-	-	-
Transfers to:					
General Fund	-	-	-	-	-
County General Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>119,806</u>	<u>26</u>	<u>-</u>	<u>212,542</u>
Net change in fund balances	-	-	10,996	-	-
Fund Balances:					
Beginning of year - July 1	-	-	-	-	-
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,996</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Nonmajor Capital Projects Funds</u>	
	Waco Substation Capital Project Fund	Totals June 30, 2024
Revenues:		
Other taxes and licenses	\$ -	\$ 5,148,006
Restricted intergovernmental revenues	-	11,993,489
Investment earnings	-	811,210
Local revenues	-	14,379
Total revenues	<u>-</u>	<u>17,967,084</u>
Expenditures:		
Current:		
General government	-	1,432,085
Public safety	-	458,481
Human services	-	-
Economic and physical development	6,000	1,009,745
Education	-	10,590,540
Debt service:		
Principal repayments	-	180,276
Interest	-	16,733
Total expenditures	<u>6,000</u>	<u>13,687,860</u>
Revenues over (under) expenditures	<u>(6,000)</u>	<u>4,279,224</u>
Other Financing Sources (Uses):		
Lease and IT Subscription Proceeds	-	-
Transfers from:		
General Fund	6,000	3,998,599
Capital Reserve Fund	-	1,541,120
Reimbursement Resolution CRF	-	119,806
Transfers to:		
General Fund	-	(2,000,000)
County General Capital Projects Fund	-	(1,660,926)
Debt Service Fund	-	(2,910,247)
Total other financing sources (uses)	<u>6,000</u>	<u>(911,648)</u>
Net change in fund balances	-	3,367,576
Fund Balances:		
Beginning of year - July 1	-	19,910,481
End of year - June 30	<u>\$ -</u>	<u>\$ 23,278,057</u>

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 100,000	\$ 88,000	(12,000)
Total revenues	100,000	88,000	(12,000)
Expenditures:			
Capital outlay:			
General government	2,377,500	1,200,218	1,177,282
Debt Service:			
Principal	-	180,276	(180,276)
Interest	-	16,733	(16,733)
Total expenditures	2,377,500	1,397,227	980,273
Revenues over (under) expenditures	(2,277,500)	(1,309,227)	968,273
Other Financing Sources (Uses):			
Transfers in:			
From Capital Reserve Fund	2,277,500	1,309,227	(968,273)
Total other financing sources (uses)	2,277,500	1,309,227	(968,273)
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ -	

CLEVELAND COUNTY, NORTH CAROLINA

PUBLIC SHOOTING RANGE CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual				Variance Positive (Negative)
		Prior Years	Current Year	Completed	Total to Date	
Revenues:						
Restricted intergovernmental	\$ 4,405,305	\$ 3,692,057	\$ -	\$ (3,692,057)	\$ -	\$ (713,248)
Local Revenues	7,500	222,500	-	(222,500)	-	215,000
Total revenues	<u>4,412,805</u>	<u>3,914,557</u>	<u>-</u>	<u>(3,914,557)</u>	<u>-</u>	<u>(498,248)</u>
Expenditures:						
Capital outlay:						
Economic development	5,452,641	5,445,141	-	(5,445,141)	-	7,500
Total expenditures	<u>5,452,641</u>	<u>5,445,141</u>	<u>-</u>	<u>(5,445,141)</u>	<u>-</u>	<u>7,500</u>
Revenues over (under) expenditures	<u>(1,039,836)</u>	<u>(1,530,584)</u>	<u>-</u>	<u>1,530,584</u>	<u>-</u>	<u>(490,748)</u>
Other Financing Sources (Uses):						
Transfers in:						
From Capital Reserve Fund	1,039,836	1,543,505	-	(1,530,584)	12,921	503,669
Total other financing sources (uses)	<u>1,039,836</u>	<u>1,543,505</u>	<u>-</u>	<u>(1,530,584)</u>	<u>12,921</u>	<u>503,669</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,921</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 12,921</u>	<u>\$ 12,921</u>
Fund Balance:						
Beginning of year - July 1			<u>12,921</u>			
End of year - June 30			<u>\$ 12,921</u>			

CLEVELAND COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Local revenues	\$ -	\$ -	\$ -
Investment income	-	46,006	46,006
Total revenues	-	46,006	46,006
Other Financing Sources (Uses):			
Transfers from:			
General Fund	2,892,500	1,495,114	(1,397,386)
Transfers to:			
Capital Projects Funds	(4,422,189)	(1,541,120)	2,881,069
Appropriated fund balance	1,529,689	-	(1,529,689)
Total other financing sources (uses)	-	(46,006)	(46,006)
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1		4,950,000	
End of year - June 30		\$ 4,950,000	

CLEVELAND COUNTY, NORTH CAROLINA

**REIMBURSEMENT RESOLUTION CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ -	\$ 31,538	\$ -	\$ 31,538	\$ 31,538
Investment earnings	-	293,369	189,139	482,508	482,508
Local Revenues	-	1,033,590	-	1,033,590	1,033,590
Total revenues	-	1,358,497	189,139	1,547,636	1,547,636
Expenditures:					
Capital outlay:					
Economic development	16,140,106	10,954,651	27,445	10,982,096	5,158,010
Total expenditures	16,140,106	10,954,651	27,445	10,982,096	5,158,010
Revenues over (under) expenditures	(16,140,106)	(9,596,154)	161,694	(9,434,460)	6,705,646
Other Financing Sources (Uses):					
Installment financing issued	19,975,833	19,975,833	-	19,975,833	-
Transfers in:					
From General Fund	-	1,200,000	-	1,200,000	1,200,000
From Capital Projects	-	219,075	-	219,075	219,075
Transfers out:					
To Capital Projects	(5,387,491)	(5,050,016)	(119,806)	(5,169,822)	217,669
Appropriated fund balance	1,551,764	-	-	-	(1,551,764)
Total other financing sources (uses)	16,140,106	16,344,892	(119,806)	16,225,086	84,980
Net change in fund balance	\$ -	\$ 6,748,738	41,888	\$ 6,790,626	\$ 6,790,626
Fund Balance:					
Beginning of year - July 1			6,748,738		
End of year - June 30			\$ 6,790,626		

CLEVELAND COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Other taxes and licenses	\$ 4,378,706	\$ 5,148,006	\$ 769,300
Restricted intergovernmental	600,000	-	(600,000)
Investment earnings	-	565,069	565,069
Local revenues	-	14,379	14,379
Total revenues	<u>4,978,706</u>	<u>5,727,454</u>	<u>748,748</u>
Revenues over (under) expenditures	<u>4,978,706</u>	<u>5,727,454</u>	<u>748,748</u>
Other Financing Sources (Uses):			
Transfers from:			
General Fund	2,164,160	2,497,485	(333,325)
Transfers to:			
General Fund	(3,337,469)	(2,000,000)	(1,337,469)
Debt Service Fund	(2,910,247)	(2,910,247)	-
Appropriated fund balance	(895,150)	-	(895,150)
Total other financing sources (uses)	<u>(4,978,706)</u>	<u>(2,412,762)</u>	<u>(2,565,944)</u>
Net change in fund balance	<u>\$ -</u>	3,314,692	<u>\$ 3,314,692</u>
Fund Balance:			
Beginning of year - July 1		<u>8,198,139</u>	
End of year - June 30		<u>\$ 11,512,831</u>	

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY BOARD OF ELECTIONS CAPITAL PROJECT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay:					
General Government	750,000	274,577	19,325	293,902	456,098
Total expenditures	750,000	274,577	19,325	293,902	456,098
Revenues over (under) expenditures	(750,000)	(274,577)	(19,325)	(293,902)	456,098
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	750,000	274,577	19,325	293,902	(456,098)
Total other financing sources (uses)	750,000	274,577	19,325	293,902	(456,098)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY SHELL BUILDING IV CAPITAL PROJECT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ 683	\$ -	\$ 683	\$ 683
Total revenues	-	683	-	683	683
Expenditures:					
Capital outlay:					
Economic Development	8,500,000	8,500,000	-	8,500,000	-
Total expenditures	8,500,000	8,500,000	-	8,500,000	-
Revenues over (under) expenditures	(8,500,000)	(8,499,317)	-	(8,499,317)	683
Other Financing Sources (Uses):					
Installment Proceeds	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	8,500,000	8,500,000	-	8,500,000	-
Net change in fund balance	\$ -	\$ 683	-	\$ 683	\$ 683
Fund Balance:					
Beginning of year - July 1			683		
End of year - June 30			\$ 683		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY DSS COLOCATION CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed		
Expenditures:						
Capital outlay:						
Human Services	\$ 4,194,227	\$ 4,192,459	\$ -	\$ (4,192,459)	\$ -	\$ 1,768
Total expenditures	<u>4,194,227</u>	<u>4,192,459</u>	<u>-</u>	<u>(4,192,459)</u>	<u>-</u>	<u>1,768</u>
Revenues over (under) expenditures	<u>(4,194,227)</u>	<u>(4,192,459)</u>	<u>-</u>	<u>4,192,459</u>	<u>-</u>	<u>1,768</u>
Other Financing Sources (Uses):						
Installment Proceeds	3,500,000	3,500,000	-	(3,500,000)	-	-
Transfers in:						
From Capital Reserve Fund	694,227	692,459	-	(692,459)	-	(1,768)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,194,227</u>	<u>4,192,459</u>	<u>-</u>	<u>(4,192,459)</u>	<u>-</u>	<u>(1,768)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:						
Beginning of year - July 1			<u>-</u>			
End of year - June 30			<u>\$ -</u>			

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY PUBLIC SCHOOL BUILDING CAPITAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted Intergovernmental					
Public School Capital	\$ 29,304,500	\$ 18,274,613	\$ 10,590,540	\$ 28,865,153	\$ (439,347)
Total revenues	<u>29,304,500</u>	<u>18,274,613</u>	<u>10,590,540</u>	<u>28,865,153</u>	<u>(439,347)</u>
Expenditures:					
Capital outlay:					
Education	29,304,500	18,274,613	10,590,540	28,865,153	439,347
Total expenditures	<u>29,304,500</u>	<u>18,274,613</u>	<u>10,590,540</u>	<u>28,865,153</u>	<u>439,347</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		

CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY CCHD EROSION CONTROL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Completed</u>	
Expenditures:					
Capital outlay:					
Human Services	\$ -	\$ 377,047	\$ -	\$ (377,047)	\$ -
Total expenditures	<u>-</u>	<u>377,047</u>	<u>-</u>	<u>(377,047)</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(377,047)</u>	<u>-</u>	<u>377,047</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in:					
From Reimbursement Resolution	-	377,047	-	(377,047)	-
Total other financing sources (uses)	<u>-</u>	<u>377,047</u>	<u>-</u>	<u>(377,047)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY BROAD RIVER GREENWAY IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted Intergovernmental	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Expenditures:					
Capital outlay:					
Economic and Physical Development	\$ 345,767	\$ 29,234	\$ 119,806	\$ 149,040	\$ 196,727
Total expenditures	<u>345,767</u>	<u>29,234</u>	<u>119,806</u>	<u>149,040</u>	<u>196,727</u>
Revenues over (under) expenditures	<u>(245,767)</u>	<u>(29,234)</u>	<u>(119,806)</u>	<u>(149,040)</u>	<u>96,727</u>
Other Financing Sources (Uses):					
Transfers in:					
From Reimbursement Resolution	<u>245,767</u>	<u>29,234</u>	<u>119,806</u>	<u>149,040</u>	<u>(96,727)</u>
Total other financing sources (uses)	<u>245,767</u>	<u>29,234</u>	<u>119,806</u>	<u>149,040</u>	<u>(96,727)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY E911 CALL CENTER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental	\$ 7,036,595	\$ 71,562	\$ 458,455	\$ 530,017	\$(6,506,578)
Investment Earnings	-	-	10,996	10,996	10,996
Total revenues	<u>7,036,595</u>	<u>71,562</u>	<u>469,451</u>	<u>541,013</u>	<u>\$(6,495,582)</u>
Expenditures:					
Capital outlay:					
Public Safety	<u>8,494,320</u>	<u>167,518</u>	<u>458,481</u>	<u>625,999</u>	<u>7,868,321</u>
Total expenditures	<u>8,494,320</u>	<u>167,518</u>	<u>458,481</u>	<u>625,999</u>	<u>7,868,321</u>
Revenues over (under) expenditures	<u>(1,457,725)</u>	<u>(95,956)</u>	<u>10,970</u>	<u>(84,986)</u>	<u>1,372,739</u>
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	<u>1,457,725</u>	<u>95,956</u>	<u>26</u>	<u>95,982</u>	<u>(1,361,743)</u>
Total other financing sources (uses)	<u>1,457,725</u>	<u>95,956</u>	<u>26</u>	<u>95,982</u>	<u>(1,361,743)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>10,996</u>	<u>\$ 10,996</u>	<u>\$ 10,996</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 10,996</u>		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY FAIR ENHANCEMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental	\$ 1,000,000	\$ 32,343	\$ 856,494	\$ 888,837	\$ (111,163)
Total revenues	<u>1,000,000</u>	<u>32,343</u>	<u>856,494</u>	<u>888,837</u>	<u>(111,163)</u>
Expenditures:					
Capital outlay:					
Economic and Physical Development	3,117,987	132,343	856,494	988,837	2,129,150
Total expenditures	<u>3,117,987</u>	<u>132,343</u>	<u>856,494</u>	<u>988,837</u>	<u>2,129,150</u>
Revenues over (under) expenditures	<u>(2,117,987)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>2,017,987</u>
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	507,987	-	-	-	(507,987)
From Capital Reserve Fund	510,000	100,000	-	100,000	(410,000)
Appropriated fund balance	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,100,000)</u>
Total other financing sources (uses)	<u>2,117,987</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>(2,017,987)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY LAGRAN AV SYSTEM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Expenditures:					
Capital outlay:					
General Government	\$ 625,000	\$ -	\$ 212,542	\$ 212,542	\$ 412,458
Total expenditures	<u>625,000</u>	<u>-</u>	<u>212,542</u>	<u>212,542</u>	<u>412,458</u>
Revenues over (under) expenditures	<u>(625,000)</u>	<u>-</u>	<u>(212,542)</u>	<u>(212,542)</u>	<u>412,458</u>
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	625,000	-	212,542	212,542	(412,458)
Total other financing sources (uses)	<u>625,000</u>	<u>-</u>	<u>212,542</u>	<u>212,542</u>	<u>(412,458)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY WACO SUBSTATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project</u> <u>Authorization</u>	<u>Prior Years</u>	<u>Actual</u> <u>Current Year</u>	<u>Total to Date</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures:					
Capital outlay:					
Economic Development	\$ 18,400	\$ -	\$ 6,000	\$ 6,000	\$ 12,400
Total expenditures	<u>18,400</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>12,400</u>
Revenues over (under) expenditures	<u>(18,400)</u>	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>12,400</u>
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	18,400	-	6,000	6,000	(12,400)
Total other financing sources (uses)	<u>18,400</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>(12,400)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

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Debt Service Fund

The Debt Service Fund is used to account for all expenditures for principal and interest for certain long-term debt payments. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

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CLEVELAND COUNTY, NORTH CAROLINA

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 1,977,044	\$ 1,768,028	\$ (209,016)
Total revenues	1,977,044	1,768,028	(209,016)
Expenditures:			
Debt service:			
Principal repayments	10,553,366	6,445,130	4,108,236
Interest and fees	1,116,137	1,112,637	3,500
Total expenditures	11,669,503	7,557,767	4,111,736
Revenues over (under) expenditures	(9,692,459)	(5,789,739)	3,902,720
Other Financing Sources (Uses):			
Transfers in:			
From General Fund	6,885,121	3,308,315	(3,576,806)
From School Capital Reserve Fund	2,807,338	2,910,247	102,909
Total other financing sources (uses)	9,692,459	6,218,562	(3,473,897)
Net change in fund balance	\$ -	428,823	\$ 428,823
Fund Balance:			
Beginning of year - July 1		6,207,398	
End of year - June 30		\$ 6,636,221	

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Enterprise Fund

Enterprise funds account for the operations financed and operated in a manner similar to private business enterprises – where the intent of the government’s board is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Individual Fund Description:

Solid Waste Fund – accounts for solid waste collection and disposal operations including recycling in the County that is financed through solid waste user fees.

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CLEVELAND COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Fees for service	\$ 8,888,823	\$ 9,468,147	\$ 579,324
Non-operating revenues:			
Other taxes and fees	712,900	865,534	152,634
Miscellaneous income	-	129	129
Interest income	-	439,958	439,958
Total revenues	<u>9,601,723</u>	<u>10,773,768</u>	<u>1,172,045</u>
Expenditures:			
Salaries and employee benefits	3,441,137	3,207,980	233,157
Other operating expenditures	6,104,892	4,415,604	1,689,288
Capital outlay	<u>2,528,707</u>	<u>525,637</u>	<u>2,003,070</u>
Total expenditures	<u>12,074,736</u>	<u>8,149,221</u>	<u>3,925,515</u>
Revenue over (under) expenditures	<u>(2,473,013)</u>	<u>2,624,547</u>	<u>(2,753,470)</u>
Other Financing Sources (Uses):			
Transfers out	(514,589)	(415,335)	99,254
Appropriated retained earnings	<u>2,987,602</u>	<u>-</u>	<u>(2,987,602)</u>
Total other financing sources (uses)	<u>2,473,013</u>	<u>(415,335)</u>	<u>(2,888,348)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>2,209,212</u>	<u>\$ 2,209,212</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:			
Reconciling items:			
Decrease in deferred outflows of resources - OPEB		(32,931)	
Increase in deferred inflows of resources -OPEB		(1,617)	
Increase in OPEB liability		37,434	
Capital outlay, capitalized		525,637	
Change in accrued vacation		(27,648)	
Post-closure care costs		(1,547,442)	
Increase in deferred outflows of resources - pensions		170,424	
Increase in net pension liability		(409,460)	
Decrease in deferred inflows of resources - pensions		12,600	
Depreciation		<u>(972,721)</u>	
Total reconciling items		<u>(2,245,724)</u>	
Change in net position		<u>\$ (36,512)</u>	

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Custodial Funds

Custodial Funds are used to account for position held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

Municipal Tax Fund – accounts for the County’s collection of property taxes that the County is required to remit to other municipalities.

Inmate Fund – accounts for funds held by the County on behalf of inmates in the County jail.

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CLEVELAND COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 363,963	\$ 110,962	\$ 474,925
Taxes receivable for other governments, net	1,128,000	-	1,128,000
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,491,963</u>	<u>110,962</u>	<u>1,602,925</u>
Liabilities			
Accounts payable and accrued liabilities	-	20,579	20,579
Due to other governments	<u>363,624</u>	<u>-</u>	<u>363,624</u>
Total liabilities	<u>363,624</u>	<u>20,579</u>	<u>384,203</u>
Net Position			
Restricted for:			
Individuals, organizations, and other governments	<u>1,128,339</u>	<u>90,383</u>	<u>1,218,722</u>
Total net position	<u>\$ 1,128,339</u>	<u>\$ 90,383</u>	<u>\$ 1,218,722</u>

CLEVELAND COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2024

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions			
Ad valorem taxes for other governments	\$ 25,521,381	\$ -	\$ 25,521,381
Collections on behalf of inmates	-	778,016	778,016
Total additions	<u>25,521,381</u>	<u>778,016</u>	<u>26,299,397</u>
Deductions			
Tax distributions to other governments	25,359,056	-	25,359,056
Payments on behalf of inmates	-	796,673	796,673
Total deductions	<u>25,359,056</u>	<u>796,673</u>	<u>26,155,729</u>
Net increase (decrease) in fiduciary net position	162,325	(18,657)	143,668
Net position, beginning	<u>966,014</u>	<u>109,040</u>	<u>1,075,054</u>
Net position, ending	<u>\$ 1,128,339</u>	<u>\$ 90,383</u>	<u>\$ 1,218,722</u>

Additional Financial Data

This section contains additional information on taxes receivable, the tax levy, and schedule of revenues and expenditures for Cleveland County as of June 30, 2024.

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CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2024

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 77,830,489	\$ 76,490,864	\$ 1,339,625
2022-2023	1,309,625	339	613,249	696,715
2021-2022	467,655	97	196,495	271,257
2020-2021	359,212	123	164,538	194,797
2019-2020	328,987	139	54,441	274,685
2018-2019	185,341	-	42,032	143,309
2017-2018	120,978	-	42,125	78,853
2016-2017	80,122	-	29,799	50,323
2015-2016	70,997	-	14,284	56,713
2014-2015	72,371	-	9,885	62,486
2013-2014	54,900	-	54,900	-
Total	<u>\$ 3,050,188</u>	<u>\$ 77,831,187</u>	<u>\$ 77,712,612</u>	<u>3,168,763</u>

Less: allowance for uncollectible accounts: General Fund (745,225)

Ad valorem taxes receivable net: General Fund \$ 2,423,538

Reconciliation with Revenues:

Ad valorem taxes - General Fund \$ 77,536,091

Reconciling items:

Interest (538,078)

Adjustments and abatements 132,417

Other miscellaneous adjustments 295,062

Incentivized paybacks 232,220

Amounts written off per Statute of Limitations 54,900

Total collections and credits \$ 77,712,612

CLEVELAND COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2024

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 10,251,220,218	0.6875	\$ 70,477,139	\$ 63,185,784	\$ 7,291,355
Penalty	-		128,023	128,023	-
Total	<u>10,251,220,218</u>		<u>70,605,162</u>	<u>63,313,807</u>	<u>7,291,355</u>
Discoveries:					
Current year taxes	1,059,685,091	0.6875	7,285,335	7,285,335	-
Prior year taxes	10,963,030	0.66	72,356	72,356	-
Prior year taxes	8,281	0.64	53	53	-
Total	<u>1,070,656,402</u>		<u>7,357,744</u>	<u>7,357,744</u>	<u>-</u>
Abatements					
Current year taxes	(17,918,691)	0.6875	(123,191)	(123,191)	-
Prior year taxes	<u>(1,341,964)</u>	0.66	<u>(9,226)</u>	<u>(9,226)</u>	<u>-</u>
Total	<u>(19,260,655)</u>		<u>(132,417)</u>	<u>(132,417)</u>	<u>-</u>
Total property valuation	<u>\$ 11,303,957,930</u>				
Net Levy			77,830,489	70,539,134	7,291,355
Uncollected taxes at June 30, 2024			<u>(1,339,625)</u>	<u>(1,339,625)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 76,490,864</u>	<u>\$ 69,199,509</u>	<u>\$ 7,291,355</u>
Current Levy Collection Percentage			<u>98.28%</u>	<u>98.10%</u>	<u>100.00%</u>

Statistical Section

The Statistical Section includes data extracted from prior years' financial reports and various other sources.

The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within, which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Schedule 1
Cleveland County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 85,821,431	\$ 96,884,891	\$ 103,435,523	\$ 82,890,909	\$ 84,463,578
Restricted	14,779,333	14,935,402	18,719,625	29,407,653	21,716,519
Unrestricted	<u>6,497</u>	<u>(3,827,118)</u>	<u>(7,345,176)</u>	<u>4,700,168</u>	<u>(4,027,666)</u>
Total governmental activities	<u>\$ 100,607,261</u>	<u>\$ 107,993,175</u>	<u>\$ 114,809,972</u>	<u>\$ 116,998,730</u>	<u>\$ 102,152,431</u>
Business-type activities					
Net investment in capital assets	\$ 16,036,546	\$ 16,448,095	\$ 17,184,372	\$ 22,236,046	\$ 22,669,381
Unrestricted	<u>(7,624,633)</u>	<u>(6,405,462)</u>	<u>(6,020,500)</u>	<u>(10,259,677)</u>	<u>(11,637,138)</u>
Total business-type activities	<u>\$ 8,411,913</u>	<u>\$ 10,042,633</u>	<u>\$ 11,163,872</u>	<u>\$ 11,976,369</u>	<u>\$ 11,032,243</u>
Primary government					
Net investment in capital assets	\$ 101,857,977	\$ 113,332,986	\$ 120,619,895	\$ 105,126,955	\$ 107,132,959
Restricted	14,779,333	14,935,402	18,719,625	29,407,653	21,716,519
Unrestricted	<u>(7,618,136)</u>	<u>(10,232,580)</u>	<u>(13,365,676)</u>	<u>(5,559,509)</u>	<u>(15,664,804)</u>
Total primary government net position	<u>\$ 109,019,174</u>	<u>\$ 118,035,808</u>	<u>\$ 125,973,844</u>	<u>\$ 128,975,099</u>	<u>\$ 113,184,674</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 86,494,103	\$ 80,780,670	\$ 78,440,880	\$ 84,103,556	\$ 101,636,238	\$ 117,456,363
22,268,506	20,148,657	24,363,362	25,102,730	38,435,503	39,147,301
<u>(3,053,611)</u>	<u>5,480,597</u>	<u>11,294,543</u>	<u>23,902,557</u>	<u>23,082,357</u>	<u>35,237,979</u>
<u>\$ 105,708,998</u>	<u>\$ 106,409,924</u>	<u>\$ 114,098,785</u>	<u>\$ 133,108,843</u>	<u>\$ 163,154,098</u>	<u>\$ 191,841,643</u>
\$ 23,143,736	\$ 23,299,376	\$ 23,335,901	\$ 23,208,942	\$ 23,698,771	\$ 23,033,757
<u>(10,469,654)</u>	<u>(20,794,826)</u>	<u>(21,245,533)</u>	<u>(20,355,317)</u>	<u>(19,962,195)</u>	<u>(19,551,622)</u>
<u>\$ 12,674,082</u>	<u>\$ 2,504,550</u>	<u>\$ 2,090,368</u>	<u>\$ 2,853,625</u>	<u>\$ 3,736,576</u>	<u>\$ 3,482,135</u>
\$ 109,637,839	\$ 104,080,046	\$ 101,776,781	\$ 107,312,498	\$ 125,335,009	\$ 140,490,120
22,268,506	20,148,657	24,363,362	25,102,730	38,435,503	39,147,301
<u>(13,523,265)</u>	<u>(15,314,229)</u>	<u>(9,950,990)</u>	<u>3,547,240</u>	<u>3,120,162</u>	<u>15,686,357</u>
<u>\$ 118,383,080</u>	<u>\$ 108,914,474</u>	<u>\$ 116,189,153</u>	<u>\$ 135,962,468</u>	<u>\$ 166,890,674</u>	<u>\$ 195,323,778</u>

Schedule 2
Cleveland County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 10,940,284	\$ 9,192,572	\$ 11,020,393	\$ 11,852,530	\$ 13,385,504
Public safety	22,277,558	23,023,383	25,934,833	25,546,272	29,382,033
Human services	39,910,173	37,343,610	38,328,743	36,826,648	34,213,345
Education	26,785,459	28,527,582	30,170,441	30,252,460	32,706,674
Economic and physical development	3,825,642	4,887,922	5,553,981	8,076,066	17,169,078
Cultural and recreation	2,015,097	698,756	1,673,852	688,520	1,761,508
Interest on long term debt	1,494,721	1,791,022	1,904,752	1,741,975	2,411,379
Total governmental activities	<u>107,248,934</u>	<u>105,464,847</u>	<u>114,586,995</u>	<u>114,984,471</u>	<u>131,029,521</u>
Business-type activities:					
Landfill	5,145,318	4,679,344	4,862,707	5,927,192	7,916,155
Total business-type activities	<u>5,145,318</u>	<u>4,679,344</u>	<u>4,862,707</u>	<u>5,927,192</u>	<u>7,916,155</u>
Total primary government expenses	<u>\$ 112,394,252</u>	<u>\$ 110,144,191</u>	<u>\$ 119,449,702</u>	<u>\$ 120,911,663</u>	<u>\$ 138,945,676</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	\$ 2,634,580	\$ 3,164,697	\$ 3,537,614	\$ 3,592,173	\$ 3,854,639
Public safety	2,625,778	2,264,490	2,334,725	2,004,684	2,582,628
Human services	11,883	-	-	3,817,502	3,950,570
Education	-	-	-	-	-
Economic and physical development	4,000,223	3,939,136	5,340,699	370,675	226,392
Cultural and recreation	-	-	-	-	-
Operating grants and contributions:					
General government	3,889,131	3,058,427	2,284,872	1,351,849	1,917,858
Public safety	305,039	369,245	155,891	355,316	258,388
Human services	17,987,419	20,024,711	20,176,304	17,834,543	19,695,707
Education	-	-	1,231,021	-	-
Economic and physical development	739,658	107,025	-	-	-
Cultural and recreation	-	-	-	184,000	33,000
Capital grants and contributions:					
General government	1,044,258	450,760	40,542	-	-
Public safety	59,411	298,438	183,461	-	1,088,296
Human services	3,663,827	4,311,346	4,140,732	4,351,935	1,679,551
Education	1,462,777	1,595,639	1,593,900	1,093,478	1,289,305
Economic and physical development	1,008,897	-	2,063,691	1,670,321	1,167,046
Cultural and recreation	-	-	-	-	-
Total governmental activities program revenues	<u>39,432,881</u>	<u>39,583,914</u>	<u>43,083,452</u>	<u>36,626,476</u>	<u>37,743,380</u>
Business-type activities:					
Charges for services	5,998,475	5,976,341	5,746,746	5,996,327	7,037,731
Operating grants and contributions	54,445	108,734	-	-	-
Capital grants and contributions	-	-	3,700	-	-
Total business-type activities program	<u>6,052,920</u>	<u>6,085,075</u>	<u>5,750,446</u>	<u>5,996,327</u>	<u>7,037,731</u>
Total primary government program revenues	<u>\$ 45,485,801</u>	<u>\$ 45,668,989</u>	<u>\$ 48,833,898</u>	<u>\$ 42,622,803</u>	<u>\$ 44,781,111</u>
Net (Expense)/Revenue					
Governmental activities	\$ (67,816,053)	\$ (65,880,933)	\$ (71,503,543)	\$ (78,357,995)	\$ (93,286,141)
Business-type activities	<u>907,602</u>	<u>1,405,731</u>	<u>887,739</u>	<u>69,135</u>	<u>(878,424)</u>
Total primary government net (expense)/r	<u>\$ (66,908,451)</u>	<u>\$ (64,475,202)</u>	<u>\$ (70,615,804)</u>	<u>\$ (78,288,860)</u>	<u>\$ (94,164,565)</u>

Fiscal Year						
	2019	2020	2021	2022	2023	2024
\$	\$16,206,681	\$19,866,977	\$18,153,438	\$18,673,778	\$12,784,906	\$22,393,696
	31,238,186	34,113,907	39,328,539	39,856,789	48,337,683	58,033,374
	35,995,884	35,659,097	34,605,901	34,789,359	36,753,772	40,402,127
	32,645,084	33,471,594	36,165,259	33,518,685	54,350,996	49,257,523
	7,211,865	5,954,351	5,913,415	13,755,654	14,679,651	6,549,351
	1,503,021	1,136,245	470,975	1,006,307	865,200	837,631
	2,247,146	2,065,998	1,891,833	1,344,504	1,344,909	1,262,439
	<u>127,047,867</u>	<u>132,268,169</u>	<u>136,529,360</u>	<u>142,945,076</u>	<u>169,117,117</u>	<u>178,736,141</u>
	6,380,315	16,996,569	8,281,509	6,116,658	9,116,937	10,394,945
	<u>6,380,315</u>	<u>16,996,569</u>	<u>8,281,509</u>	<u>6,116,658</u>	<u>9,116,937</u>	<u>10,394,945</u>
\$	<u>133,428,182</u>	<u>149,264,738</u>	<u>144,810,869</u>	<u>149,061,734</u>	<u>178,234,054</u>	<u>189,131,086</u>
\$	3,906,891	\$2,890,925	\$4,585,674	\$3,921,923	\$5,651,316	\$5,877,312
	3,206,964	2,892,983	5,212,395	4,220,281	10,495,773	11,359,062
	3,831,593	3,726,656	15,416,673	3,958,393	5,760,252	5,646,874
	-	-	-	-	281,161	-
	238,696	317,471	399,903	412,721	18,557	414,704
	-	-	-	-	-	11,056
	1,521,611	\$2,937,159	\$2,126,341	13,322,466	3,207,242	4,004,122
	464,295	561,328	662,005	2,312,137	3,174,179	7,970,670
	19,304,541	18,471,804	10,916,922	22,411,642	24,424,686	15,382,476
	-	-	-	-	-	1,000,000
	-	-	-	-	726,464	591,934
	33,768	1,717	28,393	-	304,129	195,033
	-	-	1,752,082	-	-	88,000
	1,861,658	-	-	450,000	9,999,106	14,126,939
	1,855,251	1,921,253	1,566,451	1,116,360	-	-
	1,044,355	1,758,942	575,002	545,431	19,249,553	10,590,540
	2,345,007	1,122,124	-	-	32,343	856,494
	-	25,384	424,641	-	-	-
	<u>39,614,630</u>	<u>\$36,627,746</u>	<u>\$43,666,482</u>	<u>52,671,354</u>	<u>83,324,761</u>	<u>78,115,216</u>
	7,404,183	7,475,752	7,754,153	6,368,705	9,398,600	9,468,147
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>7,404,183</u>	<u>7,475,752</u>	<u>7,754,153</u>	<u>6,368,705</u>	<u>9,398,600</u>	<u>9,468,147</u>
\$	<u>47,018,813</u>	<u>44,103,498</u>	<u>51,420,635</u>	<u>59,040,059</u>	<u>92,723,361</u>	<u>87,583,363</u>
\$	(87,433,237)	(95,640,423)	(92,862,878)	(90,273,722)	(85,792,356)	(100,620,925)
	<u>1,023,868</u>	<u>(9,520,817)</u>	<u>(527,356)</u>	<u>252,047</u>	<u>281,663</u>	<u>(926,798)</u>
\$	<u>(86,409,369)</u>	<u>(105,161,240)</u>	<u>(93,390,234)</u>	<u>(90,021,675)</u>	<u>(85,510,693)</u>	<u>(101,547,723)</u>

Schedule 2
Cleveland County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 60,502,800	\$ 59,587,494	\$ 60,047,655	\$ 61,266,854	\$ 63,400,076
Local option sales tax	12,625,637	17,202,034	17,561,662	19,434,159	21,425,575
Other taxes and licenses	-	-	-	360,205	122,392
Investment earnings	110,873	188,580	278,703	595,379	839,841
Miscellaneous	-	-	-	568,882	687,665
Special item:					
Transfers	104,481	125,966	432,320	-	-
Total governmental activities:	<u>73,343,791</u>	<u>77,104,074</u>	<u>78,320,340</u>	<u>82,225,479</u>	<u>86,475,549</u>
Business-type activities:					
Investment earnings	328	1,004	13,557	31,524	26,814
Miscellaneous	-	515,482	652,263	711,838	644,313
Transfers	(104,481)	(125,967)	(432,320)	-	-
Total business-type activities	<u>(104,153)</u>	<u>390,519</u>	<u>233,500</u>	<u>743,362</u>	<u>671,127</u>
Total primary government	<u>\$ 73,239,638</u>	<u>\$ 77,494,593</u>	<u>\$ 78,553,840</u>	<u>\$ 82,968,841</u>	<u>\$ 87,146,676</u>
Change in Net Position					
Governmental activities	\$ 5,527,738	\$ 11,223,141	\$ 6,816,797	\$ 3,867,484	\$ (6,810,592)
Business-type activities	<u>803,449</u>	<u>1,796,250</u>	<u>1,121,239</u>	<u>812,497</u>	<u>(207,297)</u>
Total primary government	<u>\$ 6,331,187</u>	<u>\$ 13,019,391</u>	<u>\$ 7,938,036</u>	<u>\$ 4,679,981</u>	<u>\$ (7,017,889)</u>

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	66,988,662	\$	70,909,731	\$	73,371,750	\$	78,507,314	\$	79,974,882	\$	81,887,675
	21,292,439		20,666,648		24,177,027		20,057,021		28,269,805		29,250,887
	127,770		223,981		-		202,785		1,993,728		1,854,708
	1,316,562		1,608,680		362,361		1,609,415		2,537,792		3,986,216
	750,305		1,645,121		2,019,378		(4,593,894)		2,506,802		2,507,092
	-		1,287,188		515,335		(609,755)		515,335		415,335
	<u>90,475,738</u>		<u>96,341,349</u>		<u>100,445,851</u>		<u>95,172,886</u>		<u>115,798,344</u>		<u>119,901,913</u>
	77,333		59,933		777		188,366		244,253		439,958
	788,587		578,540		627,732		642,166		872,370		865,663
	-		(1,287,188)		(515,335)		-		(515,335)		(415,335)
	<u>865,920</u>		<u>(648,715)</u>		<u>113,174</u>		<u>830,532</u>		<u>601,288</u>		<u>890,286</u>
\$	<u>91,341,658</u>	\$	<u>95,692,634</u>	\$	<u>100,559,025</u>	\$	<u>96,003,418</u>	\$	<u>116,399,632</u>	\$	<u>120,792,199</u>
\$	3,042,501	\$	700,926	\$	7,582,973	\$	4,899,164	\$	30,005,988	\$	19,280,988
	<u>1,889,788</u>		<u>(10,169,532)</u>		<u>(414,182)</u>		<u>1,082,579</u>		<u>882,951</u>		<u>(36,512)</u>
\$	<u>4,932,289</u>	\$	<u>(9,468,606)</u>	\$	<u>7,168,791</u>	\$	<u>5,981,743</u>	\$	<u>30,888,939</u>	\$	<u>19,244,476</u>

Schedule 3
Cleveland County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Non-spendable:					
Inventories	\$ 104,177	\$ 144,859	\$ 172,014	\$ 92,666	\$ 106,556
Long-Term receivable	-	-	-	91,764	73,412
Leases	-	-	-	-	-
Prepaid items	221,001	241,229	201,261	880,263	339,516
Restricted:					
Stabilization for State statute	7,531,900	6,873,561	7,070,633	6,583,257	8,185,106
Register of Deeds	-	-	-	76,671	121,964
Restricted, all other	705,424	1,202,757	3,114,229	2,432,842	2,465,389
Committed:					
Construction	19,015,426	9,257,021	-	-	-
Other	-	-	-	15,426	15,426
Assigned for subsequent year's expenditures	5,633,347	6,025,000	4,809,895	4,555,046	5,204,151
Assigned all other	1,500,000	3,025,000	4,015,426	5,000,000	5,000,000
Unassigned:	<u>14,345,778</u>	<u>17,516,639</u>	<u>19,127,229</u>	<u>19,892,312</u>	<u>19,358,902</u>
Total General Fund	<u>\$ 49,057,053</u>	<u>\$ 44,286,066</u>	<u>\$ 38,510,687</u>	<u>\$ 39,620,247</u>	<u>\$ 40,870,422</u>
All Other Governmental Funds					
Non-spendable:					
Prepaid items	\$ 5,386	\$ -	\$ 43,573	\$ 10,856	\$ 71,930
Restricted:					
Stabilization for State statute	1,422,178	1,254,152	1,238,907	1,781,340	1,440,840
Restricted, all other	3,298,716	5,809,555	8,548,950	29,728,948	9,206,155
Committed:					
Special revenue and debt service funds	-	15,675	469,261	-	-
Capital project funds	-	-	499,948	9,832,946	8,135,803
Assigned all other:	-	-	-	2,269,942	2,881,403
Unassigned:	<u>(1,979,061)</u>	<u>(126,577)</u>	<u>(901,293)</u>	<u>(348,897)</u>	<u>(916,195)</u>
Total all other governmental funds	<u>2,747,219</u>	<u>6,952,805</u>	<u>9,899,346</u>	<u>43,275,135</u>	<u>20,819,936</u>
Total fund balances	<u>\$ 51,804,272</u>	<u>\$ 51,238,871</u>	<u>\$ 48,410,033</u>	<u>\$ 82,895,382</u>	<u>\$ 61,690,358</u>

* The County sold the Hospital during the 2012-2013 fiscal year.

							Fiscal Year						
		2019		2020		2021		2022		2023		2024	
\$	108,852	\$	109,512	\$	102,436	\$	148,826	\$	219,264	\$	270,174		
	-		-		-		-		-		-		-
	-		-		-		3,428		-		-		-
	396,008		507,947		376,937		451,522		423,354		341,006		
	8,647,664		7,507,168		11,612,772		13,424,185		11,442,113		10,185,609		
	172,918		189,798		189,798		189,798		137,557		198,373		
	2,465,389		2,343,740		2,343,740		2,343,740		1,140,136		960,703		
	-		-		-		-		-		8,597,606		
	1,015,426		15,426		15,426		15,426		106,760		-		-
	4,992,241		4,465,278		5,780,387		4,238,027		7,218,696		7,218,696		
	3,300,000		7,083,120		4,000,000		4,000,000		192,162		469,748		
	20,716,473		21,136,357		23,183,392		27,600,715		40,236,496		30,343,130		
\$	41,814,971	\$	43,358,346	\$	47,604,888	\$	52,415,667	\$	61,116,538	\$	58,585,045		
\$	51,164	\$	79,798	\$	122,851	\$	329,319	\$	238,251	\$	370,514		
	1,919,165		2,419,513		1,439,815		2,270,719		6,883,056		3,210,486		
	8,917,423		7,534,540		8,739,462		13,770,549		18,667,155		24,469,590		
	-		-		-		-		-		-		-
	8,123,200		8,123,200		7,369,051		14,740,602		6,749,919		6,803,547		
	2,794,155		2,881,711		5,994,552		8,469,035		11,155,898		10,577,887		
	(1,662,935)		3,370,082		140,028		785,700		(4,285,473)		(623,960)		
	20,142,172		24,408,844		23,805,759		40,365,924		39,408,806		44,808,064		
\$	61,957,143	\$	67,767,190	\$	71,410,647	\$	92,781,591	\$	100,525,344	\$	103,393,109		

Schedule 4
Cleveland County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Taxes:					
Property	\$ 59,299,996	\$ 60,146,105	\$ 61,374,504	\$ 63,302,733	\$ 67,057,925
Sales	17,202,034	17,561,662	19,434,159	21,425,575	21,292,439
Other	513,548	-	-	-	-
Total taxes	<u>77,015,578</u>	<u>77,707,767</u>	<u>80,808,663</u>	<u>84,728,308</u>	<u>88,350,364</u>
Intergovernmental	28,591,587	29,595,682	26,769,053	25,300,823	26,961,939
Permits and fees	4,218,683	4,321,708	4,502,846	4,695,185	4,699,153
Sales and services	5,808,912	6,243,473	5,656,678	7,037,795	7,212,000
Investment earnings	188,579	278,704	595,379	839,841	1,316,562
Miscellaneous	910,103	2,346,817	661,389	1,086,004	750,305
Total revenues	<u>116,733,442</u>	<u>120,494,151</u>	<u>118,994,008</u>	<u>123,687,956</u>	<u>129,290,323</u>
Expenditures					
General government	9,331,755	10,675,904	11,067,806	12,971,595	14,107,263
Public safety	23,276,410	23,462,335	24,891,592	27,954,198	25,391,553
Human services	33,181,597	36,610,613	32,917,523	33,024,912	34,966,574
Education	28,404,757	30,170,441	32,008,152	41,567,546	31,401,693
Economic and physical development	6,147,272	5,699,333	5,541,505	4,947,724	6,284,388
Culture and recreation	1,330,274	1,332,421	1,234,611	1,482,089	1,320,498
Capital outlay	13,393,096	10,530,185	5,742,301	14,408,813	9,538,225
Debt service:					
Principal	3,456,376	3,589,291	3,343,658	5,429,537	5,462,225
Interest	1,808,490	1,684,786	1,536,656	2,502,268	2,282,665
Total expenditures	<u>120,330,027</u>	<u>123,755,309</u>	<u>118,283,804</u>	<u>144,288,682</u>	<u>130,755,084</u>
Revenues over (under) expenditures	<u>(3,596,585)</u>	<u>(3,261,158)</u>	<u>710,204</u>	<u>(20,600,726)</u>	<u>(1,464,761)</u>
Other Financing Sources (Uses)					
Transfers in	31,866,480	28,979,447	22,626,019	25,433,670	11,131,967
Transfers out	(31,740,513)	(28,547,127)	(22,626,019)	(24,918,335)	(10,616,632)
Proceeds from leases / SBITAs	-	-	425,145	26,440	70,138
Installment financing proceeds	-	-	33,350,000	-	-
Payment to bond escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>125,967</u>	<u>432,320</u>	<u>33,775,145</u>	<u>541,775</u>	<u>585,473</u>
Net change in fund balances	<u>\$ (3,470,618)</u>	<u>\$ (2,828,838)</u>	<u>\$ 34,485,349</u>	<u>\$ (20,058,951)</u>	<u>\$ (879,288)</u>
Debt Service / Operating Non-Capital Ratio	4.92%	4.66%	4.34%	6.11%	6.39%

		Fiscal Year							
		2020	2021	2022	2023	2024			
\$	70,356,321	\$	73,526,131	\$	77,893,969	\$	79,484,196	\$	81,662,943
	20,666,648		24,177,027		20,057,021		28,269,805		29,250,887
	-		-		-		1,557,687		1,382,693
	<u>91,022,969</u>		<u>97,703,158</u>		<u>97,950,990</u>		<u>109,311,688</u>		<u>112,296,523</u>
	26,023,339		27,459,286		32,397,637		61,553,740		56,865,840
	4,766,452		4,958,126		4,870,190		4,692,876		5,066,932
	6,159,742		10,389,288		14,350,640		17,667,188		17,275,588
	1,619,141		362,361		89,142		2,537,792		3,986,216
	1,645,121		2,019,378		1,053,716		2,506,802		2,507,430
	<u>131,236,764</u>		<u>142,891,597</u>		<u>150,712,315</u>		<u>198,270,086</u>		<u>197,998,529</u>
	16,073,171		16,585,069		18,535,182		12,352,605		20,662,234
	32,949,395		33,291,394		38,844,677		44,778,568		51,237,279
	33,735,619		32,912,256		35,701,930		34,281,759		37,737,973
	32,346,313		34,782,194		37,980,208		53,062,784		47,966,519
	5,980,831		5,787,580		7,003,626		14,581,398		6,404,212
	1,549,495		1,346,830		1,319,010		521,438		492,377
	4,595,410		8,693,365		2,427,594		25,100,502		22,123,411
	5,534,481		3,851,743		11,645,460		8,414,480		7,749,282
	2,034,600		2,041,293		1,283,954		1,355,300		1,195,324
	<u>134,799,315</u>		<u>139,291,724</u>		<u>154,741,641</u>		<u>194,448,834</u>		<u>195,568,611</u>
	<u>(3,562,551)</u>		<u>3,599,873</u>		<u>(4,029,326)</u>		<u>3,821,252</u>		<u>2,429,918</u>
	15,675,411		14,781,390		44,945,272		20,715,702		18,039,818
	(14,388,223)		(14,266,055)		(44,429,937)		(20,200,367)		(17,624,483)
	525,410		1,529,550		110,543		2,962,030		-
	7,560,000		34,631,000		12,000,000		445,136		22,512
	-		(36,738,188)		-		-		-
	-		-		6,875,000		-		-
	<u>9,372,598</u>		<u>(62,303)</u>		<u>19,500,878</u>		<u>3,922,501</u>		<u>437,847</u>
\$	<u>5,810,047</u>	\$	<u>3,537,570</u>	\$	<u>15,471,552</u>	\$	<u>7,743,753</u>	\$	<u>2,867,765</u>
	5.81%		4.51%		8.96%		5.77%		5.16%

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Schedule 5
Cleveland County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Commercial Real Property	Real Personal Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Value (4)
2015	\$ 6,919,697,664	\$ 1,675,189,181	\$ 741,430,862	\$ 9,336,317,707	0.7200	\$ 5,517,763,765
2016 (5)	5,949,760,853	1,464,352,946	813,084,179	8,227,197,978	0.7200	4,862,274,005
2017	4,750,457,635	3,209,409,209	472,393,562	8,432,260,406	0.7200	8,634,057,316
2018	4,787,922,158	3,211,020,704	476,124,638	8,475,067,500	0.7200	9,048,102,044
2019	4,898,007,974	3,936,446,342	501,863,391	9,336,317,707	0.7200	10,193,539,465
2020	4,944,214,260	4,045,593,160	594,239,381	9,584,046,801	0.7200	10,416,188,733
2021 (5)	5,043,098,545	4,126,505,023	606,124,169	9,775,727,737	0.7200	10,624,512,508
2022	6,437,744,232	2,073,661,347	692,875,043	9,567,282,807	0.6875	10,620,159,386
2023	6,553,453,803	2,285,161,852	701,120,178	9,948,316,068	0.6875	10,799,671,900
2024	6,653,618,645	2,344,663,727	706,965,572	10,208,296,577	0.6875	10,764,897,892

Source: County Assessor's Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural, and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable is a lien on the property and is deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the N.C. Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The ratio for the most recent year is not yet available.
 (This ratio only applies to real property)

(5) Property in Cleveland County is typically reassessed every four years and never to exceed 8 years. January 1, 2016 was the last revaluation. Prior to 2016 the last revaluation was in 2008. The current cycle is set for five years. (2021)

* Indicates valuation was included in Commercial Property Valuation

Schedule 6
Cleveland County
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

	Fiscal Year				
	2015	2016	2017	2018	2019
Cleveland County	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072
Municipality Rates:					
Town of Grover	0.0039	0.0039	0.0039	0.0039	0.0039
City of Kings Mountain	0.0040	0.0040	0.0043	0.0043	0.0043
City of Kings Mountain Municipality Service Dist	0.0024	0.0024	0.0027	0.0027	0.0027
Town of Lattimore	0.0022	0.0022	0.0022	0.0022	0.0022
Town of Kingstown	0.0035	0.0035	0.0035	0.0035	0.0048
Town of Fallston	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Earl	0.0017	0.0017	0.0017	0.0017	0.0018
Town of Polkville	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Lawndale	0.0023	0.0023	0.0023	0.0023	0.0023
Town of Casar	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Waco	0.0020	0.0020	0.0020	0.0020	0.0020
City of Shelby	0.0044	0.0044	0.0050	0.0050	0.0052
Uptown Shelby Municipality Revitalization	0.0022	0.0022	0.0025	0.0025	0.0025
Town of Boiling Springs	0.0032	0.0032	0.0033	0.0037	0.0038
Town of Patterson Springs	N/A	N/A	N/A	0.0015	0.0015
Town of Belwood	N/A	N/A	N/A	N/A	0.0005
Fire Districts:					
County Fire	0.0005	0.0005	0.0005	0.0009	0.0009
Fallston Fire	0.0005	0.0005	0.0005	N/A	N/A
Lattimore Fire	0.0005	0.0005	0.0005	0.0009	0.0009
Rippy Fire	0.0005	0.0005	0.0005	0.0009	0.0009
Sanitary Water District	0.0002	0.0002	0.0002	0.0002	0.0002

Source: Cleveland County Tax Collector

***Fallston Fire went in with the main County Fire taxing district in FY 2018.**

***Town of Lawndale established a Fire tax district in FY 2024.**

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Schedule 7
Cleveland County
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2024			Fiscal Year 2014		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Corp	Electric Utility	\$ 819,088,818	1	6.16%	\$ 534,081,690	1	5.95%
Clearwater Paper Corporation	Paper products	528,932,974	2	6.50%	239,941,035	3	2.65%
Carolina Power Partners LLC	Electric Utility	378,643,456	3	4.28%	N/A		
Southern Power Company	Electric Utility	257,976,815	4	2.09%	307,759,299	2	3.59%
Nippon Electric Glass	Fiberglass Manufacturing	139,481,815	5	1.71%	113,002,123	4	1.88%
AT&T/Bellsouth	Telecommunication	109,232,137	6	1.19%	76,373,806	7	1.14%
Wal-Mart	Warehouse/Retail Store	99,847,020	7	1.22%	75,534,934	6	1.29%
Disney Worldwide Services	Entertainment	88,090,367	8	1.00%	91,132,901	5	1.51%
T5@Charlotte	Data Center	84,439,984	9	0.96%	N/A		
State Employees Credit Union	Banking	67,483,815	10	0.76%	2,123,104	16	0.04%
Totals		\$ 2,573,217,201		25.87%	\$ 1,439,948,892		18.03%

Source: Cleveland County Assessor

Note: N/A - information not available due to company history in Cleveland County.

**Schedule 8
Cleveland County
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year			Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
	(Original Levy)	Adjustments			Amount	Percentage of Original Levy
2015	\$ 58,143,528	\$ (69,534)	\$	\$ 58,073,994	\$ 57,048,877	\$ 98.23%
2016	59,509,987	(274,162)		59,235,825	58,272,377	98.37%
2017	61,013,048	(587,915)		60,425,133	59,552,304	98.56%
2018	61,608,401	(587,915)		61,020,486	60,059,273	98.42%
2019	64,748,877	(253,441)		64,495,436	63,566,623	98.56%
2020	68,596,144	(258,796)		68,337,348	66,938,085	97.95%
2021	70,690,330	(437,916)		70,252,414	69,299,596	98.64%
2022	73,801,747	(355,861)		73,445,886	72,424,345	98.61%
2023	76,852,892	(703,867)		76,149,025	74,839,400	98.28%
2024	77,766,703	(725,981)		77,040,722	76,416,951	98.26%

Source: Cleveland County Tax Collector

Total Collections to Date

Amount	Percentage of Adjusted Levy	Uncollected
57,987,960	99.85%	\$ 62,846
59,146,560	99.85%	56,713
60,324,156	99.83%	50,323
60,870,181	99.75%	78,853
64,256,173	99.63%	143,309
67,915,588	99.38%	274,685
69,730,198	99.26%	194,797
72,424,345	98.61%	271,257
74,839,400	98.28%	696,715
76,416,951	99.19%	1,339,625
		<u>\$ 3,169,123</u>

Schedule 9
Cleveland County
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Limited Obligation Bonds	Installment Purchases	Lease & IT Subscriptions	Other			
2015	\$ 350,000	\$ 16,590,000	\$ 19,980,662	\$ -	\$ 21,887	\$ 36,942,549	373	1.02%
2016	100,000	15,505,000	17,519,868	-	11,095	33,135,963	337	0.87%
2017	-	14,420,000	48,849,671	-	715,074	63,984,745	650	1.70%
2018	-	13,335,000	44,605,475	-	641,174	58,581,649	603	1.50%
2019	-	12,250,000	40,361,278	-	578,284	53,189,562	542	1.39%
2020	-	11,165,000	43,993,473	-	582,019	55,740,492	573	1.58%
2021	-	6,825,000	42,552,938	-	1,933,173	51,311,111	524	1.40%
2022	-	5,690,000	45,992,996	93,198	-	51,776,194	520	1.38%
2023	-	4,555,000	39,980,549	2,233,331	-	46,768,880	466	1.13%
2024	-	3,420,000	33,940,450	1,681,660	-	39,042,110	388	0.86%

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Schedule 10
Cleveland County
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2015	\$ 350,000	\$ 16,590,000		\$ 16,940,000	0.47%	0.23%	171
2016	100,000	15,505,000		15,605,000	0.41%	0.19%	159
2017	-	14,420,000		14,420,000	0.39%	0.18%	147
2018	-	13,335,000		13,335,000	0.35%	0.16%	136
2019	-	12,250,000		12,250,000	0.32%	0.13%	126
2020	-	11,165,000		11,165,000	0.29%	0.12%	114
2021	-	6,825,000		6,825,000	0.18%	0.07%	69
2022	-	5,690,000		5,690,000	0.15%	0.06%	57
2023	-	4,555,000		4,555,000	0.12%	0.05%	45
2024	-	3,420,000		3,420,000	0.07%	0.03%	34

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See Schedule 5 for assessed property valuation data.

**Schedule 11
Cleveland County
Legal Debt Margin Information,
Last Ten Fiscal Years**

	Fiscal Year				
	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 8,065,832,500	\$ 8,227,197,978	\$ 8,392,379,583	\$ 8,475,067,500	\$ 9,336,317,707
Debt Limit, 8% of Assessed Value (Statutory Limitation)	645,266,600	658,175,838	671,390,367	678,005,400	746,905,417
Amount of Debt Applicable to Limit: Less: Gross debt	<u>36,942,549</u>	<u>33,553,258</u>	<u>63,984,745</u>	<u>58,581,649</u>	<u>53,189,562</u>
Total net debt applicable to limit	<u>36,942,549</u>	<u>33,553,258</u>	<u>63,984,745</u>	<u>58,581,649</u>	<u>53,189,562</u>
Legal Debt Margin	<u>\$ 608,324,051</u>	<u>\$ 624,622,580</u>	<u>\$ 607,405,622</u>	<u>\$ 619,423,751</u>	<u>\$ 693,715,855</u>
Total debt applicable to the limit as a percentage of debt limit	6.29%	5.73%	5.10%	9.53%	7.12%

	Fiscal Year				
	2020	2021	2022	2023	2024
Assessed Value of Property	\$ 9,491,298,333	\$ 9,757,279,722	\$ 10,683,037,964	\$ 11,076,221,818	\$ 11,303,957,930
Debt Limit, 8% of Assessed Value (Statutory Limitation)	759,303,867	780,582,378	854,643,037	886,097,745	904,316,634
Amount of Debt Applicable to Limit: Less: Gross debt	<u>55,740,492</u>	<u>51,311,111</u>	<u>51,776,194</u>	<u>46,768,880</u>	<u>39,042,110</u>
Total net debt applicable to limit	<u>55,740,492</u>	<u>51,311,111</u>	<u>51,776,194</u>	<u>46,768,880</u>	<u>39,042,110</u>
Legal Debt Margin	<u>\$ 703,563,375</u>	<u>\$ 729,271,267</u>	<u>\$ 802,866,843</u>	<u>\$ 839,328,865</u>	<u>\$ 865,274,524</u>
Total debt applicable to the limit as a percentage of debt limit	7.34%	6.57%	6.06%	5.57%	4.32%

Note: N.C. Statute G.S. 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: debt

not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Schedule 12
Cleveland County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

<u>Governmental Unit</u>	<u>Gross Non-Revenue Bonded Debt</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to Primary Government</u>
Total County direct debt	\$ 38,324,816	100%	\$ 38,324,816
Overlapping:			
Public Schools	-	0%	-
Total overlapping debt	<u>-</u>		<u>-</u>
Total	<u>\$ 38,324,816</u>		<u>\$ 38,324,816</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those governments that is borne by the residents and businesses of Cleveland County reported. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 13
Cleveland County
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Median Household Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>	<u>Number of Commercial Public Food Inspections Performed(5)</u>	<u>Number of Building Inspections Performed(6)</u>
2015	98,224	\$ 3,829,655	\$ 38,989	15,103	6.80%	1,192	262
2016	97,871	3,739,455	38,208	14,906	5.60%	1,192	300
2017	97,178	3,892,854	40,059	14,761	4.40%	1,187	319
2018	98,074	3,838,028	39,134	14,452	4.30%	1,185	324
2019	97,288	3,531,415	40,002	15,070	4.60%	1,178	348
2020	97,947	3,677,383	40,393	15,471	7.70%	937	338
2021	99,519	3,753,633	42,247	16,417	4.90%	918	427
2022	100,359	4,121,428	43,512	13,686	4.40%	796	1,417
2023	100,558	4,542,813	45,126	13,957	3.60%	888	1,838
2024	101,097	4,829,010	55,758	13,865	3.30%	576	1,855

Notes:

- (1) N.C. State Data Center. Estimates are as of the beginning of the fiscal year / Charlotte Regional Partnership Website
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
<https://bea.gov/regional/> Local Area Personal Income & Employment
- (3) N.C. Department of Public Instruction, Final Average Daily Membership for fiscal year
- (4) N. C. Employment Security Commission, Unemployment Rate at end of fiscal year
- (5) Total number of inspections performed by Cleveland County Inspections Department. Does not include inspections by municipalities

Schedule 14
Cleveland County
Principal Employers
Current Year and Nine Years Ago

Employer	2024		2015	
	Employment Range	Rank	Employment Range	Rank
Cleveland County Board Of Education	1000+	1	1000+	1
Wal-Mart Associates Inc.	1000+	2	1000+	3
Charlotte Mecklenburg Hospital Authority (Atrium Health)	1000+	3	1000+	2
Gardner-Webb University	250-499	9	500-999	4
County Of Cleveland	1000+	4	500-999	5
Baldor Electric Company	N/A	N/A	500-999	7
Electric Glass Fiber America LLC (Formerly PPG Industries)	250-499	10	500-999	6
Cleveland Community College	250-499	12	250-499	9
Clearwater Paper Corporation	500-999	6	N/A	N/A
Ingles Markets Inc	500-999	7	250-499	8
Hanesbrands Inc	250-499	8	250-499	10
Greenheck Fan Corporation	500-999	5	N/A	N/A
Eaton Corporation	250-499	11	250-499	11
City of Shelby	250-499	13	250-499	12

Source: NC Commerce Website

Notes: Data not available on percentage of total employment.

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Schedule 15
Cleveland County
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees As of June 30				
	2015	2016	2017	2018	2019
General government	88	89	92	95	102
Public safety	279	286	287	288	294
Environmental protection	36	39	39	38	37
Economic and physical development	18	18	19	19	18
Human services	410	417	420	421	431
Cultural and recreation	23	24	24	25	26
Total	854	873	881	886	908

Function/Program	Full-Time Equivalent Employees As of June 30				
	2020	2021	2022	2023	2024
General government	86	96	112	114	101
Public safety	299	293	318	337	342
Environmental protection	35	36	35	35	19
Economic and physical development	12	15	13	13	12
Human services	322	283	290	294	360
Cultural and recreation	24	23	22	22	15
Total	778	746	790	815	849

Source: Human Resources Department

Note: This schedule represents number of persons employed as of June 30 of each year.
 Full-time personnel work from 1950 to 2080 base hours per year (less vacation and sick leave).

**Schedule 16
Cleveland County
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<u>General Government</u>					
# of registered voters	58,771	61,180	63,435	64,557	60,779
<u>Public Safety</u>					
# of building permits issued	262	300	319	324	348
# of calls dispatched	90,154	95,769	94,568	99,050	110,779
<u>Human Services</u>					
# of food & lodging sites inspected	1,192	1,192	1,187	1,185	1,178
# of Health clients served (clinical)	18,627	16,796	15,813	16,442	16,329
<u>Economic and Physical Development</u>					
Number of major subdivision plan reviews	0	0	0	0	0
<u>Cultural and Recreation</u>					
Library:					
Book volumes per capita	1.14	1.19	0.98	1.06	1.03
Library income per capita (local)	9.41	9.81	10.41	9.20	10.44
Library income per capita (total)	13.27	12.41	12.71	12.33	12.76
Library visits per capita	1.86	1.86	1.79	2.66	1.36
Turnover rate (circulation per book)	1.88	1.72	1.77	1.87	2.04
<u>Education</u>					
Total \$ spent per ADM	1,751 \$	1,817 \$	1,903 \$	1,975 \$	1,975 \$
<u>Enterprise Fund - Landfill</u>					
Solid waste generated # tons/day	477	446	470	495	699

Source: Fiscal year data for various governmental and business-type functions.

*The decline in major subdivision plan reviews is related to the downturn in the economy that began in late 2008.

** Per capita information based on most recent US Census.

		Fiscal Year			
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
63,738	66,222	67,594	66,297	68,570	
338	427	1,417	1,838	1,855	
129,464	134,558	123,392	150,396	171,299	
937	918	796	888	576	
14,089	11,753	13,849	12,364	11,033	
0	0	6	5	2	
1.37	3.38	0.99	7.185	1.57	
10.47	11.46	11.60	11.15	12.30	
12.70	13.70	13.96	14.99	14.31	
1.91	0.68	0.76	0.85	1.00	
2.12	1.95	1.92	1.88	2.01	
2,110 \$	2,110 \$	1,804 \$	2,135 \$	2,370	
474	479	547	548	513	

Schedule 17
 Cleveland County
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Public Safety</u>					
Sheriff's Department:					
Stations	1	1	1	1	1
Vehicles	154	165	169	160	164
Emergency Medical Services:					
Stations	9	9	9	9	9
Vehicles	30	34	34	35	38
<u>Cultural and Recreation</u>					
Park acreage	1,468	1,468	1,468	1,468	1,468
Parks	2	2	2	2	2
Libraries	2	2	2	2	2
Total government-wide assets value	\$ 187,892,153	\$ 188,269,410	\$ 224,811,862	\$ 216,004,405	\$ 217,240,237

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Public Safety</u>					
Sheriff's Department:					
Stations	1	1	1	1	1
Vehicles	166	181	180	199	203
Emergency Medical Services:					
Stations	9	9	13	13	13
Vehicles	45	40	42	45	58
<u>Cultural and Recreation</u>					
Park acreage	1,468	1,468	1,468	1,468	1,468
Parks	2	2	2	2	2
Libraries	2	2	2	2	2
Total government-wide assets value	\$ 223,993,725	\$ 244,007,169	\$ 314,198,611	\$ 353,922,867	\$ 405,564,271

Source: Various County Departments

****NOTES** Total Government-wide assets value figures come from the Statement of Net Position (Total assets)**

Schedule 18
Cleveland County
Principal Industry Sectors -
Current versus 3 and 6 years ago

Industry NAICS Sector*	2024***		
	Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed
1. Manufacturing (31)	\$ 483,966,043	7,459	21.97%
2. Health Care and Social Assistance (62)	303,717,873	5,246	15.45%
3. Educational Services (61)	154,386,057	3,426	10.09%
4. Retail Trade (44)	148,049,099	4,219	12.43%
5. Transportation and Warehousing (48)	116,440,234	2,377	7.00%
6. Public Administration (92)	107,463,729	2,041	6.01%
7. Construction	121,959,055	2,012	5.93%
8. Administrative and Support and Waste Management and Remediation Services	70,812,056	1,897	5.59%
9. Accommodation and Food Services	57,537,525	3,045	8.97%
10. Wholesale Trade	59,300,459	967	2.85%
11. Professional, Scientific, and Technical Services	60,962,561	860	2.53%
12. Information	41,004,312	395	1.16%
	\$ 1,725,599,003	33,944	100.00%

*All data in this exhibit was obtained from NC Commerce Website. <https://D4.nccommerce.com/QCEWSelection.aspx>

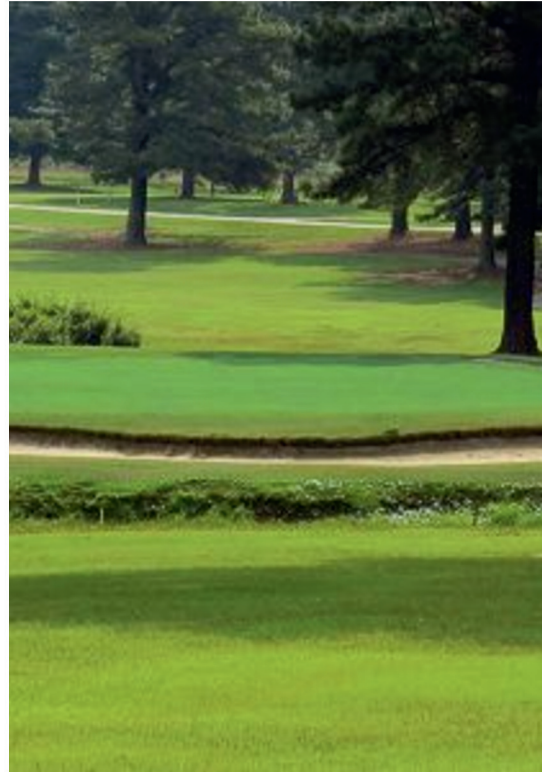
** All data is on calendar year end basis.

*** 2024 #s are for 2023 as 2024 not available.

2021			2018		
Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed	Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed
\$ 404,418,878	6,884	20.92%	\$ 372,416,470	6,752	20.47%
255,453,667	4,972	15.11%	224,852,300	5,135	15.57%
143,631,375	3,467	10.54%	134,569,773	3,652	11.07%
133,403,725	4,138	12.58%	108,180,661	3,996	12.11%
119,338,831	2,674	8.13%	103,102,274	2,446	7.42%
89,376,271	1,972	5.99%	82,877,848	2,041	6.19%
82,877,629	1,707	5.19%	86,047,952	1,695	5.14%
68,068,616	2,061	6.26%	60,307,375	2,193	6.65%
50,873,193	2,999	9.12%	44,726,672	3,018	9.15%
48,832,735	922	2.80%	41,859,166	940	2.85%
46,404,479	720	2.19%	41,957,725	712	2.16%
37,540,625	383	1.16%	32,825,160	406	1.23%
\$ 1,480,220,024	32,899	100.00%	\$ 1,333,723,376	32,986	100.00%

x

COMPLIANCE SECTION





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**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***

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Cleveland County's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cleveland County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cleveland County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control 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 were not 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 certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2024-001] that we consider to be significant deficiency.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Report on Compliance and Other Matters

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

Cleveland County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Cleveland County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 12, 2024



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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cleveland County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Cleveland County's major federal programs for the year ended June 30, 2024. Cleveland County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cleveland County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Cleveland County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cleveland County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cleveland County federal programs.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cleveland County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cleveland County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cleveland County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Cleveland County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cleveland County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-002, 2024-003, 2024-004, 2024-005, 2024-006] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Cleveland County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cleveland County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Cleveland County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Cleveland County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 12, 2024



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**Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance With
OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Cleveland County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Cleveland County's major State programs for the year ended June 30, 2024. Cleveland County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cleveland County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Cleveland County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Cleveland County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cleveland County State programs.

Members

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cleveland County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cleveland County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cleveland County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Cleveland County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cleveland County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-002, 2024-003, 2024-004, 2024-005] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Cleveland County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cleveland County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Cleveland County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Cleveland County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 12, 2024

Cleveland County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported
- Noncompliance material to federal awards ___ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X yes ___ no

Identification of major federal programs:

<u>AL No.</u>	<u>Program Name</u>
10.561	SNAP Cluster
21.027	Coronavirus State and Local Fiscal Recovery Fund
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.667	Social Service Block Grant
93.778	Medical Assistance Program

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 that are not considered to be material weaknesses X yes ___ none reported
- Noncompliance material to State awards ___ yes X no

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

Cleveland County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

Identification of major State programs:

- Program Name
- Social Service Block Grant
- Medical Assistance Program
- DHHS - State Budget Allocation
- Public School Building Capital Fund
- OSBM - State Budget Allocation 20154
- State Capital Infrastructure Fund 20152
- Regional Economic Development Reserve 20159
- Regional Economic Development Reserve 201510
- Regional Economic Development Reserve 201511
- Regional Economic Development Reserve 201517
- Regional Economic Development Reserve 201515

Dollar threshold used to determine
 a State Major Program \$ 500,000

Auditee qualified as low-risk auditee? ___ yes X no

Section II - Financial Statement Findings

Finding 2024-001 Correction of an Error in Previously Issued Financial Statements

SIGNIFICANT DEFICIENCY

Criteria: Management should have a system in place to verify that transactions are accurately recorded in the correct period, thereby reducing the likelihood of errors in financial reporting.

Condition: The County changed fixed asset software and identified several errors in previously reported capital asset accumulated depreciation totals. The effect of these errors were a decrease of \$156,188 in governmental activities and a decrease of \$208,610 on the Solid Waste Fund (and business-type activities).

Effect: The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the County's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: The County was not accurately reviewing useful lives and depreciation expense generated by the software.

Recommendation: The County should review the ledger and subsidiary reports regularly to ensure that necessary adjustments are made to accurately reflect depreciation of capital assets.

Views of responsible
 officials and planned
 corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Cleveland County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section III - Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Service

Passed through the NC Dept of Health and Human Services
Food and Nutrition Services (FNS) Cluster
AL No.: 10.551 and 10.561

Finding 2024-006 FNS Eligibility Determinations

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: Per Section 200.303 of the Uniform Grant Guidance, a non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The State has provided policies and procedures to ensure that the County is meeting the federal guidance, relevant policies are:

Food and Nutrition Services Policy 305 describes the verification sources and requirements and the FNS units primary responsibility for providing documentary evidence to support statements on applications and recertifications and procedures required if the statements by applicant/beneficiary are questionable.

Food and Nutrition Services Policy 300 describes the sources of income countable and not countable to the household for determining financial eligibility.

Food and Nutrition Services Policy 310 describes the procedures related to verifying changes in income (i.e. termination, end of contract, temporary, etc.).

Condition: There were a total of 8 errors found in our testing: 5 instances where there was an inadequate request for information from the client or verification from electronic sources; 3 instances where income was incorrectly calculated or incorrect amount was entered in NCFAST. Of these 8 errors, 1 of these could potentially be an eligibility error.

Questioned Costs: Due to the nature of the populations provided from which the samples were chosen, we are unable to calculate questioned costs for the above mentioned potential eligibility issue.

Context: We examined 25 of 29,653 FNS cases from a report of all active FNS beneficiaries provided by the County's Department of Social Services. The finding is being reported with the financial statement audit as it relates to FNS administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: The County should provide training of management and staff on the program's eligibility requirements, proper case review process, and required verifications for eligibility. Also, the County should ensure that their formal internal review process is adequately completed to identify and correct errors in case reviews.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Cleveland County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section IV - State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)

AL No.: 93.778

SIGNIFICANT DEFICIENCY: Finding 2024-002, 2024-003, 2024-004, 2024-005 also apply to State requirements and State Awards.



Cleveland County

NORTH CAROLINA

Corrective Action Plan
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Finding 2024-001

Name of Contact Person: Philip Steffen, Finance Director

Corrective Action: The County recognizes that through our transition in software we have fully reconciled all fixed asset transactions. Going forward, County finance staff will thoroughly track and reconcile all fixed assets annually. Along with reconciliation, the process of purchasing and recoding asset transactions has been modified, to include various checks and balances.

Proposed Completion Date: Completed 7/1/2024

Section III - Federal Award Findings and Questioned Costs

Finding 2024-002

IV-D Cooperation with Child Support

Name of Contact Person: Alice Wilson, Medicaid Program Administrator

Corrective Action: Lead staff along with Supervision will conduct refresher training regarding when and how to properly send a IV D referral. The county must also ensure that staff is aware of current guidance in Admin letter 13-23 which states that an applicant/beneficiary is not required to cooperate with Child Support during the CCU period. While this is a repeat finding it is important to note the decrease in errors found to one error in 2023 compared to 3 found in 2022. The county feels that the specialization model with in the Family & Childrens team has contributed to this reduction and continues to demonstrate the successfulness as the error for 2024 was one error.

Proposed Completion Date: 4/1/2025

Finding 2024-003

Inaccurate Information Entry

Name of Contact Person: Alice Wilson, Medicaid Program Administrator

Corrective Action: All staff will receive refresher training on determining Household size and countable income, including checking the determinations tab on the activated PDC to ensure that all required income and household members are counted. Lead staff will conduct a targeted QC sample to track progress of lowering this error finding over the first quarter of 2025.

Proposed Completion Date: 4/1/2025

Finding 2024-004

Inaccurate Resources Entry

Name of Contact Person: Alice Wilson, Medicaid Program Administrator

Corrective Action: Staff will receive refresher training on updating the evidence dashboard at redetermination of eligibility that will be conducted by Supervision. The documentation template for Recertifications will also be updated to include a line item for caseworkers to document that the evidence dashboard has been updated. Lead staff will also complete two targeted Quality review checks on a case sampling to gauge if staff are appropriately updating the dashboard.

Proposed Completion Date: 4/1/2025



Cleveland County

NORTH CAROLINA

Corrective Action Plan
For the Year Ended June 30, 2024

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 2024-005

Inadequate Request for Information

Name of Contact Person: Alice Wilson, Medicaid Program Administrator

Corrective Action: The county will conduct refresher training on how and when to request information needed that includes when to request The Work Number, OVS,AVS, Property checks and Register of Deeds checks. The county will conduct a targeted second party of cases to check the effectiveness of the refresher training provided.

Proposed Completion Date: 4/1/2025

Finding 2024-006

FNS Eligibility Determinations

Name of Contact Person: Alice Wilson, FNS Program Administrator

Corrective Action: All FNS staff will attend a refresher training where sections 435, 505 and 510 will be reviewed. This training will be conducted by Supervision in FNS with the support of the FNS lead staff. This training will include an outline of the requirement for supporting documentation of eligibility and benefit determinations to include verifications used to support such determination at application and recertification where appropriate. All relatable NC FAST job aids will be reviewed with staff to ensure that functionality within the NCFast system is followed.

Proposed Completion Date: 3/1/2025

Section IV - State Award Findings and Questioned Costs

Corrective Action Plan for Finding 2024-002, 2024-003, 2024-004, 2024-005 also apply to State Award Findings.

Cleveland County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

Finding: 2023-001
Status: Corrected

Finding: 2023-002
Status: Corrected

Finding: 2023-003
Status: Repeat as finding 2024-002

Finding: 2023-004
Status: Repeat as finding 2024-003

Finding: 2023-005
Status: Repeat as finding 2024-004

Finding: 2023-006
Status: Repeat as finding 2024-005

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
SNAP Cluster					
COVID-19 State Administrative Matching Grants					
for the Supplemental Nutrition Assistance Program	10.561		\$ 54,600	\$ -	\$ -
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561		1,239,525	-	-
Total Supplemental Nutrition Assistance Program			<u>1,294,125</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children	10.557		769,957	-	-
Total U.S. Department of Agriculture			<u>2,064,082</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738		49,756	-	-
Public Safety Partnership and Community Policing Grants	16.710		42,264	-	-
Public Safety Partnership and Community Policing Grants	16.710		49,875	-	-
Total U.S. Dept. of Justice			<u>141,895</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Treasury</u>					
Direct program					
Coronavirus State and Local Fiscal Recovery Fund	21.027		6,116,356	-	-
Passed-through N.C. Dept. of Health and Human Services					
Division of Public Health					
Coronavirus State Local Fiscal Recovery Funds	21.027		621	-	-
Passed-through N.C. Environmental Quality					
Coronavirus State Local Fiscal Recovery Funds	21.027		88,000	-	-
Total U.S. Dept. of Treasury			<u>6,204,977</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Health & Human Services</u>					
Passed-through N.C. Dept. of Health and Human Services					
Passed-through Isothermal Regional Commission					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for					
Supportive Services and Senior Centers	93.044		205,784	12,105	-
ARPA - Special Programs for the Aging, Title III, Part B,					
Grants for Supportive Services and Senior Centers	93.044		48,531	8,564	-
Special Programs for the Aging, Title III, Part C, Nutrition					
Services	93.045		230,005	13,530	-
ARPA - Special Programs for the Aging, Title III, Part C,					
Nutrition Services	93.045		144,605	25,518	-
Nutrition Services Incentive Program	93.053		22,251	-	-
Total Aging Cluster			<u>651,176</u>	<u>59,717</u>	<u>-</u>

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Passed-through N.C. Dept. of Health and Human Services					
Temporary Assistance for Needy Families (TANF)					
Division of Social Services:					
TANF - Work First	93.558		1,429,238	-	-
Division of Public Health					
TANF - Work First	93.558		16,569	-	-
Total Temporary Assistance for Needy Families (TANF)			1,445,807	-	-
Family Preservation	93.556		35,583	-	-
Refugee and Entrant Assistance State / Replacement Designee Administered Programs	93.566		14	-	-
<u>Foster Care and Adoption Cluster (Note 4 and 5)</u>					
Foster Care - Title IV-E	93.658		1,171,143	98,623	-
Foster Care - Title IV-E - Benefit Payments	93.658		529,016	168,924	-
Adoption Assistance	93.659		98,651	-	-
Total Foster Care and Adoption Cluster			1,798,810	267,547	-
Child Support Enforcement	93.563		1,808,564	-	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568		13,296	-	-
Weatherization Assistance and Heating and Air Repair	93.568		123,724	-	-
COVID - 19 Weatherization Assistance and Heating and Air	93.568		1,079	-	-
Total Low-Income Home Energy Assistance			138,099	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		24,978	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		16,351	4,088	-
Benefit Payments	93.674		7,499	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			23,850	4,088	-
Social Service Block Grant - Other Service and Training	93.667		408,673	-	-
Division of Social Services:					
Social Service Block Grant					
State In Home Service Fund	93.667		28,983	-	-
State Adult Day Care	93.667		60,013	2,555	-
COVID-19 - State Adult Day Care	93.667		5,740	6,025	-
Total Social Service Block Grant			503,409	8,580	-
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services					
Subsidized Child Care					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Development Fund-Administration	93.596		184,197	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program	93.778		3,919,704	154,400	-

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767		284,845	4,351	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		31,298	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-
Family Planning Services	93.217		84,250	-	-
Immunization Cooperative Agreements	93.268		111,421	-	-
COVID-19 Immunization Cooperative Agreements	93.268		121,113	-	-
Total Immunization Cooperative Agreements			<u>232,534</u>	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		24,492	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		1,350	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		22,800	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		507	-	-
HIV Prevention Activities_Health Department Based	93.940		28,000	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		36,251	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		30,431	-	-
Maternal and Child Health Services Block Grant	93.994		77,040	1,622	-
Total U.S. Dept. of Health and Human Services			<u>11,388,139</u>	<u>500,305</u>	-
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Public Safety:					
Division of Emergency Management:					
Emergency Management Performance	97.042		35,000	-	-
Total U. S. Department of Homeland Security			<u>35,000</u>	-	-
Total Federal Awards			<u>\$ 19,834,093</u>	<u>\$ 500,305</u>	<u>\$ -</u>
State Awards:					
<u>N.C. Dept. of Administration</u>					
Veterans Service			\$ -	\$ 2,174	\$ -
Total N.C. Dept. of Administration			<u>-</u>	<u>2,174</u>	<u>-</u>
<u>N.C. Dept. of Cultural and Natural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	195,033	-
Total N.C. Dept. of Cultural and Natural Resources			<u>-</u>	<u>195,033</u>	<u>-</u>

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Department of Environmental Quality</u>					
Division of Waste Management					
Soil Conservation State Match			-	33,600	-
Electronic Management Program			-	23,369	-
Total N.C. Dept. Environmental Quality			-	56,969	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services					
Administration					
Smart Start			-	74,279	-
State Child Welfare - State Protective Services			-	114,880	-
Direct Benefit Payments					
State Foster Home			-	205,099	-
State Foster Home Fund (SFHF) Maximization			-	389,482	-
Foster Care at Risk Maximization			-	23,904	-
Extended Foster Care Maximization Non IV-E programs			-	152,994	-
Total Division of Social Service			-	960,638	-
Division of Public Health					
Food and Lodging Fees			-	14,820	-
DPH Aid-to-Counties			-	149,701	-
General Communicable Disease Control			-	5,465	-
Healthy Community Activities			-	3,747	-
Nurse Family Partnership			-	255,708	-
Child Health			-	10,112	-
Breast and Cervical Cancer Control			-	16,450	-
Adolescent Pregnancy Prevention Program			-	89,728	-
School Nurse Funding Initiative			-	200,000	-
Family Planning - State			-	75,880	-
Maternal Health			-	5,387	-
State Fiscal Recovery Funds			-	142,434	-
TB Control			-	21,097	-
County Confinement Facilities Funding			-	48,070	-
Total Division of Public Health			-	1,038,599	-
Passed-through Isothermal Regional Commission					
Division of Aging					
GO-HCCBG-Access			-	90,328	-
GO-HCCBG-In Home Services			-	328,877	-
Total Division of Aging			-	419,205	-
State Budget Allocation					
Total N. C. Department of Health and Human Services			-	1,608,594	-
			-	4,027,036	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund					
Needs Based Lottery Fund			-	10,222,441	10,222,441
Repair and Renovation Lottery Fund			-	368,099	-
Total Public School Building Capital Fund			-	10,590,540	10,222,441
Total N.C. Dept. of Public Instruction			-	10,590,540	10,222,441

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP Rural General Public Program		DOT-16CL 362282.11.1	-	142,488	-
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL 36220.10.11.1	-	113,021	-
ROAP WorkFirst Transitional/ Employment		DOT-16CL 36236.11.10.1	-	30,216	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	285,725	-
Total NC. Dept of Transportation			-	285,725	-
<u>N.C. Dept. of Commerce</u>					
Building Reuse Program			-	140,000	140,000
Total of N.C. Dept. of Commerce			-	140,000	140,000
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs					
JCPC Administration			-	15,500	-
Juvenile Medication/Family Centered Treatment/YDI After School Program			-	334,575	334,575
Cleveland County School JCPC			-	85,500	85,500
Communities in Schools			-	57,870	57,870
Total Juvenile Crime Prevention Programs			-	493,445	477,945
Total N. C. Department of Public Safety			-	493,445	477,945
<u>N.C. Office of State Budget and Management</u>					
NC Register of Deeds Grant			-	2,000	-
State Budget Allocation		20155	-	257,659	-
State Budget Allocation		20154	-	856,494	-
Total State Budget Allocation			-	1,114,153	-
State Capital Infrastructure Fund		20152	-	13,668,484	-
Regional Economic Development Reserve		20159	-	1,000,000	-
Regional Economic Development Reserve		201510	-	1,172,518	-
Regional Economic Development Reserve		201511	-	590,710	-
Regional Economic Development Reserve		201514	-	68,398	-
Regional Economic Development Reserve		201517	-	646,000	-
Regional Economic Development Reserve		201515	-	630,458	-
Total Regional Economic Development Reserve			-	4,108,084	-
Total N.C. Office of State Budget and Management			-	18,892,721	-
<u>N.C. Dept. of Information Technology</u>					
N.C. 911 Board					
PSAP Grant			-	458,455	-
Total N.C. Dept. of Information Technology			-	458,455	-
Total State Awards			-	35,142,098	10,840,386
<u>Other Financial Assistance:</u>					
N.C. Dept. of Justice					
Opioid Settlement Fund (Note 6)			-	39,136	-
Total Federal and State Awards			\$19,834,093	\$35,681,539	\$10,840,386

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing No.</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>
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Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Cleveland County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Cleveland County, it is not intended to and does not present the financial

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Food and Nutrition Services	10.551	\$41,319,417	\$ -
Special Supplemental Nutrition Program for Women Infant and	10.557	2,514,681	-
Temporary Assistance for Needy Families	93.558	417,999	-
Refugee Assistance Payment	93.566	724	-
IV-E Adopt & Vendor	93.659	1,126,929	280,538
Medical Assistance Program	93.778	244,463,873	98,387,751
Child Welfare Services Adoption		-	178,860
State / County Special Assistance program		-	681,736

Note 6: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

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