

**Cleveland County, North Carolina**  
**Annual Financial and Compliance Report**  
**For the Year Ended June 30, 2009**  
**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**D. Required Supplementary Information:**

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The Required Supplementary Information concerns, first, the County's obligation to provide pension benefits to its law enforcement officers through the Law Enforcement Officers' Special Separation Allowance (LEOSSA) and, second, more detailed results for each individual fund, both major and nonmajor funds, by comparing actual results with the budgetary estimates and limitations.

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**D. Required Supplementary Information:**

**1. Law Enforcement Officers' Special Separation Allowance Financial Schedules**

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c. Notes to LEOSSA Financial Schedules	Exhibit II.D.1.c	85

Article 12D of Chapter 143 from the North Carolina General Statutes authorizes the Law Enforcement Officers' Special Separation Allowance (LEOSSA). The LEOSSA is administered under the North Carolina Local Governmental Employees' Retirement System (NC-LGERS). The displays here comply with the applicable provision of accounting requirements under Governmental Accounting Standards Board Statements Number 25 and 27.

Cleveland County, North Carolina  
a. LEOSA Schedule of Funding Progress

For the Year Ended June 30, 2009

Year Ended December 31	Actuarial Value of Assets	AAL* - Projected Unit Credit	Unfunded AAL*	Funded Ratio	Covered Payroll	Ratio of Unfunded AAL to Covered Payroll
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2005</i>						
2008	\$ -	\$ 1,058,407	\$ 1,058,407	0.000%	\$ 3,296,447	32.108%
2007	-	981,492	981,492	0.000%	3,126,082	31.397%
2006	-	921,555	921,555	0.000%	2,937,458	31.373%
2005	-	923,552	923,552	0.000%	2,905,604	31.785%
2004	-	-	-	0.000%	2,797,454	-
2003	-	-	-	0.000%	2,645,847	-
2002	-	-	-	0.000%	2,580,566	-
2001	-	-	-	0.000%	2,729,960	-
2000	-	-	-	0.000%	2,390,723	-
1999	-	-	-	0.000%	870,884	-
1998	-	-	-	0.000%	2,163,522	-
1997	-	-	-	0.000%	2,050,559	-

\* AAL = Actuarial Accrued Liability (See Valuation Balance Sheet on next page.)

Cleveland County, North Carolina  
b. LEOSA Schedule of Employer Contributions

For the Year Ended June 30, 2009

Fiscal Year Ended June 30	Actual Contributions	Annual Required Contributions	Percentage Contributed	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2005</i>						
2009	\$ 90,237	\$ 109,801	82.182%	\$ 112,549	80.176%	\$ 317,772
2008	96,599	104,088	92.805%	107,236	90.081%	295,460
2007	105,507	100,013	105.493%	103,641	101.800%	284,823
2006	114,758	-	-	104,487	109.830%	286,689
2005	117,577	-	-	105,089	111.883%	296,960
2004	97,473	-	-	105,537	92.359%	309,448
2003	100,384	-	-	-	-	-
2002	67,976	-	-	-	-	-
2001	59,529	-	-	-	-	-
2000	54,169	-	-	-	-	-
1999	49,761	-	-	-	-	-
1998	33,014	-	-	-	-	-

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c. Notes to LEOWSA Financial Schedules

**INFORMATION PERTAINING TO THE FISCAL YEAR ENDED JUNE 30, 2009**

The actuarial valuation for the fiscal year ended June 30, 2009 is based on the annual payroll for law enforcement officers in the calendar year ended December 31, 2007. The actuary's corresponding calculations are shown below.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2007**

	Number	Amount
1) Active members - current annual compensation	87	\$ 3,126,082
2) Retired members - current annual benefits	9	96,599
Total annual payroll		<u>\$ 3,222,681</u>

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2007**

Present and Prospective Assets	
Present assets	\$ -
Present value of future (unfunded) accrued liability contributions	981,492
Total assets, as of December 31, 2007	<u>\$ 981,492</u>

Accrued Actuarial Liabilities = present value of benefits payable in respect of:	
Present retired members and beneficiaries	\$ 282,161
Present active members	699,331
Total liabilities, as of December 31, 2007	<u>\$ 981,492</u>

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDED JUNE 30, 2009**

The annual required contribution for the year ended June 30, 2009 is calculated as of December 31, 2007. The annual required contribution is comprised of 1) the value of benefits expected to be earned during the fiscal year by active employees and 2) a portion of the value of benefits earned during previous fiscal years by employees that were active in previous years. Below, both values are expressed as a percentage of the total annual payroll as calculated in the section above.

	Rate *	Amount
1) Value of benefits earned during the current year	1.5451%	\$ 49,795
2) Portion of value earned and not contributed in previous years	1.8620%	60,006
Total annual required contribution	3.4071%	<u>\$ 109,801</u>

**NET PENSION OBLIGATION (& ANNUAL PENSION COST) FOR THE YEAR ENDED JUNE 30, 2009**

Net Pension Obligation, as of June 30, 2008		\$ 295,460
Annual required contribution	\$ 109,801	
Adjustment to annual required contribution	(17,502)	
Interest on net pension obligation	21,421	
Annual pension cost	<u>\$ 113,720</u>	
Contributions	(96,599)	
Change in net pension obligation		17,121
Net pension obligation, as of June 30, 2009		<u>\$ 312,581</u>

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**INFORMATION PERTAINING TO THE FISCAL YEAR ENDING JUNE 30, 2010**

The actuarial valuation for the fiscal year ending June 30, 2010 is based on the annual payroll for law enforcement officers in the calendar year ended December 31, 2008. The actuary's corresponding calculations are shown next, except that the calculation for the Net Pension Obligation (NPO) is based on other information not yet available. Therefore, NPO will be shown with the County's subsequent annual financial and compliance report.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2008**

	<u>Number</u>	<u>Amount</u>
1) Active members - current annual compensation	87	\$ 3,296,447
2) Retired members - current annual benefits	6	66,692
Total annual payroll		<u>\$ 3,363,139</u>

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2008**

Present and Prospective Assets	
Present assets	\$ -
Present value of future (unfunded) accrued liability contributions	1,058,407
Total assets, as of December 31, 2008	<u>\$ 1,058,407</u>

Accrued Actuarial Liabilities = present value of benefits payable in respect of:	
Present retired members and beneficiaries	\$ 203,769
Present active members	854,638
Total liabilities, as of December 31, 2008	<u>\$ 1,058,407</u>

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDING JUNE 30, 2010**

The annual required contribution for the year ending June 30, 2010 is calculated as of December 31, 2008. The annual required contribution is comprised of 1) the value of benefits expected to be earned during the fiscal year by active employees and 2) a portion of the value of benefits earned during previous fiscal years by employees that were active in previous years. Below, both values are expressed as a percentage of the annual payroll as calculated in the section above.

	<u>Rate *</u>	<u>Amount</u>
1) Value of benefits earned during the current year	1.6628%	\$ 55,923
2) Portion of value earned and not contributed in previous years	1.9825%	66,673
Total annual required contribution	3.6453%	<u>\$ 122,596</u>

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**ADDITIONAL INFORMATION USED BY THE ACTUARY**

The primary purpose of the actuarial valuation is to determine the annual required contribution for each fiscal year. In preparing the valuation, the actuary relied on data provided by Cleveland County and the NC-LGERS. To verify the data, the actuary performed tests for reasonableness and consistency. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information used to actuarially determine the annual required contribution for the reported fiscal year and the subsequent fiscal year follows:

Amortization method of unfunded liability (for both years shown)		level percent of pay, closed basis
Actuarial cost method (for both years shown) **		projected unit credit **
Asset valuation method (for both years shown)		market value
For the year ended	June 30, 2009	June 30, 2010
Valuation date	Dec 31, 2007	Dec 31, 2008
Remaining amortization period	23 years	22 years
Actuarial assumptions (projected rates):		
Projected rate of adjustments for cost-of-Living	0.00%	0.00%
Projected rate of return on investments *	7.25%	7.25%
Projected rate of salary increases *	4.5 to 12.3%	4.5 to 12.3%
* Includes projected rate of inflation	3.75%	3.75%

\*\* Under the projected unit credit method of valuing the actuarial cost, the projected benefits of each individual included in the actuarial valuation are allocated to valuation years based on service. The actuarial present value of benefits allocated to the current year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to the valuation year is called the actuarial accrued liability. The excess of the actuarial accrued liability over current assets is the unfunded actuarial accrued liability. The actuarially determined contribution requirements consist of the normal cost and amortization of the unfunded actuarial accrued liability within a 25-year period, assuming inflation will grow at 3.75% annually.

The following table displays the number of plan members participating in this pension plan at June 30 of each of the last twelve fiscal years.

Fiscal Year Ended June 30	Retirees Receiving Benefits	Other * Plan Members	Vested Plan Members	Nonvested Plan Members	Total Plan Members
2009	6	-	57	27	90
2008	9	-	55	29	93
2007	9	-	48	35	92
2006	12	-	46	34	92
2005	12	-	39	42	93
2004	10	-	43	39	92
2003	9	-	41	37	87
2002	10	-	43	36	89
2001	8	-	44	33	85
2000	7	-	40	33	80
1999	5	-	39	35	79
1998	5	-	45	30	80

\* Other plan members includes only terminated plan members entitled to, but not yet receiving, benefit

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**2. Retirees Healthcare Coverage Financial Schedules**

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a. RHC Schedule of Funding Progress	Exhibit II.D.2.a	89
b. RHC Schedule of Employer Contributions	Exhibit II.D.2.b	89
c. Notes to RHC Financial Schedules	Exhibit II.D.2.c	90

The displays here comply with the applicable provision of accounting requirements under Governmental Accounting Standards Board Statements (GASB) No. 43 and No. 45.

**Cleveland County, North Carolina**  
**a. RHC Schedule of Funding Progress**

For the Year Ended June 30, 2009

Year Ended December 31	Actuarial Value of Assets	AAL* - Projected Unit Credit	Unfunded AAL*	Funded Ratio	Covered Payroll	Ratio of Unfunded AAL to Covered Payroll
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2008</i>						
2008	\$ -	\$ 15,565,951	\$ 15,565,951	0.000%	\$ 27,113,877	57.410%
2007	-	-	-	0.000%	-	-
2006	-	-	-	0.000%	-	-
2005	-	-	-	0.000%	-	-
2004	-	-	-	0.000%	-	-
2003	-	-	-	0.000%	-	-
2002	-	-	-	0.000%	-	-
2001	-	-	-	0.000%	-	-
2000	-	-	-	0.000%	-	-
1999	-	-	-	0.000%	-	-
1998	-	-	-	0.000%	-	-
1997	-	-	-	0.000%	-	-

\* AAL = Actuarial Accrued Liability (See Valuation Balance Sheet on next page.)

**Cleveland County, North Carolina**  
**b. LEOSA Schedule of Employer Contributions**

For the Year Ended June 30, 2009

Fiscal Year Ended June 30	Actual Contributions	Annual Required Contributions	Percentage Contributed	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2008</i>						
2009	\$ 262,840	\$ 1,377,628	19.079%	\$ 1,640,468	0.000%	\$ 1,377,628
2008	206,160	-	-	-	-	-
2007	174,720	-	-	-	-	-
2006	156,744	-	-	-	-	-
2005	133,901	-	-	-	-	-
2004	106,038	-	-	-	-	-
2003	97,112	-	-	-	-	-
2002	95,706	-	-	-	-	-
2001	72,648	-	-	-	-	-
2000	55,930	-	-	-	-	-
1999	35,856	-	-	-	-	-
1998	33,516	-	-	-	-	-



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**INFORMATION PERTAINING TO THE FISCAL YEAR ENDED JUNE 30, 2009**

The actuarial valuation for the fiscal year ended June 30, 2009 is based on the annual payroll for all employees in the calendar year ended December 31, 2008. The actuary's corresponding calculations are shown below.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2008**

	Number	Amount
1) Active members - current annual compensation	694	\$ 27,113,877
2) Retired members - current annual wages	55	-
Total annual payroll		\$ 27,113,877

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2008**

Present and Prospective Assets	
Present assets	\$ -
Present value of future (unfunded) accrued liability contributions	15,565,951
Total assets, as of December 31, 2008	\$ 15,565,951
Accrued Actuarial Liabilities = present value of benefits payable in respect of:	
Present retired members and beneficiaries	\$ 3,636,923
Present active members	11,929,028
Total liabilities, as of December 31, 2008	\$ 15,565,951

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDED JUNE 30, 2009**

The annual required contribution for the year ended June 30, 2009 is calculated as of December 31, 2008. The annual required contribution is comprised of 1) the value of benefits expected to be earned during the fiscal year by active employees and 2) a portion of the value of benefits earned during previous fiscal years by employees that were active in previous years. Below, both values are expressed as a percentage of the total annual payroll as calculated in the section above.

	Rate *	Amount
1) Value of benefits earned during the current year	3.0997%	\$ 840,453
2) Portion of value earned and not contributed in previous years	1.9812%	537,175
Total annual required contribution	5.0809%	\$ 1,377,628

**NET OPEB OBLIGATION (& ANNUAL OPEB COST) FOR THE YEAR ENDED JUNE 30, 2009**

Net OPEB Obligation, as of June 30, 2008			\$ -
Annual required contribution	\$ 1,377,628		
Adjustment to annual required contribution	262,840		
Interest on net OPEB obligation	-		
Annual OPEB cost	\$ 1,640,468		
Contributions	(262,840)		
Change in net OPEB obligation		1,377,628	
Net OPEB Obligation, as of June 30, 2009		\$ 1,377,628	

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**D. Required Supplementary Information:**

**2. Retirees Healthcare Coverage Financial Schedules**

**c. Notes to RHC Financial Schedules**

**INFORMATION PERTAINING TO THE FISCAL YEAR ENDING JUNE 30, 2010**

The actuarial valuation for the fiscal year ending June 30, 2010 is based on the annual payroll for all employees in the calendar year ended December 31, 2008. The actuary's corresponding calculations are shown next, except that the calculation for the Net OPEB Obligation (NOO) is based on other information not yet available. Therefore, NOO will be shown with the County's subsequent annual financial and compliance report.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2008**

	Number	Amount
1) Active members - current annual compensation	115	\$ 27,113,877
2) Retired members - current annual benefits	55	-
Total annual payroll		\$ 27,113,877

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2008**

Present and Prospective Assets	
Present assets	\$ -
Present value of future (unfunded) accrued liability contributions	15,565,951
Total assets, as of December 31, 2008	\$ 15,565,951
Accrued Actuarial Liabilities = present value of benefits payable in respect of:	
Present retired members and beneficiaries	\$ 3,636,923
Present active members	11,929,028
Total liabilities, as of December 31, 2008	\$ 15,565,951

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDING JUNE 30, 2010**

The annual required contribution for the year ending June 30, 2010 is calculated as of December 31, 2008. The annual required contribution is comprised of 1) the value of benefits expected to be earned during the fiscal year by active employees and 2) a portion of the value of benefits earned during previous fiscal years by employees that were active in previous years. Below, both values are expressed as a percentage of the annual payroll as calculated in the section above.

	Rate *	Amount
1) value of benefits earned during the current year	3.0997%	\$ 840,453
2) portion of value earned and not contributed in previous years	1.9812%	537,175
total annual required contribution	5.0809%	\$ 1,377,628

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**ADDITIONAL INFORMATION USED BY THE ACTUARY**

The primary purpose of the actuarial valuation is to determine the annual required contribution for each fiscal year. In preparing the valuation, the actuary relied on data provided by Cleveland County and the NC-LGERS. To verify the data, the actuary performed tests for reasonableness and consistency. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information used to actuarially determine the annual required contribution for the reported fiscal year and the subsequent fiscal year follows:

Amortization method of unfunded liability (for both years shown)		level percent of pay, open basis
Actuarial cost method (for both years shown) **		projected unit credit **
Asset valuation method (for both years shown)		market value
For the year ended	June 30, 2009	June 30, 2010
Valuation date	Dec 31, 2008	Dec 31, 2008
Remaining amortization period	30 years	30 years
Actuarial assumptions (projected rates):		
Projected rate of increases to medical costs	10.5% to 5.0%	10.5% to 5.0%
* Year of ultimate trend rate	2016	2016
Projected Rate of Return on Investments *	4.00%	4.00%
* Includes projected rate of inflation	3.75%	3.75%

\*\* Under the projected unit credit method of valuing the actuarial cost, the projected benefits of each individual included in the actuarial valuation are allocated to valuation years based on service. The actuarial present value of benefits allocated to the current year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to the valuation year is called the actuarial accrued liability. The excess of the actuarial accrued liability over current assets is the unfunded actuarial accrued liability. The actuarially determined contribution requirements consist of the normal cost and amortization of the unfunded actuarial accrued liability within a 30-year period, assuming inflation will grow at 3.75% annually.

The following table displays the number of plan members participating in this benefit plan at June 30 of each of the last twelve fiscal years.

<b>Fiscal Year Ended June 30</b>	<b>Retirees Receiving Benefits</b>	<b>Other * Plan Members</b>	<b>Vested Plan Members</b>	<b>Nonvested Plan Members</b>	<b>Total Plan Members</b>
2009	55	-	115	500	670
2008	50	-	-	-	50
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-
2003	-	-	-	-	-
2002	-	-	-	-	-
2001	-	-	-	-	-
2000	-	-	-	-	-
1999	-	-	-	-	-
1998	-	-	-	-	-

\* Other plan members includes only terminated plan members entitled to, but not yet receiving, benefit

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**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**D. Required Supplementary Information:**

**3. Major Governmental Funds Financial Statements**

	<u>Identifier</u>	<u>Page No.</u>
a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)	Exhibit II.D.3.a	94
b. Schools Capital Reserve Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)	Exhibit II.D.3.b	103
c. County Capital Reserve Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (added details)	Exhibit II.D.3.c	104

The Major Governmental Funds Financial Statements reflect the detail level of presentation behind the individual fund columns in the Basic Financial Statements.

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes				
Current year	\$ 35,026,215	\$ 36,089,386	\$ 1,063,171	\$ 33,657,919
Prior years	1,188,130	1,845,778	657,648	1,587,115
Penalties, interest, and advertising, net	209,160	603,022	393,862	452,241
Subtotal ad valorem taxes	36,423,505	38,538,186	2,114,681	35,697,275
Other taxes				
Local option sales tax	10,825,000	9,694,631	(1,130,369)	12,002,826
Occupancy tax	216,000	173,819	(42,181)	195,531
Heavy equipment tax	-	11,847	11,847	-
Rental tax	23,000	23,803	803	25,716
Privilege license	-	3,555	3,555	3,445
Register of Deeds excise stamp	260,000	144,905	(115,095)	290,421
Subtotal other taxes	11,324,000	10,052,560	(1,271,440)	12,517,939
Intergovernmental revenues, unrestricted				
Video programming services	305,000	405,285	100,285	395,905
Payments in lieu of taxes	12,000	10,635	(1,365)	-
Sheriff court fees	50,000	44,798	(5,202)	51,516
Jail fees	35,000	44,349	9,349	43,203
Safe road taxes	10,000	10,204	204	11,203
Subtotal intergovernmental revenues, unrestricted	412,000	515,271	103,271	501,827
Intergovernmental revenues, restricted				
County program grants	3,411,999	2,188,395	(1,223,604)	2,462,180
Social services program grants	16,618,160	14,485,735	(2,132,425)	14,161,811
Health program grants	3,524,384	3,378,518	(145,866)	1,984,868
Court facilities fees	226,928	211,208	(15,720)	228,288
Other grants	240,000	40,000	(200,000)	-
Subtotal intergovernmental revenues, restricted	24,021,471	20,303,856	(3,717,615)	18,837,147
Subtotal intergovernmental revenues	24,433,471	20,819,127	(3,614,344)	19,338,974
Licenses, fees, and permits				
Board of Election fees	-	254	254	3,438
Register of Deeds fees and permits	450,000	400,084	(49,916)	497,315
Marriage licenses	-	16,250	16,250	15,575
Street sign fees	-	625	625	230
Civil, pistol, and concealed weapons permits	135,000	180,370	45,370	164,359
Inmate fees	-	4,220	4,220	6,217
Emergency management fees	-	1,199	1,199	520
Building permit and inspection fees	225,000	187,767	(37,233)	232,651
Hazardous material licenses	-	246	246	-
Zoning permits and fees	41,000	19,165	(21,835)	29,566
Soil conservation signs	-	22	22	11
Environmental health permits	217,515	95,895	(121,620)	136,595
Subtotal licenses, fees, and permits	1,068,515	906,097	(162,418)	1,086,477

(continued on next page)

Cleveland County, North Carolina

a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES (continued from previous page)</b>				
Sales and services				
Rents, concessions, and parking	1,474,000	1,486,071	12,071	1,485,307
Contracted revenues	913,136	905,986	(7,150)	912,247
County program fees	993,704	1,344,827	351,123	1,463,611
Social Services Department fees	34,685	22,847	(11,838)	21,533
Health Department fees	429,100	462,130	33,030	516,591
Medicaid/Medicare service fees	4,052,490	5,308,010	1,255,520	5,098,075
Subtotal sales and services	<u>7,897,115</u>	<u>9,529,871</u>	<u>1,632,756</u>	<u>9,497,364</u>
Investment earnings	1,110,000	1,104,096	(5,904)	1,606,255
Miscellaneous				
Insurance proceeds	42,000	33,276	(8,724)	469,072
Contributions / donations	147,490	1,493,891	1,346,401	181,317
ABC net revenues	85,000	97,527	12,527	116,801
Vending and phone commissions	64,000	69,056	5,056	73,307
Miscellaneous State refunds to County	-	47,854	47,854	31,075
Paving assessments	-	13,125	13,125	6,810
Sale of used surplus equipment and vehicles	29,000	81,567	52,567	71,276
Miscellaneous others	36,545	41,219	4,674	60,723
Subtotal miscellaneous	<u>404,035</u>	<u>1,877,515</u>	<u>1,473,480</u>	<u>1,010,381</u>
<b>Total revenues</b>	<u>82,660,641</u>	<u>82,827,452</u>	<u>166,811</u>	<u>80,754,665</u>
<b>EXPENDITURES</b>				
General government				
Commissioners (including grants received and awarded)				
Salaries/benefits	361,441	359,317	(2,124)	291,480
Other expenses	2,734,094	2,048,575	(685,519)	1,803,480
Capital outlay	39,725	39,724	(1)	49,992
Subtotal Commissioners	<u>3,135,260</u>	<u>2,447,616</u>	<u>(687,644)</u>	<u>2,144,952</u>
County Manager/administration				
Salaries/benefits	465,650	466,320	670	406,949
Other expenses	30,680	27,642	(3,038)	28,721
Subtotal County Manage administration	<u>496,330</u>	<u>493,962</u>	<u>(2,368)</u>	<u>435,670</u>
Finance and purchasing				
Salaries/benefits	526,609	528,405	1,796	489,049
Other expenses	74,060	65,705	(8,355)	65,771
Capital outlay	-	-	-	13,073
Subtotal finance and purchasing	<u>600,669</u>	<u>594,110</u>	<u>(6,559)</u>	<u>567,893</u>
Tax administration (assessing, listing, and collection)				
Salaries/benefits	1,090,887	1,094,926	4,039	988,131
Other expenses	269,342	248,739	(20,603)	224,975
Capital outlay	-	-	-	13,073
Subtotal tax administration	<u>1,360,229</u>	<u>1,343,665</u>	<u>(16,564)</u>	<u>1,226,179</u>

(continued on next page)

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Legal/County attorney				
Other expenses	64,900	69,066	4,166	65,471
Capital outlay	595,424	595,422	(2)	40,731
Subtotal legal/County attorney	<u>660,324</u>	<u>664,488</u>	<u>4,164</u>	<u>106,202</u>
Elections				
Salaries/benefits	345,481	312,688	(32,793)	271,445
Other expenses	195,255	174,908	(20,347)	171,275
Subtotal elections	<u>540,736</u>	<u>487,596</u>	<u>(53,140)</u>	<u>442,720</u>
Register of Deeds (including automation)				
Salaries/benefits	328,455	329,258	803	316,287
Other expenses	61,994	53,496	(8,498)	51,542
Capital outlay	-	-	-	180,715
Subtotal Register of Deeds	<u>390,449</u>	<u>382,754</u>	<u>(7,695)</u>	<u>548,544</u>
Information Technology				
Salaries/benefits	385,585	386,327	742	358,317
Other expenses	92,962	89,655	(3,307)	89,784
Capital outlay	50	50	-	33,162
Subtotal Information Technology	<u>478,597</u>	<u>476,032</u>	<u>(2,565)</u>	<u>481,263</u>
Human Resources				
Salaries/benefits	344,507	345,495	988	324,474
Other expenses	21,953	19,069	(2,884)	21,413
Subtotal Human Resources	<u>366,460</u>	<u>364,564</u>	<u>(1,896)</u>	<u>345,887</u>
Facilities maintenance				
Salaries / benefits	441,473	442,737	1,264	386,555
Other expenses	977,375	980,687	3,312	914,769
Capital outlay	10,205	10,205	-	250,430
Subtotal facilities maintenance	<u>1,429,053</u>	<u>1,433,629</u>	<u>4,576</u>	<u>1,551,754</u>
Juvenile Crime Prevention Council Administration,				
Other expenses	4,608	1,411	(3,197)	14
TACC, other expenses	39,464	39,464	-	39,464
Communities in Schools, other expenses	58,500	58,500	-	58,500
Emergency and contingency, other expenses	43,363	17,060	(26,303)	14,574
Court facilities				
Salaries/benefits	129,828	130,492	664	116,054
Other expenses	222,100	215,249	(6,851)	209,948
Subtotal court facilities	<u>351,928</u>	<u>345,741</u>	<u>(6,187)</u>	<u>326,002</u>
Total general government	<u>9,955,970</u>	<u>9,150,592</u>	<u>(805,378)</u>	<u>8,289,618</u>
Public safety				
Sheriff (including school resource officers)				
Salaries/benefits	5,007,343	5,022,899	15,556	4,715,433
Other expenses	808,013	702,671	(105,342)	806,732
Capital outlay	277,874	288,007	10,133	206,506
Subtotal Sheriff	<u>6,093,230</u>	<u>6,013,577</u>	<u>(79,653)</u>	<u>5,728,671</u>

(continued on next page)

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Law Enforcement and Other Public Safety Grants				
Other expenses	96,206	34,893	(61,313)	54,707
Capital outlay	10,075	7,558	(2,517)	16,480
Subtotal Public Safety Grants	<u>106,281</u>	<u>42,451</u>	<u>(63,830)</u>	<u>71,187</u>
Criminal Justice Partnership (Day Reporting Center)				
Salaries/benefits	57,203	57,305	102	53,791
Other expenses	48,993	48,368	(625)	47,377
Subtotal Criminal Justice Partnership	<u>106,196</u>	<u>105,673</u>	<u>(523)</u>	<u>101,168</u>
Federal and State forfeited property				
Other expenses	168,001	120,382	(47,619)	73,424
Capital outlay	159,887	164,520	4,633	246,110
Subtotal federal and State forfeited property	<u>327,888</u>	<u>284,902</u>	<u>(42,986)</u>	<u>319,534</u>
Detention centers				
Salaries/benefits	1,503,405	1,509,503	6,098	1,454,201
Other expenses	1,144,803	1,112,960	(31,843)	949,622
Capital outlay	33,492	4,719	(28,773)	50,045
Subtotal detention centers	<u>2,681,700</u>	<u>2,627,182</u>	<u>(54,518)</u>	<u>2,453,868</u>
Emergency management				
Salaries/benefits	209,485	210,122	637	205,879
Other expenses	98,658	76,928	(21,730)	58,739
Capital outlay	32,103	32,102	(1)	17,193
Subtotal emergency management	<u>340,246</u>	<u>319,152</u>	<u>(21,094)</u>	<u>281,811</u>
Emergency Medical Services				
Salaries/benefits	4,300,189	4,311,606	11,417	3,989,096
Other expenses	925,380	843,767	(81,613)	727,066
Capital outlay	332,421	191,172	(141,249)	434,487
Subtotal Emergency Medical Services	<u>5,557,990</u>	<u>5,346,545</u>	<u>(211,445)</u>	<u>5,150,649</u>
Rescue Squads, other expenses	90,354	88,136	(2,218)	81,943
E911 Communications				
Salaries/benefits	893,561	896,420	2,859	740,948
Other expenses	51,114	38,922	(12,192)	18,336
Subtotal E911 Communications	<u>944,675</u>	<u>935,342</u>	<u>(9,333)</u>	<u>759,284</u>
Electronic maintenance				
Salaries / benefits	224,885	225,220	335	275,235
Other expenses	158,235	135,956	(22,279)	80,894
Capital outlay	-	-	-	16,875
Subtotal electronic maintenance	<u>383,120</u>	<u>361,176</u>	<u>(21,944)</u>	<u>373,004</u>
Inspections				
Salaries/benefits	346,133	347,076	943	324,703
Other expenses	40,622	30,986	(9,636)	33,068
Subtotal inspections	<u>386,755</u>	<u>378,062</u>	<u>(8,693)</u>	<u>357,771</u>
Coroner				
Salaries / benefits	31,221	31,374	153	28,232
Other expenses	78,732	75,646	(3,086)	49,285
Subtotal coroner	<u>109,953</u>	<u>107,020</u>	<u>(2,933)</u>	<u>77,517</u>

(continued on next page)



## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Hazardous materials, Other expenses	20,865	20,361	(504)	16,483
Animal/Rabies Control				
Salaries/benefits	384,795	386,427	1,632	326,220
Other expenses	132,138	128,757	(3,381)	98,987
Capital outlay	25,790	25,790	-	-
Subtotal Animal/Rabies Control	542,723	540,974	(1,749)	425,207
Total public safety	17,691,976	17,170,553	(521,423)	16,198,097
Human Services				
Miscellaneous				
Pathways, other expenses	891,758	891,738	(20)	891,758
Veteran Services				
Salaries/benefits	65,279	65,067	(212)	48,995
Other expenses	6,445	5,934	(511)	3,038
Subtotal Veteran Services	71,724	71,001	(723)	52,033
Council on Aging, other expenses	140,035	140,035	-	138,648
Social Services:				
Administration				
Salaries/benefits	964,147	909,190	(54,957)	886,638
Other expenses	870,159	738,120	(132,039)	905,332
Capital outlay	23,000	19,007	(3,993)	431,743
Subtotal administration	1,857,306	1,666,317	(190,989)	2,223,713
Title XX				
Salaries/benefits	4,041,921	3,955,061	(86,860)	3,597,121
Other expenses	526,615	458,401	(68,214)	475,633
Subtotal Title XX	4,568,536	4,413,462	(155,074)	4,072,754
Outside Poor, Other expenses	7,327,968	5,508,781	(1,819,187)	5,862,774
Income Maintenance				
Salaries / benefits	3,901,171	3,878,157	(23,014)	3,573,552
Other expenses	496,481	355,656	(140,825)	246,052
Capital outlay	2,600	2,528	(72)	-
Subtotal Income Maintenance	4,400,252	4,236,341	(163,911)	3,819,604
Special Assistance, Salaries / benefits	40,818	40,902	84	32,063
Aid to Blind, Other expenses	9,496	7,087	(2,409)	8,730
IVD Child Support				
Salaries / benefits	1,172,146	1,136,482	(35,664)	1,176,018
Other expenses	41,180	36,468	(4,712)	4,990
Capital outlay	996	996	-	-
Subtotal IVD Child Support	1,214,322	1,173,946	(40,376)	1,181,008
Smart Start, Salaries / benefits	89,159	75,644	(13,515)	42,220
Public Assistance, Other expenses	6,997,659	6,816,607	(181,052)	9,300,943
Total Social Services	26,505,516	23,939,087	(2,566,429)	26,543,809

(continued on next page)

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Health services				
Administration				
Salaries/benefits	900,994	903,494	2,500	792,847
Other expenses	728,776	677,834	(50,942)	603,659
Capital outlay	160,650	359,800	199,150	-
Subtotal administration	1,790,420	1,941,128	150,708	1,396,506
Smart Start				
Salaries/benefits	130,728	123,864	(6,864)	96,861
Other expenses	39,586	32,310	(7,276)	39,215
Subtotal Smart Start	170,314	156,174	(14,140)	136,076
AIDS				
Salaries/benefits	168,573	167,455	(1,118)	162,865
Other expenses	84,449	82,999	(1,450)	75,271
Subtotal AIDS	253,022	250,454	(2,568)	238,136
Tuberculosis/communicable diseases				
Salaries/benefits	118,831	94,747	(24,084)	55,899
Other expenses	19,450	18,477	(973)	14,476
Subtotal tuberculosis/communicable diseases	138,281	113,224	(25,057)	70,375
Adult health				
Salaries/benefits	595,601	532,013	(63,588)	601,672
Other expenses	292,074	260,729	(31,345)	326,550
Subtotal adult health	887,675	792,742	(94,933)	928,222
School health				
Salaries/benefits	1,038,863	998,272	(40,591)	868,672
Other expenses	96,850	96,885	35	84,958
Subtotal school health	1,135,713	1,095,157	(40,556)	953,630
Healthpromotions				
Salaries/benefits	97,929	98,284	355	92,435
Other expenses	81,340	75,617	(5,723)	75,662
Subtotal health promotions	179,269	173,901	(5,368)	168,097
Nutrition Grant				
Salaries/benefits	148,405	137,043	(11,362)	171,115
Other expenses	141,743	60,009	(81,734)	99,672
Subtotal Nutrition Grant	290,148	197,052	(93,096)	270,787
Child health				
Salaries/benefits	481,506	453,102	(28,404)	451,659
Other expenses	81,959	69,197	(12,762)	61,252
Subtotal child health	563,465	522,299	(41,166)	512,911
Maternal health				
Salaries/benefits	1,788,115	1,790,826	2,711	1,689,559
Other expenses	119,650	111,557	(8,093)	116,936
Subtotal maternal health	1,907,765	1,902,383	(5,382)	1,806,495

(continued on next page)

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Family planning				
Salaries/benefits	781,427	748,946	(32,481)	667,171
Other expenses	247,938	238,066	(9,872)	203,260
Subtotal family planning	<u>1,029,365</u>	<u>987,012</u>	<u>(42,353)</u>	870,431
Women, infants, and children				
Salaries/benefits	362,390	356,900	(5,490)	338,512
Other expenses	57,930	52,157	(5,773)	26,495
Subtotal women, infants, and children	<u>420,320</u>	<u>409,057</u>	<u>(11,263)</u>	365,007
Environmental health				
Salaries/benefits	825,724	810,085	(15,639)	779,759
Other expenses	83,059	53,106	(29,953)	62,967
Capital outlay	-	-	-	58,281
Subtotal environmental health	<u>908,783</u>	<u>863,191</u>	<u>(45,592)</u>	901,007
Other Public Health Grants				
Salaries/benefits	201,815	195,420	(6,395)	145,585
Other expenses	133,072	95,385	(37,687)	145,314
Capital outlay	-	-	-	499
Subtotal other public health grants	<u>334,887</u>	<u>290,805</u>	<u>(44,082)</u>	291,398
Dental clinic				
Salaries/benefits	252,733	242,246	(10,487)	221,018
Other expenses	150,240	107,877	(42,363)	103,453
Capital outlay	35,934	35,934	-	-
Subtotal dental clinic	<u>438,907</u>	<u>386,057</u>	<u>(52,850)</u>	324,471
Nurse Family Partnership				
Salaries/benefits	335,331	121,360	(213,971)	-
Other expenses	200,461	79,254	(121,207)	-
Subtotal Nurse Family Partnership	<u>535,792</u>	<u>200,614</u>	<u>(335,178)</u>	-
Carolina Access				
Salaries/benefits	711,922	606,797	(105,125)	549,476
Other expenses	529,683	397,692	(131,991)	202,032
Capital outlay	11,403	15,249	3,846	-
Subtotal Carolina Access	<u>1,253,008</u>	<u>1,019,738</u>	<u>(233,270)</u>	751,508
CODAP				
Salaries/benefits	226,745	227,641	896	168,261
Other expenses	33,587	28,050	(5,537)	18,779
Subtotal CODAP	<u>260,332</u>	<u>255,691</u>	<u>(4,641)</u>	187,040
Total Health Services	<u>12,497,466</u>	<u>11,556,679</u>	<u>(940,787)</u>	10,172,097
Total Human Services	<u>40,106,499</u>	<u>36,598,540</u>	<u>(3,507,959)</u>	37,798,345
Debt service				
Principal reduction	46,385	46,115	(270)	143,960
Interest and fees	8,735	8,602	(133)	10,867
Total debt service	<u>55,120</u>	<u>54,717</u>	<u>(403)</u>	154,827

(continued on next page)

## Cleveland County, North Carolina

## a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Education				
Public Schools				
Current expenses	10,408,213	10,408,213	-	9,908,213
Schools capital outlay	4,760,683	4,760,683	-	4,125,000
Subtotal public schools	15,168,896	15,168,896	-	14,033,213
Community College				
Other expenses	1,344,193	1,342,692	(1,501)	1,140,129
Capital outlay	30,936	31,624	688	-
Subtotal Community College	1,375,129	1,374,316	(813)	1,140,129
Total education	16,544,025	16,543,212	(813)	15,173,342
Economic and physical development				
Planning and zoning				
Salaries/benefits	271,624	272,342	718	204,824
Other expenses	117,558	74,268	(43,290)	86,308
Capital outlay	7,000	1,760	(5,240)	16,028
Subtotal planning and zoning	396,182	348,370	(47,812)	307,160
Economic development, other expenses	1,719,398	1,059,195	(660,203)	826,219
Cooperative Extension				
Salaries/benefits	245,356	245,091	(265)	231,707
Other expenses	62,057	50,332	(11,725)	42,744
Capital outlay	21,042	21,014	(28)	-
Subtotal Cooperative Extension	328,455	316,437	(12,018)	274,451
Forestry, other expenses	57,636	47,586	(10,050)	47,838
Soil conservation				
Salaries/benefits	66,057	66,357	300	73,859
Other expenses	10,759	7,910	(2,849)	3,856
Subtotal soil conservation	76,816	74,267	(2,549)	77,715
Waterline and sewer maintenance				
Other expenses	280,000	246,325	(33,675)	119,263
Capital outlay	70,844	58,575	(12,269)	-
Subtotal waterline and sewer maintenance	350,844	304,900	(45,944)	119,263
Total economic and physical development	2,929,331	2,150,755	(778,576)	1,652,646
Cultural				
Library system				
Salaries/benefits	679,541	682,049	2,508	629,568
Other expenses	382,646	327,903	(54,743)	348,483
Capital outlay	-	5,360	5,360	-
Subtotal library system	1,062,187	1,015,312	(46,875)	978,051
Broad River Greenway				
Other expenses	75,550	75,514	(36)	48,979
Capital outlay	31,350	1,055,617	1,024,267	-
Subtotal Broad River Greenway	106,900	1,131,131	1,024,231	48,979
Historic courthouse, other expenses	30,000	12,304	(17,696)	58,121
Total cultural	1,199,087	2,158,747	959,660	1,085,151

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Cleveland County, North Carolina

a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Total expenditures	88,482,008	83,827,116	(4,654,892)	80,352,026
Excess of revenues over (under) expenditures	(5,821,367)	(999,664)	4,821,703	402,639
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In:				
From Special Revenue Fund - Schools Capital Reserve	2,760,683	2,760,683	-	2,125,000
From Special Revenue Fund - Emergency Telephone	66,144	66,144	-	822
From Enterprise Fund	235,059	235,059	-	241,995
Transfers out:				
To Special Revenue Fund - Revaluation	(11,000)	(11,000)	-	(11,000)
To Special Revenue Fund - Emergency Telephone	-	(45,790)	(45,790)	(48)
To Special Revenue Fund - County Fire Service District	(57,000)	-	57,000	-
To Debt Service Fund	(1,786,593)	(1,786,044)	549	(1,107,109)
To Capital Projects Fund - Capital Projects	(1,957,888)	(1,636,282)	321,606	(1,383,136)
To Capital Projects Fund - Capital Reserve	(2,394,000)	(2,394,000)	-	(1,075,000)
To Enterprise Fund	-	(6,123)	(6,123)	(750)
Capital lease financing issued	-	-	-	230,676
Proceeds from sales of capital assets	-	-	-	94,165
Fund balance appropriated	8,965,962	-	(8,965,962)	-
Total other financing sources (uses)	5,821,367	(2,817,353)	(8,638,720)	(884,385)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(3,817,017)	\$ (3,817,017)	(481,746)
<b>FUND BALANCES</b>				
Beginning fund balances		28,538,665		29,020,411
Ending fund balances		\$ 24,721,648		\$ 28,538,665

(continued from previous page)

## Cleveland County, North Carolina

## b. Schools Capital Reserve Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Local option sales taxes, restricted portions of Articles 40 and 42				
Other taxes	\$ 2,371,833	\$ 3,142,521	\$ 770,688	\$ 3,488,442
Investment earnings	-	158,084	158,084	299,376
Subtotal	<u>2,371,833</u>	<u>3,300,605</u>	<u>928,772</u>	<u>3,787,818</u>
State corporate income taxes				
Intergovernmental revenues	575,752	565,542	(10,210)	739,874
Investment earnings	-	9,099	9,099	26,845
Subtotal	<u>575,752</u>	<u>574,641</u>	<u>(1,111)</u>	<u>766,719</u>
State education lottery proceeds				
Intergovernmental revenues	1,360,683	1,238,534	(122,149)	682,283
Investment earnings	-	122,149	122,149	42,717
Subtotal	<u>1,360,683</u>	<u>1,360,683</u>	<u>-</u>	<u>725,000</u>
<b>Total revenues</b>	<u>4,308,268</u>	<u>5,235,929</u>	<u>927,661</u>	<u>5,279,537</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Local option sales taxes, restricted portions of Articles 40 and 42				
Transfers out:				
To General Fund	(1,400,000)	(1,400,000)	-	(1,400,000)
To County Capital Reserve Fund	(1,000,000)	(1,000,000)	-	-
To Debt Service Fund	(971,833)	(971,833)	-	(984,526)
Subtotal	<u>(3,371,833)</u>	<u>(3,371,833)</u>	<u>-</u>	<u>(2,384,526)</u>
State corporate income taxes				
Transfers out:				
To Debt Service Fund	(575,752)	(575,751)	1	(773,066)
State Education Lottery proceeds				
Transfers out:				
To General Fund	(1,360,683)	(1,360,683)	-	(725,000)
Fund balance appropriated, local option sales taxes	1,000,000	-	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<u>(4,308,268)</u>	<u>(5,308,267)</u>	<u>(999,999)</u>	<u>(3,882,592)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(72,338)</u>	<u>\$ (72,338)</u>	<u>1,396,945</u>
<b>FUND BALANCES</b>				
Local option sales taxes, restricted portions of Articles 40 and 42				
Beginning fund balances		6,856,572		5,453,280
Ending fund balances		<u>6,785,344</u>		<u>6,856,572</u>
State corporate income taxes				
Beginning fund balances		1,477		7,824
Ending fund balances		<u>367</u>		<u>1,477</u>
Total combined				
Beginning fund balances		6,858,049		5,461,104
Ending fund balances		<u>\$ 6,785,711</u>		<u>\$ 6,858,049</u>

## Cleveland County, North Carolina

## c. County Capital Reserve Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (added details)

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 136,641	\$ 136,641	\$ 171,574
Miscellaneous	-	14,000	14,000	14,000
<b>Total revenues</b>	<b>-</b>	<b>150,641</b>	<b>150,641</b>	<b>185,574</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
From General Fund	2,394,000	2,394,000	-	1,075,000
From Schools Capital Reserve Fund	1,000,000	1,000,000	-	-
From E911 Emergency Telephone Fund	-	-	-	312,700
Transfers out				
To Capital Projects Fund	(17,067,458)	(6,330,809)	10,736,649	(1,622,577)
Installment financing issued				
For Jail Annex Expansion Project	6,720,000	6,720,000	-	6,000,000
Fund balance appropriated	6,953,458	-	(6,953,458)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,783,191</b>	<b>3,783,191</b>	<b>5,765,123</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ -</b>	<b>3,933,832</b>	<b>\$ 3,933,832</b>	<b>5,950,697</b>
<b>FUND BALANCES</b>				
Beginning fund balances		7,149,112		1,198,415
Ending fund balances		<u>\$ 11,082,944</u>		<u>\$ 7,149,112</u>

**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2009**

**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**D. Required Supplementary Information:**

**4. Non-major Governmental Funds Financial Statements**

	<u>Identifier</u>	<u>Page No.</u>
a. Non-major Governmental Funds: Combining Balance Sheet	Exhibit II.D.4.a	106
b. Non-major Governmental Funds: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	Exhibit II.D.4.b	108
c. Public Schools Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Exhibit II.D.4.c	110
d. Revaluation Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Exhibit II.D.4.d	111
e. Emergency Telephone Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Exhibit II.D.4.e	112
f. County Fire Service District Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Exhibit II.D.4.f	113
g. Community Development Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (since project inception)	Exhibit II.D.4.g	114
h. Debt Service Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Exhibit II.D.4.h	115
i. Capital Projects Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (since project inception)	Exhibit II.D.4.i	116

The Non-major Governmental Funds Financial Statements include the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance for non-major special revenue funds, debt service fund, and capital projects funds that comprise the other governmental, non-major funds column in the Basic Financial Statements. The individual fund financial statements follow the combining statements.

The primary purpose of Special Revenue Funds is to account for the proceeds of designated revenue sources that are restricted by law or administrative action for specific purposes. Items c through h from the list above represent different Special Revenue Funds.

The purpose of the Capital Projects and Capital Reserve Funds is to account for the financial resources segregated for the acquisition or construction of major general capital assets and facilities. The budgets within these funds are adopted for the life of the project. Under the project accounting concept, project expenditures, and revenues are accumulated until the year in which the project is completed.



Cleveland County, North Carolina  
a. Non-major Governmental Funds: Combining Balance Sheet

For the Year Ended June 30, 2009  
With Comparative Totals as of June 30, 2008

Non-major Governmental Fund:				
	Public Schools	Revaluation	Emergency Telephone	Fire District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 187,551	\$ 4,383	\$ 1,433,372	\$ 1,054,365
Taxes receivable, net	563,455	-	-	51,070
Accounts receivable, net	-	-	1,093	68,377
Due from other funds	-	11,000	1,584	7,251
<b>Total assets</b>	<b>\$ 751,006</b>	<b>\$ 15,383</b>	<b>\$ 1,436,049</b>	<b>\$ 1,181,063</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 137,935	-	\$ 28	-
Contract retainage	-	-	3,962	-
Unearned revenues	49,565	-	-	5,670
Deferred revenues	563,455	-	-	51,070
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>750,955</b>	<b>-</b>	<b>3,990</b>	<b>56,740</b>
Fund balances:				
Reserved fund balance:				
Encumbrances	-	-	77,824	-
State Statute	-	11,000	2,677	75,628
Unreserved designated fund balance:				
for subsequent year's expenditures	-	4,383	-	246,347
Unreserved undesignated fund balance:				
Special Revenue funds	51	-	1,351,558	802,348
Capital Projects funds	-	-	-	-
<b>Total fund balances</b>	<b>51</b>	<b>15,383</b>	<b>1,432,059</b>	<b>1,124,323</b>
<b>Total liabilities and fund balances</b>	<b>\$ 751,006</b>	<b>\$ 15,383</b>	<b>\$ 1,436,049</b>	<b>\$ 1,181,063</b>

(continued on next page)

Non-major Governmental Funds					
CDBG Housing Rehab	Debt Service	Capital Projects	Totals		
			2009	2008	
\$ -	\$ -	\$ -	\$ 2,679,671	\$	2,298,221
-	-	-	614,525		571,953
184,189	-	174,739	428,398		183,690
-	-	-	19,835		306,110
<b>\$ 184,189</b>	<b>\$ -</b>	<b>\$ 174,739</b>	<b>\$ 3,742,429</b>	<b>\$</b>	<b>3,359,974</b>
\$ 186,306	\$ -	\$ 103,748	\$ 428,017	\$	408,114
4,067	-	-	8,029		4,474
-	-	-	55,235		59,924
180,067	-	174,739	969,331		571,953
-	-	10,991	10,991		-
<b>370,440</b>	<b>-</b>	<b>289,478</b>	<b>1,471,603</b>		<b>1,044,465</b>
-	-	-	77,824		-
-	-	-	89,305		232,151
-	-	-	250,730		146,852
(186,251)	-	-	1,967,706		1,936,506
		(114,739)	(114,739)		-
<b>(186,251)</b>	<b>-</b>	<b>(114,739)</b>	<b>2,270,826</b>		<b>2,315,509</b>
<b>\$ 184,189</b>	<b>\$ -</b>	<b>\$ 174,739</b>	<b>\$ 3,742,429</b>	<b>\$</b>	<b>3,359,974</b>

(continued from previous page)

## Cleveland County, North Carolina

b. Non-major Governmental Funds: Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

Non-major Governmental Fund:				
	Public Schools	Revaluation	Emergency Telephone	Fire District
<b>REVENUES</b>				
Ad valorem taxes	\$ 10,099,061	\$ -	\$ -	\$ 868,534
Other taxes	-	-	612,647	287,625
Intergovernmental revenues, restricted	-	-	26,762	8,445
Investment earnings	-	75	35,028	30,602
Miscellaneous	-	-	56	-
<b>Total revenues</b>	<b>10,099,061</b>	<b>75</b>	<b>674,493</b>	<b>1,195,206</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	340,328	1,263,786
Human services	-	-	-	-
Education	10,099,060	-	-	-
Economic and physical development	-	-	-	-
Cultural	-	-	-	-
Schools capital outlay	-	-	-	-
Debt service, principal reduction	-	-	-	-
Debt service, interest and fees	-	-	-	-
<b>Total expenditures</b>	<b>10,099,060</b>	<b>-</b>	<b>340,328</b>	<b>1,263,786</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1</b>	<b>75</b>	<b>334,165</b>	<b>(68,580)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	11,000	45,790	-
Transfers out	-	-	(66,144)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>11,000</b>	<b>(20,354)</b>	<b>-</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>1</b>	<b>11,075</b>	<b>313,811</b>	<b>(68,580)</b>
<b>FUND BALANCES</b>				
Beginning fund balances	50	4,308	1,118,248	1,192,903
Ending fund balances	\$ 51	\$ 15,383	\$ 1,432,059	\$ 1,124,323

(continued on next page)

Non-major Governmental Funds					
CDBG Housing Rehab	Debt Service	Capital Projects	Totals		
			2009	2008	
\$ -	\$ -	\$ -	\$ 10,967,595	\$ 10,020,134	
-	-	-	900,272	748,095	
208,780	-	-	243,987	2,520,186	
-	-	-	65,705	118,400	
-	-	6,951	7,007	13	
208,780	-	6,951	12,184,566	13,406,828	
-	-	131,334	131,334	67,252	
-	-	6,195,964	7,800,078	2,942,138	
-	-	108,912	108,912	841,585	
-	-	-	10,099,060	9,215,690	
395,031	-	1,270,132	1,665,163	458,438	
-	-	260,000	260,000	250,000	
-	-	122,439	122,439	613,167	
-	2,842,866	-	2,842,866	4,732,347	
-	490,762	-	490,762	398,354	
395,031	3,333,628	8,088,781	23,520,614	19,518,971	
(186,251)	(3,333,628)	(8,081,830)	(11,336,048)	(6,112,143)	
-	3,333,628	7,967,091	11,357,509	5,881,462	
-	-	-	(66,144)	(313,522)	
-	3,333,628	7,967,091	11,291,365	5,567,940	
(186,251)	-	(114,739)	(44,683)	(544,203)	
-	-	-	2,315,509	2,859,712	
\$ (186,251)	\$ -	\$ (114,739)	\$ 2,270,826	\$ 2,315,509	

(continued from previous page)

## Cleveland County, North Carolina

## c. Public Schools Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes				
Current year	\$ 9,297,425	\$ 9,490,115	\$ 192,690	\$ 8,704,811
Prior years	875,243	477,048	(398,195)	409,781
Penalties and interest	-	131,898	131,898	101,098
<b>Total revenues</b>	<b>10,172,668</b>	<b>10,099,061</b>	<b>(73,607)</b>	9,215,690
<b>EXPENDITURES</b>				
Education:				
Consolidated school system	10,172,668	10,099,060	(73,608)	9,215,690
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>1</b>	<b>\$ 1</b>	-
<b>FUND BALANCES</b>				
Beginning fund balances		50		50
Ending fund balances		<u>\$ 51</u>		<u>\$ 50</u>

## Cleveland County, North Carolina

## d. Revaluation Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 75	\$ 75	\$ 491
<b>EXPENDITURES</b>				
General government:				
Postage	2,500	-	(2,500)	12,500
Advertising	1,000	-	(1,000)	913
Contracted services	7,500	-	(7,500)	8,745
<b>Total expenditures</b>	<b>11,000</b>	<b>-</b>	<b>(11,000)</b>	<b>22,158</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(11,000)</b>	<b>75</b>	<b>11,075</b>	<b>(21,667)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
From General Fund	11,000	11,000	-	11,000
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ -</b>	<b>11,075</b>	<b>\$ 11,075</b>	<b>(10,667)</b>
<b>FUND BALANCES</b>				
Beginning fund balances		4,308		14,975
Ending fund balances		<u>\$ 15,383</u>		<u>\$ 4,308</u>

## Cleveland County, North Carolina

e. Emergency Telephone Fund: Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
System subscriber/surcharge fees	\$ 376,440	\$ 612,647	\$ 236,207	\$ 536,287
Other intergovernmental revenues	-	26,762	26,762	24,735
Investment earnings	-	35,028	35,028	54,438
Miscellaneous	-	56	56	13
<b>Total revenues</b>	<b>376,440</b>	<b>674,493</b>	<b>298,053</b>	<b>615,473</b>
<b>EXPENDITURES</b>				
Public safety:				
Salaries/benefits	-	-	-	109,172
Telecommunications	118,060	117,044	(1,016)	118,557
Professional services	137,445	50,618	(86,827)	137
Grants	47,232	48,659	1,427	48,659
Other	34,243	25,379	(8,864)	37,446
Capital outlay, equipment	98,761	98,628	(133)	10,510
<b>Total public safety expenditures</b>	<b>435,741</b>	<b>340,328</b>	<b>(95,413)</b>	<b>324,481</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(59,301)</b>	<b>334,165</b>	<b>393,466</b>	<b>290,992</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
From General Fund	-	45,790	45,790	48
Transfers out:				
To General Fund	(66,144)	(66,144)	-	(822)
To Capital Reserve Fund	-	-	-	(312,700)
Fund balance appropriated	125,445	-	(125,445)	-
<b>Total other financing sources (uses)</b>	<b>59,301</b>	<b>(20,354)</b>	<b>(79,655)</b>	<b>(313,474)</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ -</b>	<b>313,811</b>	<b>\$ 313,811</b>	<b>(22,482)</b>
<b>FUND BALANCES</b>				
Beginning fund balances		1,118,248		1,140,730
Ending fund balances		<u>\$ 1,432,059</u>		<u>\$ 1,118,248</u>

## Cleveland County, North Carolina

## f. County Fire Service District Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes				
Current year	\$ 785,700	\$ 818,405	\$ 32,705	\$ 752,129
Prior years	26,826	39,921	13,095	41,849
Penalties and interest	7,500	10,208	2,708	10,466
	<u>820,026</u>	<u>868,534</u>	<u>48,508</u>	<u>804,444</u>
Other taxes, local option sales taxes	300,000	287,625	(12,375)	344,202
Intergovernmental revenues, restricted grants	-	8,445	8,445	-
Investment earnings	25,000	30,602	5,602	49,841
<b>Total revenues</b>	<u>1,145,026</u>	<u>1,195,206</u>	<u>50,180</u>	<u>1,198,487</u>
<b>EXPENDITURES</b>				
Public safety:				
Supplies	4,015	715	(3,300)	698
Repairs on equipment	1,750	-	(1,750)	-
Contracted and professional services	10,200	1,261	(8,939)	2,128
Insurance	69,913	55,810	(14,103)	53,350
Awards to volunteer fire departments	1,263,000	1,206,000	(57,000)	1,110,001
<b>Total expenditures</b>	<u>1,348,878</u>	<u>1,263,786</u>	<u>(85,092)</u>	<u>1,166,177</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(203,852)</u>	<u>(68,580)</u>	<u>135,272</u>	<u>32,310</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	57,000	-	(57,000)	-
Fund balance appropriated	146,852	-	(146,852)	-
<b>Total other financing sources (uses)</b>	<u>203,852</u>	<u>-</u>	<u>(203,852)</u>	<u>-</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(68,580)</u>	<u>\$ (68,580)</u>	<u>32,310</u>
<b>FUND BALANCES</b>				
Beginning fund balances		1,192,903		1,160,593
Ending fund balances		<u>\$ 1,124,323</u>		<u>\$ 1,192,903</u>



## Cleveland County, North Carolina

## g. Community Development Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (since project inception)

For the Year Ended June 30, 2009

With Comparative Totals from Project Inception to June 30, 2008

	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Intergovernmental revenues, federal CDBG-HR Grant	\$ 400,000	\$ 97,057	\$ 208,780	\$ 305,837
Intergovernmental revenues, federal CDBG-UN Grant	200,000	-	-	-
<b>Total revenues</b>	<b>600,000</b>	<b>97,057</b>	<b>208,780</b>	<b>305,837</b>
<b>EXPENDITURES</b>				
Economic and physical development:				
Community Development Block Grant -				
Housing Rehab (CDBG-HR):				
Administration	43,500	14,726	21,001	35,727
Housing rehabilitation	356,500	82,331	181,124	263,455
Community Development Block Grant -				
Sewer Improvements (CDBG-SI):				
Public facilities and improvement - sewer	200,000	-	192,906	192,906
<b>Total expenditures</b>	<b>600,000</b>	<b>97,057</b>	<b>395,031</b>	<b>492,088</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(186,251)</b>	<b>\$ (186,251)</b>
<b>FUND BALANCES</b>				
Beginning fund balances			-	
Ending fund balances			<b>\$ (186,251)</b>	

## Cleveland County, North Carolina

## h. Debt Service Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Intergovernmental revenues, restricted	\$ -	\$ -	\$ -	\$ 2,266,000
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,266,000</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,842,866	2,842,866	-	4,732,347
Interest	487,312	487,310	(2)	395,082
Fees	4,000	3,452	(548)	3,272
<b>Total expenditures</b>	<b>3,334,178</b>	<b>3,333,628</b>	<b>(550)</b>	<b>5,130,701</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,334,178)</b>	<b>(3,333,628)</b>	<b>550</b>	<b>(2,864,701)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
From General Fund	1,786,593	1,786,044	(549)	1,107,109
From Schools Capital Reserve Fund	1,547,585	1,547,584	(1)	1,757,592
<b>Total other financing sources (uses)</b>	<b>3,334,178</b>	<b>3,333,628</b>	<b>(550)</b>	<b>2,864,701</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>
<b>FUND BALANCES</b>				
Beginning fund balances		-		-
Ending fund balances		<u>\$ -</u>		<u>\$ -</u>

Cleveland County, North Carolina

i. Capital Projects Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (since project inception)

For the Year Ended June 30, 2009

With Comparative Totals from Project Inception to June 30, 2008

	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Intergovernmental revenues, restricted	\$ 2,659,920	\$ 1,084,920	\$ -	\$ 1,084,920
Miscellaneous	-	-	6,951	6,951
<b>Total revenues</b>	<b>2,659,920</b>	<b>1,084,920</b>	<b>6,951</b>	<b>1,091,871</b>
<b>EXPENDITURES</b>				
General government:				
Computer replacement program	\$ 227,411	\$ 45,094	111,555	\$ 156,649
Warehouse at old Hunter School	20,000	-	19,779	19,779
Subtotal	247,411	45,094	131,334	176,428
Public safety				
Communications Equipment Project	8,487,443	2,683,958	5,100,859	7,784,817
Jail Annex Expansion	7,720,675	9,750	875,468	885,218
E911 Dispatch Equipment	312,700	-	3,485	3,485
EMS Base Station - Number 3 Township	302,198	139,698	150,600	290,298
EMS Base Station - Location TBD	242,479	-	-	-
Animal Shelter Building Renovations	100,276	71,462	28,813	100,275
EMS Training Center	36,000	-	36,739	36,739
Subtotal	17,201,771	2,904,868	6,195,964	9,100,832
Human services				
Health Complex Building/Parking Renovations	1,349,271	1,258,837	74,566	1,333,403
County Office Building Renovations	208,923	-	34,346	34,346
Subtotal	1,558,194	1,258,837	108,912	1,367,749
Education				
Early College High School (5-Year Diploma/Degree)	3,604,983	58,357	62,439	120,796
Community College Grant	60,000	-	60,000	60,000
Subtotal	3,664,983	58,357	122,439	180,796
Economic and physical development				
Industrial Park - Washburn Switch Road	1,102,151	1,102,151	-	1,102,151
Industrial Park - US Highway 74 Business	722,426	265,904	463,750	729,654
Kings Mountain Gateway Trails	635,000	-	174,739	174,739
Industrial Park - US Highway 29	619,981	-	614,943	614,943
Airport Renovations	203,375	186,675	16,700	203,375
Subtotal	3,282,933	1,554,730	1,270,132	2,824,862
Cultural and recreational				
Historic Courthouse Renovation	500,000	250,000	250,000	500,000
Upper Cleveland Sports Facility	218,142	-	10,000	10,000
Subtotal	718,142	250,000	260,000	510,000
<b>Total expenditures</b>	<b>26,673,434</b>	<b>6,071,886</b>	<b>8,088,781</b>	<b>14,160,667</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(24,013,514)</b>	<b>(4,986,966)</b>	<b>(8,081,830)</b>	<b>(13,068,796)</b>

(continued on next page)

Cleveland County, North Carolina

i. Capital Projects Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (since project inception)

For the Year Ended June 30, 2009

With Comparative Totals from Project Inception to June 30, 2008

	Project Authorization	Prior Years	Current Year	Total to Date
(continued from previous page)				
Excess of revenues over (under) expenditures (repeated from prior page)	(24,013,514)	(4,986,966)	(8,081,830)	(13,068,796)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
From General Fund	4,721,347	2,763,460	1,636,282	4,399,742
From Capital Reserve Fund	19,292,167	2,223,506	6,330,809	8,554,315
<b>Total other financing sources (uses)</b>	<b>24,013,514</b>	<b>4,986,966</b>	<b>7,967,091</b>	<b>12,954,057</b>
 Excess of revenues and other financing sources over (under) expenditures and other financing uses	 \$ -	 \$ -	 (114,739)	 \$ (114,739)
<b>FUND BALANCES</b>				
Beginning fund balances			-	
Ending fund balances			<u>\$ (114,739)</u>	

(continued from previous page)

**Cleveland County, North Carolina**  
**Annual Financial and Compliance Report**  
**For the Year Ended June 30, 2009**  
**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**D. Required Supplementary Information:**  
**5. Major Enterprise Fund Financial Schedule**

	<u>Identifier</u>	<u>Page No.</u>
a. Solid Waste Disposal and Collection Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis	Exhibit II.D.5.a	119

The County's sole Enterprise Fund is the Solid Waste Disposal and Collection Fund. This fund is used to account for the operations in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public be recovered through user charges.

The following schedule presents the results of operations for the Enterprise Fund on the modified accrual basis for comparison to the legally adopted budget. In accordance with generally accepted accounting principles, the end of the schedule includes a reconciliation of the modified accrual basis to the full accrual basis.

## Cleveland County, North Carolina

## a. Solid Waste Disposal and Collection Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance - Over (Under)	2008
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues:				
Household user fees	\$ 1,384,928	\$ 1,418,467	\$ 33,539	\$ 1,428,068
Departmental fees	3,312,000	3,261,848	(50,152)	3,328,522
Miscellaneous	113,425	239,908	126,483	121,518
Total operating revenues	4,810,353	4,920,223	109,870	4,878,108
Non-operating revenues:				
Other taxes	422,184	188,407	(233,777)	159,506
Intergovernmental revenues	60,000	(35,581)	(95,581)	82,776
Interest earned	114,973	160,189	45,216	616,174
Total non-operating revenues	597,157	313,015	(284,142)	858,456
<b>Total revenues</b>	<b>5,407,510</b>	<b>5,233,238</b>	<b>(174,272)</b>	<b>5,736,564</b>
<b>EXPENDITURES</b>				
Administration and operating expenditures:				
Salaries and benefits	1,775,987	1,755,697	(20,290)	1,582,072
Supplies and materials	48,269	45,671	(2,598)	281,784
Uniforms	8,655	7,984	(671)	7,017
Travel and training	8,850	9,364	514	9,003
Utilities, telecommunications, and postage	113,614	86,468	(27,146)	75,038
Repairs and maintenance	266,216	237,202	(29,014)	358,979
Advertising	4,622	4,086	(536)	4,480
Laundry and dry cleaning	18,610	19,690	1,080	19,382
Rent	5,450	9,111	3,661	13,728
Contracted services	381,621	346,647	(34,974)	323,967
Insurance	80,300	80,300	-	80,400
Garbage	1,062,800	958,794	(104,006)	937,371
Professional and legal services	250,798	172,576	(78,222)	150,764
Solid waste disposal tax to State	277,184	246,255	(30,929)	-
Automotive fuels and supplies	425,500	370,298	(55,202)	431,655
Miscellaneous	17,969	10,802	(7,167)	2,185
Total administration and operating expenditures	4,746,445	4,360,945	(385,500)	4,277,825
Capital outlay	3,741,979	2,962,957	(779,022)	6,104,817
<b>Total expenditures</b>	<b>8,488,424</b>	<b>7,323,902</b>	<b>(1,164,522)</b>	<b>10,382,642</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,080,914)</b>	<b>(2,090,664)</b>	<b>990,250</b>	<b>(4,646,078)</b>

(continued on next page)

Cleveland County, North Carolina

a. Solid Waste Disposal and Collection Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis

For the Year Ended June 30, 2009

With Comparative Totals as of June 30, 2008

	2009		Variance -	2008
	Budget	Actual	Over (Under)	Actual
(continued from previous page)				
Excess of revenues over (under) expenditures (repeated from prior page)	(3,080,914)	(2,090,664)	990,250	(4,646,078)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to General Fund	(235,059)	(235,059)	-	(241,995)
Transfer from General Fund	-	6,123	6,123	750
Fund balance appropriated	3,315,973	-	(3,315,973)	-
<b>Total other financing sources (uses)</b>	<b>3,080,914</b>	<b>(228,936)</b>	<b>(3,309,850)</b>	<b>(241,245)</b>
<b>Excess of operating revenues and other financing sources over (under) operating expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ (2,319,600)</b>	<b>\$ (2,319,600)</b>	<b>\$ (4,887,323)</b>
<b>Reconciliation of Modified Accrual Basis with Full Accrual Basis</b>				
<b>Excess of operating revenues and other financing sources over (under) operating expenditures and other financing uses (modified accrual basis)</b>		<b>\$ (2,319,600)</b>		<b>\$ (4,887,323)</b>
Capital outlay expenditures		2,962,957		6,104,817
Depreciation expense		(649,260)		(620,217)
Non-cash gain (loss) on sales of capital assets		(32,610)		(55,328)
Change in accrued retirement benefits		(93,582)		-
Change in accrued leave earned expense		(11,184)		(8,077)
Landfill closure and postclosure care expense		(3,150,208)		(373,519)
<b>Change in net assets (full accrual basis)</b>		<b>\$ (3,293,487)</b>		<b>\$ 160,353</b>
<b>Another Difference in Reporting under Modified Accrual (MA) Basis versus Full Accrual (FA) Basis</b>				
Departmental fees (modified accrual basis)		\$ 3,261,848		\$ 3,328,522
Bad debt expense (reduces departmental fees revenue under MA basis)		2,404		5,655
Departmental fees (full accrual basis)		<b>\$ 3,264,252</b>		<b>\$ 3,334,177</b>

(continued from previous page)

**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2009**

**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**D. Required Supplementary Information:**

**6. Fiduciary Funds Financial Statement**

	<u>Identifier</u>	<u>Page No.</u>
a. Combining Statement of Changes in Assets and Liabilities -- Fiduciary Funds	Exhibit II.D.6.a	122

The County's fiduciary funds are used to account for resources received and held by the County as the trustee or for which the County acts as agent. The fiduciary funds are:

Fines and Forfeitures Agency Fund

Inmate Agency Fund

Property Tax Agency Fund

Rescue Squad Agency Fund

Social Services Agency Fund

The County also has granted retired employees access to certain post-employment benefits, such as pension payments and healthcare, for a limited time. The County has decided not to advance any funds toward these future expenditures, instead electing to pay the expenditures as they become due. Related activities include the following:

Law Enforcement Officers' Special Separation Allowance



## Cleveland County, North Carolina

## a. Combining Statement of Changes in Assets and Liabilities -- Fiduciary Funds

For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Fines and Forfeitures Agency Fund</b>				
<b>Assets</b>				
Intergovernmental receivable *	\$ 7,416	\$ 600,362	\$ (599,015)	\$ 8,763
<b>Liabilities</b>				
Due to other taxing units - State of North Carolina *	\$ 7,416	\$ 11,485	\$ (10,138)	\$ 8,763
Due to other taxing units - Cleveland County Board of Education	-	588,902	(588,902)	-
<b>Total liabilities</b>	<b>\$ 7,416</b>	<b>\$ 600,387</b>	<b>\$ (599,040)</b>	<b>\$ 8,763</b>
<b>Inmate Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 4,550	\$ 165,191	\$ (159,509)	\$ 10,232
Intergovernmental receivable	1,633	96,762	(96,884)	1,511
<b>Total assets</b>	<b>\$ 6,183</b>	<b>\$ 261,953</b>	<b>\$ (256,393)</b>	<b>\$ 11,743</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,183	\$ 264,303	\$ (258,743)	\$ 11,743
<b>Property Tax Agency Fund</b>				
<b>Assets</b>				
Taxes receivable	\$ 34,680	\$ 421,145	\$ (414,030)	\$ 41,795
Accounts receivable	1,112,237	12,527,556	(12,621,556)	1,018,237
Intergovernmental receivable	180,463	13,163,011	(13,134,518)	208,956
<b>Total assets</b>	<b>\$ 1,327,380</b>	<b>\$ 26,111,712</b>	<b>\$ (26,170,104)</b>	<b>\$ 1,268,988</b>
<b>Liabilities</b>				
Accounts payable	\$ 126,173	\$ 15,384,504	\$ (15,345,292)	\$ 165,385
Due to other taxing units	1,201,207	13,192,970	(13,290,574)	1,103,603
<b>Total liabilities</b>	<b>\$ 1,327,380</b>	<b>\$ 28,577,474</b>	<b>\$ (28,635,866)</b>	<b>\$ 1,268,988</b>
<b>Rescue Squad Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 86,126	\$ 16,384	\$ -	\$ 102,510
Accounts receivable	942,508	-	-	942,508
<b>Total assets</b>	<b>\$ 1,028,634</b>	<b>\$ 16,384</b>	<b>\$ -</b>	<b>\$ 1,045,018</b>
<b>Liabilities</b>				
Accounts payable	\$ 86,126	\$ 16,384	\$ -	\$ 102,510
Due to other taxing units	942,508	-	-	942,508
<b>Total liabilities</b>	<b>\$ 1,028,634</b>	<b>\$ 16,384</b>	<b>\$ -</b>	<b>\$ 1,045,018</b>

(continued on next page)

Cleveland County, North Carolina

a. Combining Statement of Changes in Assets and Liabilities -- Fiduciary Funds

For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
(continued from previous page)				
<b>Social Services Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 50,724	\$ 198,957	\$ (208,956)	\$ 40,725
<b>Liabilities</b>				
Accounts payable	\$ 50,724	\$ 198,957	\$ (208,956)	\$ 40,725
 <b>TOTALS, All Agency Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 141,400	\$ 380,532	\$ (368,465)	\$ 153,467
Taxes receivable	34,680	421,145	(414,030)	41,795
Accounts receivable	2,054,745	12,527,556	(12,621,556)	1,960,745
Intergovernmental receivable	189,512	13,860,135	(13,830,417)	219,230
<b>Total assets</b>	<b>\$ 2,420,337</b>	<b>\$ 27,189,368</b>	<b>\$ (27,234,468)</b>	<b>\$ 2,375,237</b>
 <b>Liabilities</b>				
Accounts payable	\$ 269,206	\$ 15,864,148	\$ (15,812,991)	\$ 320,363
Due to other taxing units	2,151,131	13,204,455	(13,300,712)	2,054,874
<b>Total liabilities</b>	<b>\$ 2,420,337</b>	<b>\$ 29,068,603</b>	<b>\$ (29,113,703)</b>	<b>\$ 2,375,237</b>

Note:

\* These amounts in the Fines and Forfeitures Agency Fund concern the 3% late penalty on delinquent property taxes on motor vehicle

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