

**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2012  
II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
D. Required Supplementary Information:**

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The Required Supplementary Information concerns, first, the County's future obligation to provide pension benefits to its law enforcement officers through the Law Enforcement Officers' Special Separation Allowance (LEOSSA); second, the County's future obligation to provide healthcare coverage to its retirees; and third, more detailed results for each individual fund, both major and non-major 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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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, 2012

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
--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2005.						
2011	\$ -	\$ 1,546,105	\$ 1,546,105	0.000%	\$ 3,526,273	43.845%
2010	-	1,546,105	1,546,105	0.000%	3,336,824	46.335%
2009	-	1,353,424	1,353,424	0.000%	3,417,424	39.604%
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	??

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

?? = information not available

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

For the Year Ended June 30, 2012

Fiscal Year Ended June 30	Actual Contributions	Annual Required Contributions	Percentage Contributed	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2005.						
2012	\$ 135,023	\$ 162,822	82.927%	\$ 161,260	83.730%	\$ 467,896
2011	94,007	154,429	60.874%	153,076	61.412%	441,659
2010	60,798	122,596	49.592%	125,616	48.400%	382,590
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	??	??	??	??	??

?? = information not available

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**1. Law Enforcement Officers' Special Separation Allowance Financial Schedules**  
**c. Notes to LEOSSA Financial Schedules**

**INFORMATION PERTAINING TO THE FISCAL YEAR ENDED JUNE 30, 2012**

The actuarial valuation for the fiscal year ended June 30, 2012 is based on the annual payroll for law enforcement officers in the calendar year ended December 31, 2010. The actuary's corresponding calculations are shown below.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2010**

	<b>Number</b>	<b>Amount</b>
1) active members - current annual compensation	91	\$ 3,336,824
2) retired members - current annual benefits	7	100,186
total annual payroll		\$ 3,437,010

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2010**

<b>Present and Prospective Assets</b>	
present assets	\$ -
present value of future (unfunded) accrued liability contributions	1,546,105
total assets, as of December 31, 2010	\$ 1,546,105
<b>Accrued Actuarial Liabilities = present value of benefits payable in respect of:</b>	
present retired members and beneficiaries	\$ 456,033
present active members	1,090,072
total liabilities, as of December 31, 2010	\$ 1,546,105

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDED JUNE 30, 2012**

The annual required contribution for the year ended June 30, 2012 is calculated as of December 31, 2010. 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.

	<b>Rate *</b>	<b>Amount</b>
1) value of benefits earned during the current year	2.1154%	\$ 70,589
2) portion of value earned and not contributed in previous years	2.7641%	92,233
total annual required contribution	4.7373%	\$ 162,822

**NET PENSION OBLIGATION (& ANNUAL PENSION COST) FOR THE YEAR ENDED JUNE 30, 2012**

Net Pension Obligation, as of June 30, 2011		\$ 441,659	
annual required contribution	\$ 162,822		
adjustment to annual required contribution	(23,645)		
interest on net pension obligation	22,083		
annual pension cost	\$ 161,260		
contributions	(135,023)		
Change in net pension obligation			26,237
Net Pension Obligation, as of June 30, 2012			\$ 467,896

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**D. Required Supplementary Information:**  
**1. Law Enforcement Officers' Special Separation Allowance Financial Schedules**  
**c. Notes to LEOSSA Financial Schedules**

**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 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, 2012
Valuation Date	Dec 31, 2010
Remaining Amortization Period	20 years
Actuarial Assumptions (projected rates):	
Projected Rate of Adjustments for Cost-of-Living	0.00%
Projected Rate of Return on Investments *	5.00%
Projected Rate of Salary Increases *	4.25 to 7.85%
* Includes Projected Rate of Inflation	3.00%

\*\* 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.

<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>
2012	10	-	75	14	99
2011	4	-	55	30	89
2010	6	-	57	27	90
2009	9	-	55	29	93
2008	9	-	48	35	92
2007	12	-	46	34	92
2006	12	-	39	42	93
2005	10	-	43	39	92
2004	9	-	41	37	87
2003	10	-	43	36	89
2002	8	-	44	33	85
2001	7	-	40	33	80

\* Other Plan Members includes only terminated plan members entitled to, but not yet receiving, benefits as of year-end.

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**II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**D. Required Supplementary Information:**  
**2. Other Post-Employment Benefits-Retirees Healthcare Coverage Financial Schedules**

	<u>Identifier</u>	<u>Page No.</u>
a. OPEB-RHC Schedule of Funding Progress	Exhibit II.D.2.a	91
b. OPEB-RHC Schedule of Employer Contributions	Exhibit II.D.2.b	91
c. Notes to OPEB-RHC Financial Schedules	Exhibit II.D.2.c	92

The displays here comply with the applicable provision of accounting requirements under Governmental Accounting Standards Board Statements Numbers 43 and 45.

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

For the Year Ended June 30, 2012

<b>Year Ended December 31</b>	<b>Actuarial Value of Assets</b>	<b>AAL* - Projected Unit Credit</b>	<b>Unfunded AAL*</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Ratio of Unfunded AAL to Covered Payroll</b>
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2008.</i>						
2011	\$ -	\$ 13,359,447	\$ 13,359,447	0.000%	\$ 28,517,138	46.847%
2010	-	13,359,447	13,359,447	0.000%	28,517,138	46.847%
2009	-	15,565,951	15,565,951	0.000%	27,113,877	57.410%
2008	-	15,565,951	15,565,951	0.000%	27,113,877	57.410%

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

**Cleveland County, North Carolina**  
**b. OPEB-RHC Schedule of Employer Contributions**

For the Year Ended June 30, 2012

<b>Fiscal Year Ended June 30</b>	<b>Actual Contributions</b>	<b>Annual Required Contributions</b>	<b>Percentage Contributed</b>	<b>Annual OPEB Cost</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
<i>--- County cannot report certain information prior to first actuarial study completed for the period ended December 31, 2008.</i>						
2012	\$ 142,575	\$ 1,377,628	10.349%	\$ 1,397,755	10.200%	\$ 4,921,081
2011	140,961	1,377,628	10.232%	1,390,893	10.135%	3,665,901
2010	121,916	1,377,628	8.850%	1,383,964	8.809%	2,415,969
2009	223,707	1,377,628	16.239%	1,377,628	16.239%	1,153,921

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D. Required Supplementary Information:

2. Other Post-Employment Benefits-Retirees Healthcare Coverage Financial Schedules

c. Notes to OPEB-RHC Financial Schedules

**INFORMATION PERTAINING TO THE FISCAL YEAR ENDED JUNE 30, 2012**

The actuarial valuation for the fiscal year ended June 30, 2012 is based on the annual payroll for all employees in the calendar year ended December 31, 2010. The actuary's corresponding calculations are shown below.

**ANNUAL PAYROLL FOR THE PERIOD ENDED DECEMBER 31, 2010**

	<u>Number</u>	<u>Amount</u>
1) active members - current annual compensation	703	\$ 28,517,138
2) retired members - current annual benefits	59	-
total annual payroll		<u>\$ 28,517,138</u>

**VALUATION BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2010**

Present and Prospective Assets	
present assets	\$ -
present value of future (unfunded) accrued liability contributions	13,359,447
total assets, as of December 31, 2010	<u>\$ 13,359,447</u>
Accrued Actuarial Liabilities = present value of benefits payable in respect of:	
present retired members and beneficiaries	\$ 3,533,894
present active members	9,825,553
total liabilities, as of December 31, 2010	<u>\$ 13,359,447</u>

**ANNUAL REQUIRED CONTRIBUTION FOR THE YEAR ENDING JUNE 30, 2012**

The annual required contribution for the year ended June 30, 2012 is calculated as of December 31, 2010. 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.

	<u>Rate *</u>	<u>Amount</u>
1) value of benefits earned during the current year	2.5033%	\$ 713,861
2) portion of value earned and not contributed in previous years	1.6167%	461,030
total annual required contribution	4.1199%	<u>\$ 1,174,891</u>

**NET OPEB OBLIGATION (& ANNUAL OPEB COST) FOR THE YEAR ENDED JUNE 30, 2012**

Net OPEB Obligation, as of June 30, 2011		\$ 3,665,901
annual required contribution	\$ 1,377,628	
adjustment to annual required contribution	(126,509)	
interest on net OPEB obligation	146,636	
annual OPEB cost	<u>\$ 1,397,755</u>	
contributions	(142,575)	
Change in net OPEB obligation		1,255,180
Net OPEB Obligation, as of June 30, 2012		<u>\$ 4,921,081</u>



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**D. Required Supplementary Information:**

**2. Other Post-Employment Benefits-Retirees Healthcare Coverage Financial Schedules**

**c. Notes to OPEB-RHC Financial Schedules**

**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 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, 2011
Valuation Date	Dec 31, 2010
Remaining Amortization Period	30 years
Actuarial Assumptions (projected rates):	
Projected Rate of Increases to Medical Costs	5.0% to 10.5%
* Year of Ultimate Trend Rate	2017
Projected Rate of Return on Investments *	4.00%
* Includes Projected Rate of Inflation	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>
2012	<b>59</b>	-	<b>91</b>	<b>612</b>	<b>762</b>
2011	<b>59</b>	-	<b>91</b>	<b>612</b>	<b>762</b>
2010	<b>59</b>	-	<b>91</b>	<b>612</b>	<b>762</b>
2009	<b>55</b>	-	<b>114</b>	<b>578</b>	<b>747</b>

\* Other Plan Members includes only terminated plan members entitled to, but not yet receiving, benefits as of year-end.

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**3. Major Governmental Funds Financial Statements**

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a. General Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual (added details)	Exhibit II.D.3.a	95
b. Capital Projects Fund: Statements of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual	Exhibit II.D.3.b	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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad Valorem Taxes				
Current year - General Fund	\$ 37,204,879	\$ 38,507,996	\$ 1,303,117	\$ 36,633,453
Current year - Publid Schools	10,080,000	10,133,663	53,663	9,640,332
Prior years	1,814,790	1,828,455	13,665	1,971,679
Penalties, interest, and advertising, net	310,300	738,103	427,803	668,211
Subtotal Ad Valorem Taxes	<b>49,409,969</b>	<b>51,208,217</b>	<b>1,798,248</b>	48,913,675
Other Taxes				
Local option sales tax	7,975,000	8,077,072	102,072	7,405,889
Occupancy tax	196,000	235,913	39,913	207,890
Heavy equipment tax	24,000	24,371	371	42,778
Rental tax	24,000	32,816	8,816	29,069
Privilege license	-	5,110	5,110	4,635
Register of Deeds excise stamp	200,000	162,897	(37,103)	143,701
Subtotal Other Taxes	<b>8,419,000</b>	<b>8,538,179</b>	<b>119,179</b>	7,833,962
Intergovernmental Revenues, unrestricted				
Video programming services	325,000	309,135	(15,865)	331,536
Payments in lieu of taxes	11,000	-	(11,000)	26,880
Sheriff court fees	40,000	38,194	(1,806)	39,912
Jail fees	44,000	63,134	19,134	60,834
Safe road taxes	9,000	9,604	604	8,439
Subtotal Intergovernmental Revenues, unrestricted	<b>429,000</b>	<b>420,067</b>	<b>(8,933)</b>	467,601
Intergovernmental Revenues, restricted				
County program grants	2,766,498	2,108,664	(657,834)	737,230
Social services program grants	17,895,673	16,065,371	(1,830,302)	15,654,247
Health program grants	2,473,811	2,378,638	(95,173)	2,647,144
Court facilities fees	193,578	153,912	(39,666)	168,230
Other grants	5,006,472	869,989	(4,136,483)	1,756,558
Subtotal Intergovernmental Revenues, restricted	<b>28,336,032</b>	<b>21,576,574</b>	<b>(6,759,458)</b>	20,963,409
Subtotal Intergovernmental Revenues	<b>28,765,032</b>	<b>21,996,641</b>	<b>(6,768,391)</b>	21,431,010
Licenses, Fees, and Permits				
Elections fees	-	4,044	4,044	21
Register of Deeds fees and permits	425,000	386,517	(38,483)	357,567
Marriage Licenses	-	15,125	15,125	15,225
Street sign fees	-	1,580	1,580	880
Civil, pistol, and concealed weapons permits	150,000	239,037	89,037	153,801
Inmate fees	-	2,831	2,831	4,436
Emergency Management fees	-	770	770	1,130
Building permit and inspection fees	200,000	174,802	(25,198)	216,982
Zoning permits and fees	19,800	24,924	5,124	23,235
Soil Conservation signs	-	-	-	11
Environmental Health permits	91,700	93,605	1,905	92,405
Subtotal Licenses, Fees, and Permits	<b>886,500</b>	<b>943,235</b>	<b>56,735</b>	865,693

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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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES (continued from previous page)</b>				
Sales and Services				
Rents, concessions, and parking	\$ 1,478,000	\$ 1,482,061	\$ 4,061	\$ 1,485,531
Contracted revenues	981,349	953,185	(28,164)	882,520
County program fees	1,046,292	1,037,369	(8,923)	1,883,256
Social Services Department fees	54,685	27,146	(27,539)	25,552
Health Department fees	459,380	468,088	8,708	455,267
Medicaid / Medicare service fees	5,975,449	7,951,876	1,976,427	5,747,679
Subtotal Sales and Services	<u>9,995,155</u>	<u>11,919,725</u>	<u>1,924,570</u>	<u>10,479,805</u>
Investment Earnings	565,000	100,756	(464,244)	202,277
Miscellaneous				
Incentive paybacks	-	1,268,978	1,268,978	-
ABC net revenues	60,000	105,859	45,859	67,798
Vending & phone commissions	61,500	98,219	36,719	77,102
Insurance proceeds	50,000	77,498	27,498	82,866
Contributions / donations	78,036	75,506	(2,530)	71,387
Sale of used surplus equipment and vehicles	25,000	31,958	6,958	49,413
Miscellaneous State refunds to County	-	20,216	20,216	16,041
Paving assessments	-	3,933	3,933	5,011
Miscellaneous others	54,700	27,795	(26,905)	17,103
Subtotal Miscellaneous	<u>329,236</u>	<u>1,709,962</u>	<u>1,380,726</u>	<u>386,721</u>
<b>Total Revenues</b>	<b>98,369,892</b>	<b>96,416,715</b>	<b>(1,953,177)</b>	<b>90,113,143</b>
<b>EXPENDITURES</b>				
General Government				
Commissioners (including grants received and awarded)				
Salaries / benefits	\$ 447,355	\$ 426,950	\$ (20,405)	\$ 367,813
Other expenses	2,966,621	2,144,732	(821,889)	1,914,616
Subtotal Commissioners	<u>3,413,976</u>	<u>2,571,682</u>	<u>(842,294)</u>	<u>2,282,429</u>
County Manager / Administration				
Salaries / benefits	496,912	495,215	(1,697)	524,683
Other expenses	24,244	23,798	(446)	18,386
Subtotal County Manager / Administration	<u>521,156</u>	<u>519,013</u>	<u>(2,143)</u>	<u>543,069</u>
Finance & Purchasing				
Salaries / benefits	542,936	538,297	(4,639)	547,800
Other expenses	76,876	56,412	(20,464)	64,483
Subtotal Finance & Purchasing	<u>619,812</u>	<u>594,709</u>	<u>(25,103)</u>	<u>612,283</u>
Tax Administration (assessing, listing, and collection)				
Salaries / benefits	1,127,288	1,115,930	(11,358)	1,138,781
Other expenses	310,619	268,386	(42,233)	258,397
Subtotal Tax Administration	<u>1,437,907</u>	<u>1,384,316</u>	<u>(53,591)</u>	<u>1,412,533</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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Legal / County Attorney				
Other expenses	\$ 154,661	\$ 151,049	\$ (3,612)	\$ 88,245
Capital outlay	2,046	2,045	(1)	27,435
Subtotal Legal / County Attorney	<b>156,707</b>	<b>153,094</b>	<b>(3,613)</b>	115,680
Elections				
Salaries / benefits	342,606	299,232	(43,374)	242,269
Other expenses	221,415	177,910	(43,505)	81,157
Subtotal Elections	<b>564,021</b>	<b>477,142</b>	<b>(86,879)</b>	323,426
Register of Deeds (including Automation)				
Salaries / benefits	331,352	328,380	(2,972)	326,964
Other expenses	61,505	48,525	(12,980)	50,361
Capital outlay	-	-	-	64,906
Subtotal Register of Deeds	<b>392,857</b>	<b>376,905</b>	<b>(15,952)</b>	442,231
Information Technology				
Salaries / benefits	456,071	453,192	(2,879)	419,570
Other expenses	89,851	87,920	(1,931)	78,910
Capital outlay	42,519	42,487	(32)	-
Subtotal Information Technology	<b>588,441</b>	<b>583,599</b>	<b>(4,842)</b>	498,480
Human Resources				
Salaries / benefits	307,221	304,631	(2,590)	309,320
Other expenses	20,426	17,513	(2,913)	18,232
Subtotal Human Resources	<b>327,647</b>	<b>322,144</b>	<b>(5,503)</b>	327,552
Facilities Maintenance				
Salaries / benefits	395,080	387,643	(7,437)	452,146
Other expenses	1,004,250	1,013,632	9,382	960,783
Capital outlay	15,535	15,534	(1)	46,107
Subtotal Facilities Maintenance	<b>1,414,865</b>	<b>1,416,809</b>	<b>1,944</b>	1,459,036
Juvenile Crime Prevention Council Admin., Other expenses:	2,382	2,165	(217)	1,598
Communities in Schools, other expenses	58,500	58,500	-	58,500
Property and Liability Insurance, other expenses	123,083	89,825	(33,258)	18,417
Court Facilities				
Salaries / benefits	97,828	95,841	(1,987)	95,468
Other expenses	252,546	234,590	(17,956)	221,174
Subtotal Court Facilities	<b>350,374</b>	<b>330,431</b>	<b>(19,943)</b>	316,642
Total General Government	<b>9,971,728</b>	<b>8,880,334</b>	<b>(1,091,394)</b>	8,411,876
Transportation				
TACC, other expenses	39,465	39,465	-	39,464
Total Transportation	<b>39,465</b>	<b>39,465</b>	<b>-</b>	39,464

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Public Safety				
Sheriff (including Schools Resource Officers)				
Salaries / benefits	\$ 5,174,226	\$ 5,135,354	\$ (38,872)	\$ 5,035,833
Other expenses	1,049,782	920,130	(129,652)	862,797
Capital outlay	292,592	292,268	(324)	292,183
Subtotal Sheriff	<u>6,516,600</u>	<u>6,347,752</u>	<u>(168,848)</u>	6,190,813
Law Enforcement and Other Public Safety Grants				
Other expenses	73,980	34,249	(39,731)	34,289
Capital outlay	124,565	90,744	(33,821)	-
Subtotal Public Safety Grants	<u>198,545</u>	<u>124,993</u>	<u>(73,552)</u>	34,289
Criminal Justice Partnership (Day Reporting Center)				
Salaries / benefits	29,000	24,451	(4,549)	30,720
Other expenses	79,571	53,683	(25,888)	49,590
Subtotal Criminal Justice Partnership	<u>108,571</u>	<u>78,134</u>	<u>(30,437)</u>	80,310
Federal and State Forfeited Property				
Salaries / benefits	25,000	-	(25,000)	-
Other expenses	244,918	138,254	(106,664)	117,115
Capital outlay	78,705	-	(78,705)	195,994
Subtotal Federal and State Forfeited Property	<u>348,623</u>	<u>138,254</u>	<u>(210,369)</u>	313,109
Detention Centers				
Salaries / benefits	2,357,033	2,331,372	(25,661)	1,792,686
Other expenses	1,691,788	1,600,416	(91,372)	1,155,300
Capital outlay	-	-	-	36,578
Subtotal Detention Centers	<u>4,048,821</u>	<u>3,931,788</u>	<u>(117,033)</u>	2,984,564
Emergency Management				
Salaries / benefits	216,671	214,690	(1,981)	214,087
Other expenses	242,666	208,969	(33,697)	74,244
Capital outlay	166,346	124,828	(41,518)	13,283
Subtotal Emergency Management	<u>625,683</u>	<u>548,487</u>	<u>(77,196)</u>	301,614
Emergency Medical Services				
Salaries / benefits	4,286,668	4,259,017	(27,651)	4,357,985
Other expenses	906,660	873,759	(32,901)	882,221
Capital outlay	377,884	374,481	(3,403)	213,625
Subtotal Emergency Medical Services	<u>5,571,212</u>	<u>5,507,257</u>	<u>(63,955)</u>	5,453,831
Rescue Squads, Other expenses	<u>127,378</u>	<u>123,945</u>	<u>(3,433)</u>	87,570
E911 Communications				
Salaries / benefits	935,410	927,559	(7,851)	923,475
Other expenses	49,454	27,352	(22,102)	31,237
Subtotal E911 Communications	<u>984,864</u>	<u>954,911</u>	<u>(29,953)</u>	954,712
Electronic Maintenance				
Salaries / benefits	229,188	228,315	(873)	253,653
Other expenses	102,114	94,409	(7,705)	135,472
Capital outlay	27,000	26,466	(534)	-
Subtotal Electronic Maintenance	<u>358,302</u>	<u>349,190</u>	<u>(9,112)</u>	389,125

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Inspections				
Salaries / benefits	359,911	356,412	(3,499)	355,278
Other expenses	33,837	31,813	(2,024)	29,303
Capital outlay	-	-	-	15,481
Subtotal Inspections	<b>393,748</b>	<b>388,225</b>	<b>(5,523)</b>	400,062
Coroner				
Salaries / benefits	32,115	31,635	(480)	31,579
Other expenses	66,282	63,716	(2,566)	69,081
Subtotal Coroner	<b>98,397</b>	<b>95,351</b>	<b>(3,046)</b>	100,660
Hazardous Materials, Other expenses	<b>20,705</b>	<b>19,355</b>	<b>(1,350)</b>	20,080
Animal/Rabies Control				
Salaries / benefits	437,310	424,297	(13,013)	433,280
Other expenses	172,671	167,187	(5,484)	152,056
Capital outlay	2,600	2,600	-	26,166
Subtotal Animal/Rabies Control	<b>612,581</b>	<b>594,084</b>	<b>(18,497)</b>	611,502
Total Public Safety	<b>20,014,030</b>	<b>19,201,726</b>	<b>(812,304)</b>	17,922,241
Human Services				
Social Services:				
Social Services Administration				
Salaries / benefits	1,006,463	975,233	(31,230)	999,288
Other expenses	818,369	576,435	(241,934)	686,297
Capital outlay	16,000	-	(16,000)	-
Subtotal Social Services Administration	<b>1,840,832</b>	<b>1,551,668</b>	<b>(289,164)</b>	1,685,585
Title XX				
Salaries / benefits	4,338,167	4,185,487	(152,680)	4,148,497
Other expenses	721,541	471,529	(250,012)	475,159
Subtotal Title XX	<b>5,059,708</b>	<b>4,657,016</b>	<b>(402,692)</b>	4,623,656
Outside Poor, Other expenses	<b>7,195,072</b>	<b>5,288,348</b>	<b>(1,906,724)</b>	5,784,944
Income Maintenance				
Salaries / benefits	4,125,970	3,939,131	(186,839)	3,993,985
Other expenses	723,500	309,468	(414,032)	683,441
Subtotal Income Maintenance	<b>4,849,470</b>	<b>4,248,599</b>	<b>(600,871)</b>	4,677,426
Special Assistance, Salaries / benefits	<b>40,726</b>	<b>40,197</b>	<b>(529)</b>	39,108
Aid to Blind, Other expenses	<b>10,060</b>	<b>7,729</b>	<b>(2,331)</b>	10,633
IVD Child Support				
Salaries / benefits	1,159,573	1,087,978	(71,595)	1,108,476
Other expenses	11,947	8,574	(3,373)	4,915
Subtotal IVD Child Support	<b>1,171,520</b>	<b>1,096,552</b>	<b>(74,968)</b>	1,113,391
Smart Start, Salaries / benefits	<b>85,194</b>	<b>79,331</b>	<b>(5,863)</b>	83,935
Public Assistance, Other expenses	<b>4,727,588</b>	<b>4,410,260</b>	<b>(317,328)</b>	3,853,661
Total Social Services	<b>24,980,170</b>	<b>21,379,700</b>	<b>(3,600,470)</b>	21,872,339

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Health services				
Health Administration				
Salaries / benefits	\$ 835,137	\$ 785,899	\$ (49,238)	\$ 796,132
Other expenses	651,861	583,979	(67,882)	598,111
Subtotal Health Administration	<u>1,486,998</u>	<u>1,369,878</u>	<u>(117,120)</u>	1,394,243
Smart Start				
Salaries / benefits	-	-	-	34,216
Other expenses	-	-	-	4,469
Subtotal Smart Start	<u>-</u>	<u>-</u>	<u>-</u>	38,685
AIDS				
Salaries / benefits	65,876	65,264	(612)	65,123
Other expenses	1,583	678	(905)	795
Subtotal AIDS	<u>67,459</u>	<u>65,942</u>	<u>(1,517)</u>	65,918
Tuberculosis/Communicable Diseases				
Salaries / benefits	143,436	142,340	(1,096)	141,967
Other expenses	24,537	24,253	(284)	21,711
Subtotal Tuberculosis/Communicable Diseases	<u>167,973</u>	<u>166,593</u>	<u>(1,380)</u>	163,678
Adult Health				
Salaries / benefits	519,212	421,156	(98,056)	457,372
Other expenses	313,306	289,771	(23,535)	213,261
Capital outlay	-	-	-	63,876
Subtotal Adult Health	<u>832,518</u>	<u>710,927</u>	<u>(121,591)</u>	734,509
School Health				
Salaries / benefits	1,068,586	1,051,469	(17,117)	1,053,545
Other expenses	93,947	82,194	(11,753)	73,828
Subtotal School Health	<u>1,162,533</u>	<u>1,133,663</u>	<u>(28,870)</u>	1,127,373
Health Promotions				
Salaries / benefits	103,054	101,883	(1,171)	100,823
Other expenses	38,395	33,158	(5,237)	80,241
Subtotal Health Promotions	<u>141,449</u>	<u>135,041</u>	<u>(6,408)</u>	181,064
Child Health				
Salaries / benefits	556,621	539,021	(17,600)	526,521
Other expenses	105,504	83,278	(22,226)	69,827
Subtotal Child Health	<u>662,125</u>	<u>622,299</u>	<u>(39,826)</u>	596,348
Maternal Health				
Salaries / benefits	1,751,781	1,735,918	(15,863)	1,649,027
Other expenses	180,408	102,037	(78,371)	98,731
Subtotal Maternal Health	<u>1,932,189</u>	<u>1,837,955</u>	<u>(94,234)</u>	1,747,758
Family Planning				
Salaries / benefits	645,045	455,305	(189,740)	454,275
Other expenses	276,511	258,708	(17,803)	253,289
Subtotal Family Planning	<u>921,556</u>	<u>714,013</u>	<u>(207,543)</u>	707,564
Women - Infants - Children				
Salaries / benefits	437,751	413,573	(24,178)	406,028
Other expenses	135,905	101,740	(34,165)	96,621
Subtotal Women - Infants - Children	<u>573,656</u>	<u>515,313</u>	<u>(58,343)</u>	502,649

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Environmental Health				
Salaries / benefits	642,967	639,197	(3,770)	636,398
Other expenses	47,757	44,005	(3,752)	42,124
Capital outlay	-	-	-	12,047
Subtotal Environmental Health	690,724	683,202	(7,522)	690,569
Other Public Health Grants				
Salaries / benefits	98,487	95,161	(3,326)	155,924
Other expenses	305,846	225,235	(80,611)	130,833
Subtotal Other Public Health Grants	404,333	320,396	(83,937)	286,757
Dental Clinic				
Salaries / benefits	113,734	51,123	(62,611)	208,651
Other expenses	264,218	253,178	(11,040)	94,092
Subtotal Dental Clinic	377,952	304,301	(73,651)	302,743
Nurse Family Partnership				
Salaries / benefits	345,538	288,630	(56,908)	335,567
Other expenses	482,887	61,157	(421,730)	66,471
Subtotal Nurse Family Partnership	828,425	349,787	(478,638)	402,038
Carolina Access				
Salaries / benefits	1,353,100	1,124,306	(228,794)	869,084
Other expenses	1,583,222	1,379,872	(203,350)	598,276
Subtotal Carolina Access	2,936,322	2,504,178	(432,144)	1,467,360
CODAP				
Salaries / benefits	130,801	85,528	(45,273)	103,264
Other expenses	19,900	16,932	(2,968)	9,198
Subtotal CODAP	150,701	102,460	(48,241)	112,462
Total Health Services	13,336,913	11,535,948	(1,800,965)	10,521,718
Miscellaneous				
Mental health (Pathways)				
Salaries / benefits	29,297	27,793	(1,504)	-
Other expenses	762,642	762,638	(4)	1,227,934
Subtotal Mental health (Pathways)	791,939	790,431	(1,508)	1,227,934
Veteran Services				
Salaries / benefits	86,942	86,463	(479)	84,706
Other expenses	5,028	4,076	(952)	3,510
Subtotal Veteran Services	91,970	90,539	(1,431)	88,216
Council on Aging, Other expenses	140,037	140,037	-	140,035
Total Human Services	39,341,029	33,936,655	(5,404,374)	33,850,242
Debt Service				
Principal reduction	65,606	65,605	(1)	63,273
Interest and fees	3,620	3,619	(1)	6,585
Total Debt Service	69,226	69,224	(2)	69,858
Education				
Community College, other expenses	1,415,130	1,415,130	-	1,415,129
Subtotal Community College	1,415,130	1,415,130	-	1,415,129

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES (continued from previous page)</b>				
Public Schools				
Distribution of collected property taxes	10,774,740	10,608,207	(166,533)	10,150,311
Current expenses	10,408,213	10,408,213	-	10,408,213
Schools capital outlay	3,040,000	3,040,000	-	3,936,014
Subtotal Public Schools	24,222,953	24,056,420	(166,533)	24,494,538
Total Education	25,638,083	25,471,550	(166,533)	25,909,667
Economic and Physical Development				
Planning and Zoning				
Salaries / benefits	282,217	280,297	(1,920)	279,565
Other expenses	44,968	42,121	(2,847)	46,702
Subtotal Planning and Zoning	327,185	322,418	(4,767)	326,267
Economic Development				
Salaries / benefits	155,785	155,318	(467)	-
Other expenses	3,100,231	846,968	(2,253,263)	810,470
Capital outlay	475,622	305,909	(169,713)	996,108
Subtotal Economic Development	3,731,638	1,308,195	(2,423,443)	1,806,578
Cooperative Extension				
Salaries / benefits	218,789	219,019	230	237,135
Other expenses	72,600	43,958	(28,642)	53,653
Subtotal Cooperative Extension	291,389	262,977	(28,412)	290,788
Forestry, Other expenses	70,708	67,240	(3,468)	64,780
Soil conservation				
Salaries / benefits	76,397	75,437	(960)	73,157
Other expenses	13,485	6,429	(7,056)	8,109
Subtotal Soil Conservation	89,882	81,866	(8,016)	81,266
Waterline and sewer maintenance				
Other expenses	1,922,682	402,928	(1,519,754)	483,723
Capital outlay	-	-	-	25,000
Subtotal Waterline and Sewer Maintenance	1,922,682	402,928	(1,519,754)	508,723
Total Economic and Physical Development	6,433,484	2,445,624	(3,987,860)	3,078,402
Cultural				
Library System				
Salaries / benefits	681,194	674,146	(7,048)	668,335
Other expenses	405,745	296,747	(108,998)	383,825
Capital outlay	-	-	-	11,466
Subtotal Library System	1,086,939	970,893	(116,046)	1,063,626
Recreation				
Other expenses	106,935	94,046	(12,889)	74,171
Capital outlay	-	-	-	8,200
Subtotal Broad River Greenway	106,935	94,046	(12,889)	82,371
Historic Courthouse, Other expenses	74,417	63,135	(11,282)	38,261
Total Cultural	1,268,291	1,128,074	(140,217)	1,184,258
<b>Total Expenditures</b>	<b>\$ 102,775,336</b>	<b>\$ 91,172,652</b>	<b>\$ (11,602,684)</b>	<b>\$ 90,466,008</b>

(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, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>(continued from previous page)</b>				
<b>Total Expenditures (repeated from prior page)</b>	<b>\$ 102,775,336</b>	<b>\$ 91,172,652</b>	<b>\$ (11,602,684)</b>	\$ 90,466,008
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,405,444)</b>	<b>5,244,063</b>	<b>9,649,507</b>	(352,865)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In:				
from Special Revenue fund-Emergency Telephone	69,097	69,097	-	69,097
from Capital Projects fund	1,292,674	1,290,000	(2,674)	1,936,014
from Enterprise fund-Solid Waste	266,223	282,860	16,637	335,925
Transfers Out:				
to Special Revenue fund-Community Development	(30,087)	(3,910)	26,177	(94,913)
to Debt Service fund	(2,122,997)	(2,095,528)	27,469	(1,909,966)
to Capital Projects fund	(1,535,390)	(1,535,390)	-	(1,283,781)
to Enterprise fund-Solid Waste	(250,000)	(250,000)	-	-
to Enterprise fund-Conference Center	(300,000)	(219,117)	80,883	-
Fund Balance Appropriated	7,015,924	-	(7,015,924)	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,405,444</b>	<b>(2,461,988)</b>	<b>(6,867,432)</b>	(947,624)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>2,782,075</b>	<b>\$ 2,782,075</b>	(1,300,489)
<b>FUND BALANCES</b>				
Beginning Fund Balances		<u>22,281,639</u>		<u>23,582,128</u>
Ending Fund Balances		<u>\$ 25,063,714</u>		<u>\$ 22,281,639</u>

(continued from previous page)

**Cleveland County, North Carolina**  
**b. Capital Projects Fund: Statements of Revenues, Expenditures, and Changes**  
**in Fund Balances -- Budget to Actual**

For the Year Ended June 30, 2012

With Comparative Totals from Project Inception to June 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Intergovernmental revenues, restricted				
Early College High School (5-Year Diploma/Degree)	\$ 1,000,000	\$ 90,000	\$ (90,000)	\$ -
Kings Mountain Gateway Trails	795,000	585,000	200,000	785,000
Historic Courthouse Renovation	1,793,000	267,800	946,979	1,214,779
Subtotal	3,588,000	942,800	1,056,979	1,999,779
Investment earnings				
No assigned project	-	-	13,646	13,646
Miscellaneous				
Industrial Park - US Highway 74 Business	6,952	6,951	-	6,951
Farmers Market Shade Pavilion	5,000	-	39,197	39,197
No assigned project	-	-	129,549	129,549
Subtotal	11,952	6,951	168,746	175,697
Local Option Sales Taxes, restricted portions of Articles 40 and 42				
Other taxes-sales taxes	1,626,121	-	2,605,434	2,605,434
Investment earnings	-	-	5,759	5,759
Subtotal	1,626,121	-	2,611,193	2,611,193
State Corporate Income Taxes				
Investment earnings	-	-	336	336
Subtotal	-	-	336	336
State Education Lottery Proceeds				
Intergovernmental revenues-proceeds from State	10,360,196	-	1,381,187	1,381,187
Investment earnings	45,123	-	45,122	45,122
Subtotal	10,405,319	-	1,426,309	1,426,309
<b>Total Revenues</b>	<b>15,631,392</b>	<b>949,751</b>	<b>5,277,209</b>	<b>6,226,960</b>
<b>EXPENDITURES</b>				
General government:				
Computer replacement program	521,587	382,331	103,416	485,747
Various other projects	295,000	40,819	19,908	60,727
Subtotal	816,587	423,150	123,324	546,474
Public safety				
Jail Annex Expansion	7,634,207	7,076,920	406,293	7,483,213
E911 Dispatch Equipment	312,700	3,485	-	3,485
EMS Base Station - No. 3 Township	569,343	311,185	148,380	459,565
Public Shooting Range	28,000	3,000	-	3,000
Subtotal	8,544,250	7,394,590	554,673	7,949,263
Education				
Early College High School (5-Year Diploma/Degree)	22,860,483	7,338,629	12,774,176	20,112,805
Shelby Middle School	26,694,512	20,363,261	2,726,710	23,089,971
Central Services / Turning Point Academy	8,979,040	-	2,237,485	2,237,485
Community College grant	75,000	-	75,000	75,000
Subtotal	58,609,035	27,701,890	17,813,371	45,515,261

(continued on next page)

**Cleveland County, North Carolina**  
**b. Capital Projects Fund: Statements of Revenues, Expenditures, and Changes**  
**in Fund Balances -- Budget to Actual**

For the Year Ended June 30, 2012

With Comparative Totals from Project Inception to June 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
<b>EXPENDITURES (continued from previous page)</b>				
Economic and physical development				
Foothills Commerce Center - West Shelby	\$ 1,485,320	\$ 879,866	\$ 486,940	\$ 1,366,806
Large Industrial Park - Washburn Switch Road	3,000,000	-	2,744,159	2,744,159
Industrial Park - Washburn Switch Road	1,206,794	1,186,792	19,936	1,206,728
Industrial Park - US Highway 74 Business	880,790	770,190	10,234	780,424
Kings Mountain Gateway Trails	998,000	875,313	121,182	996,495
Industrial Park - US Highway 29	636,846	636,846	-	636,846
American Legion World Series	437,535	262,535	110,117	372,652
City-County Airport Renovations	344,446	238,375	106,070	344,445
Farmers Market Shade Pavilion	45,000	-	-	-
Waterline and sewer extensions	27,545	-	20,295	20,295
Subtotal	<u>9,062,276</u>	4,849,917	<u>3,618,933</u>	<u>8,468,850</u>
Cultural and recreational				
Historic Courthouse Renovation	3,742,126	1,576,109	1,553,809	3,129,918
Subtotal	<u>3,742,126</u>	1,576,109	<u>1,553,809</u>	<u>3,129,918</u>
<b>Total Expenditures</b>	<u><b>80,774,274</b></u>	41,945,656	<u><b>23,664,110</b></u>	<u><b>65,609,766</b></u>
<b>Excess of Revenues over (under)</b>				
<b>Expenditures</b>	<u><b>(65,142,882)</b></u>	(40,995,905)	<u><b>(18,386,901)</b></u>	<u><b>(59,382,806)</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
from General	4,795,305	4,274,174	435,390	4,709,564
from Solid Waste Fund for specific project	3,000,000	-	2,750,000	2,750,000
from General Fund for no specific project	22,575,683	12,877,878	1,100,000	13,977,878
Subtotal	<u>30,370,988</u>	17,152,052	<u>4,285,390</u>	<u>21,437,442</u>
Installment financing issued				
Jail Annex Expansion	6,720,000	6,720,000	-	6,720,000
Early College High School (5-Year Diploma/Degree)	18,000,000	17,582,950	-	17,582,950
Shelby Middle School	22,000,000	22,000,000	-	22,000,000
Subtotal	<u>46,720,000</u>	46,302,950	-	<u>46,302,950</u>
Fund balance appropriated	83,334	-	-	-
Local Option Sales Taxes, restricted portions of Articles 40 and 42				
Transfers out:				
to General Fund	(1,290,000)	-	(1,290,000)	(1,290,000)
to Debt Service Fund	(487,975)	-	(487,974)	(487,974)
Fund balance appropriated	151,854	-	-	-
Subtotal	<u>(1,626,121)</u>	-	<u>(1,777,974)</u>	<u>(1,777,974)</u>
State Education Lottery Proceeds				
Transfers out:				
to Debt Service Fund	(10,405,319)	-	(1,426,279)	(1,426,279)
<b>Total Other Financing Sources (Uses)</b>	<u><b>65,142,882</b></u>	63,455,002	<u><b>1,081,137</b></u>	<u><b>64,536,139</b></u>
<b>Net Change in Fund Balance</b>	<u><b>-</b></u>	22,459,097	<u><b>(17,305,764)</b></u>	<u><b>5,153,333</b></u>

(continued on next page)

**Cleveland County, North Carolina**

**b. Capital Projects Fund: Statements of Revenues, Expenditures, and Changes  
in Fund Balances -- Budget to Actual**

For the Year Ended June 30, 2012

With Comparative Totals from Project Inception to June 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
<b>(continued from previous page)</b>				
<b>Net Change in Fund Balance (repeated from prior page)</b>	<b>\$ -</b>	<b>\$ 22,459,097</b>	<b>(17,305,764)</b>	<b>\$ 5,153,333</b>

**FUND BALANCES**

Beginning fund balances	<b>22,459,097</b>
Ending fund balances	<b>5,153,333</b>

Breakdown of fund balances:

Local Option Sales Taxes, restricted portions of Articles 40 and 42	
Beginning fund balances	<b>6,031,819</b>
Ending fund balances	<b>6,865,038</b>
State Corporate Income Taxes	
Beginning fund balances	<b>462</b>
Ending fund balances	<b>798</b>
State Education Lottery Proceeds	
Beginning fund balances	<b>-</b>
Ending fund balances	<b>30</b>
All Other Capital Projects	
Beginning fund balances, as restated	<b>16,426,816</b>
Ending fund balances	<b>\$ (1,712,533)</b>

(continued from previous page)

**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2012  
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	108
b. Non-major Governmental Funds: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	Exhibit II.D.4.b	110
c. Emergency Telephone Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	Exhibit II.D.4.c	112
d. County Fire Service District Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	Exhibit II.D.4.d	113
e. Community Development Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (since projects' inception)	Exhibit II.D.4.e	114
f. Debt Service Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	Exhibit II.D.4.f	115

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**

(continued on next page)

June 30, 2012

With Comparative Totals as of June 30, 2011

	Non-Major Governmental Funds		
	Emergency Telephone	County Fire Service District	Community Development
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,310,617	\$ 47,420	\$ 181,528
Taxes receivable, net	-	34,418	-
Accounts receivable, net	34,055	63,873	32,651
Due from other funds	1,184	5,722	15,757
Prepaid items	6,848	-	-
<b>Total assets</b>	<b>\$ 1,352,704</b>	<b>\$ 151,433</b>	<b>\$ 229,936</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,079	\$ (126)	\$ 30,425
Contract retainage	-	-	36,092
Unearned revenues	-	4,445	181,528
Deferred revenues	-	34,418	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>2,079</b>	<b>38,737</b>	<b>248,045</b>
Fund balances:			
Non-spendable			
Prepaid items	6,848	-	-
Restricted			
Stabilization of State Statute	35,239	69,721	48,408
Emergency Telephone	1,308,538	-	-
County Fire Service District	-	42,975	-
Unassigned	-	-	(66,517)
<b>Total fund balances</b>	<b>1,350,625</b>	<b>112,696</b>	<b>(18,109)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,352,704</b>	<b>\$ 151,433</b>	<b>\$ 229,936</b>

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<b>Non-Major Governmental Funds</b>			
<b>Debt Service</b>	<b>Totals</b>		
	<b>2012</b>	<b>2011</b>	
<b>\$ -</b>	<b>\$ 1,539,565</b>	<b>\$</b>	2,974,766
-	<b>34,418</b>	\$	39,869
-	<b>130,579</b>		707,117
-	<b>22,663</b>		8,038
-	<b>6,848</b>		832
<b>\$ -</b>	<b>\$ 1,734,073</b>	<b>\$</b>	<b>3,730,622</b>
<b>\$ -</b>	<b>\$ 32,378</b>	<b>\$</b>	301,739
-	<b>36,092</b>		86,104
-	<b>185,973</b>		809,158
-	<b>34,418</b>		202,437
-	-		431,150
-	<b>288,861</b>		1,830,588
-	<b>6,848</b>		832
-	<b>153,368</b>		635,308
-	<b>1,308,538</b>		1,444,202
-	<b>42,975</b>		463,062
-	<b>(66,517)</b>		(643,370)
-	<b>1,445,212</b>		1,900,034
<b>\$ -</b>	<b>\$ 1,734,073</b>	<b>\$</b>	<b>3,730,622</b>

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Cleveland County, North Carolina

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

(continued on next page)

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	Non-Major Governmental Funds		
	Emergency Telephone	County Fire Service District	Community Development
<b>REVENUES</b>			
Ad valorem taxes	\$ -	\$ 881,659	\$ -
Other taxes	381,896	240,324	-
Intergovernmental revenues, restricted	26,762	3,810	1,409,092
Investment earnings	2,180	110	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>410,838</b>	<b>1,125,903</b>	<b>1,409,092</b>
<b>EXPENDITURES</b>			
Public safety	520,776	1,546,149	-
Economic and physical development	-	-	1,268,543
Debt service, principal reduction	-	-	-
Debt service, interest and fees	-	-	-
<b>Total expenditures</b>	<b>520,776</b>	<b>1,546,149</b>	<b>1,268,543</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(109,938)</b>	<b>(420,246)</b>	<b>140,549</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	3,910
Transfers out	(69,097)	-	-
<b>Total other financing sources (uses)</b>	<b>(69,097)</b>	<b>-</b>	<b>3,910</b>
<b>Net change in fund balance</b>	<b>(179,035)</b>	<b>(420,246)</b>	<b>144,459</b>
<b>FUND BALANCES</b>			
Beginning fund balances	1,529,660	532,942	(162,568)
Ending fund balances	\$ 1,350,625	\$ 112,696	\$ (18,109)

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<b>Non-Major Governmental Funds</b>			
Debt Service	Totals		
	2012	2011	
\$ -	\$ 881,659	\$	871,557
-	622,220	-	808,600
<b>1,612,809</b>	<b>3,052,473</b>	-	2,015,442
-	2,290	-	14,350
-	-	-	(2,474)
<b>1,612,809</b>	<b>4,558,642</b>	-	3,707,475
-	2,066,925	-	2,275,169
-	1,268,543	-	1,228,908
<b>3,370,393</b>	<b>3,370,393</b>	-	2,783,775
<b>2,252,197</b>	<b>2,252,197</b>	-	1,704,965
<b>5,622,590</b>	<b>8,958,058</b>	-	7,992,817
<b>(4,009,781)</b>	<b>(4,399,416)</b>	-	(4,285,342)
<b>4,009,781</b>	<b>4,013,691</b>	-	3,594,568
-	(69,097)	-	(69,097)
<b>4,009,781</b>	<b>3,944,594</b>	-	3,525,471
-	(454,822)	-	(759,871)
-	1,900,034	-	2,659,905
<b>\$ -</b>	<b>\$ 1,445,212</b>	<b>\$</b>	<b>1,900,034</b>

(continued from previous page)

## Cleveland County, North Carolina

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

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES</b>				
System subscriber/surcharge fees	\$ 381,896	\$ 381,896	\$ -	\$ 585,975
Reimbursements from other PSAPs	-	26,762	26,762	27,013
Investment earnings	-	2,180	2,180	11,083
Miscellaneous adjustments	-	-	-	(2,474)
<b>Total revenues</b>	<b>381,896</b>	<b>410,838</b>	<b>28,942</b>	<b>621,597</b>
<b>EXPENDITURES</b>				
Public safety:				
Supplies and materials	8,902	389	(8,513)	2,288
Travel and training	1,000	545	(455)	-
Telecommunications	168,820	109,762	(59,058)	113,667
Contracted services	38,183	37,012	(1,171)	33,856
Professional services	43,235	30,082	(13,153)	15,223
Equipment lease shared with other PSAPs	50,232	48,659	(1,573)	49,115
Other	3,850	635	(3,215)	(782)
Capital outlay, equipment	12,000	-	(12,000)	-
Subtotal	326,222	227,084	(99,138)	213,367
<i>Separately reported expenditures from special 50% fund:</i>				
Supplies and materials	4,484	12,492	8,008	174,971
Professional services	-	-	-	5,779
Capital outlay, equipment	292,839	281,200	(11,639)	407,181
Subtotal	297,323	293,692	(3,631)	587,931
<b>Total public safety expenditures</b>	<b>623,545</b>	<b>520,776</b>	<b>(102,769)</b>	<b>801,298</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(241,649)</b>	<b>(109,938)</b>	<b>131,711</b>	<b>(179,701)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Implemental functions / Transfers to General Fund	(69,097)	(69,097)	-	(69,097)
Fund balance appropriated	310,746	-	(310,746)	-
<b>Total other financing sources (uses)</b>	<b>241,649</b>	<b>(69,097)</b>	<b>(310,746)</b>	<b>(69,097)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(179,035)</b>	<b>(179,035)</b>	<b>(248,798)</b>
<b>FUND BALANCES</b>				
Beginning fund balances		1,529,660		1,778,458
Ending fund balances		\$ 1,350,625		\$ 1,529,660
<b>RECAP OF SPECIAL 50% FUND</b>				
Beginning balance, July 1, 2010	\$	883,885		
Expenditures July 1, 2010 to June30, 2011		(587,931)		
Expenditures July 1, 2011 to June30, 2012		(293,692)		
<b>Unspent funds, June 30, 2012 *</b>	<b>\$</b>	<b>2,262</b>		

\* As of July 1, 2012, these unspent monies revert back to the regular Emergency Telephone Fund

## Cleveland County, North Carolina

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

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes				
Current year	\$ 829,350	\$ 837,543	\$ 8,193	\$ 823,124
Prior years	25,650	35,020	9,370	38,817
Penalties and interest	10,000	9,096	(904)	9,616
Subtotal ad valorem taxes	<u>865,000</u>	<u>881,659</u>	<u>16,659</u>	<u>871,557</u>
Other taxes, local option sales taxes	235,000	240,324	5,324	222,625
Intergovernmental revenues, restricted	-	3,810	3,810	27,917
Investment earnings	-	110	110	3,267
<b>Total revenues</b>	<u>1,100,000</u>	<u>1,125,903</u>	<u>25,903</u>	<u>1,125,366</u>
<b>EXPENDITURES</b>				
Public safety:				
Supplies	4,015	913	(3,102)	810
Repairs on equipment	1,750	-	(1,750)	-
Contracted and professional services	5,000	2,227	(2,773)	1,495
Insurance	52,500	52,008	(492)	49,965
Awards to Volunteer Fire Departments	1,491,001	1,491,001	-	1,421,601
<b>Total expenditures</b>	<u>1,554,266</u>	<u>1,546,149</u>	<u>(8,117)</u>	<u>1,473,871</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(454,266)</u>	<u>(420,246)</u>	<u>34,020</u>	<u>(348,505)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund balance appropriated	454,266	-	(454,266)	-
<b>Total other financing sources (uses)</b>	<u>454,266</u>	<u>-</u>	<u>(454,266)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(420,246)</u>	<u>\$ (420,246)</u>	<u>(348,505)</u>
<b>FUND BALANCES</b>				
Beginning fund balances		532,942		881,447
Ending fund balances		<u>\$ 112,696</u>		<u>\$ 532,942</u>

## Cleveland County, North Carolina

## e. Community Development Fund: Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (since projects' inception)

For the Year Ended June 30, 2012

With Comparative Totals from Project Inception to June 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Intergovernmental revenues, federal restricted	\$ 2,400,000	\$ 538,449	\$ 1,342,070	\$ 1,880,519
Intergovernmental revenues, state restricted	500,000	432,978	67,022	500,000
<b>Total revenues</b>	<b>2,900,000</b>	<b>971,427</b>	<b>1,409,092</b>	<b>2,380,519</b>
<b>EXPENDITURES</b>				
Economic and physical development:				
Community Development Block Grant -				
Housing Rehab (CDBG-HR):				
Administration	40,000	-	32,155	32,155
Housing rehabilitation	360,000	-	39,108	39,108
Other Activities	-	-	-	-
Community Development Block Grant -				
Economic Development (CDBG-ED):				
Administration	35,000	26,276	8,724	35,000
Roadway/Railway expansion	1,590,000	1,006,088	566,628	1,572,716
Community Development Block -				
Section 108 Loan Guarantee (CDBG-LG):				
Shell Building	1,000,000	196,544	621,928	818,472
<b>Total expenditures</b>	<b>3,025,000</b>	<b>1,228,908</b>	<b>1,268,543</b>	<b>2,497,451</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(125,000)</b>	<b>(257,481)</b>	<b>140,549</b>	<b>(116,932)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
From General Fund	125,000	94,913	3,910	98,823
<b>Total other financing sources (uses)</b>	<b>125,000</b>	<b>94,913</b>	<b>3,910</b>	<b>98,823</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (162,568)</b>	<b>144,459</b>	<b>\$ (18,109)</b>
<b>FUND BALANCES</b>				
Beginning fund balances			(162,568)	
Ending fund balances			<b>\$ (18,109)</b>	

## Cleveland County, North Carolina

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

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES</b>				
Intergovernmental revenues, restricted	\$ 1,612,810	\$ 1,612,809	\$ (1)	\$ 989,085
<b>Total revenues</b>	<b>1,612,810</b>	<b>1,612,809</b>	<b>(1)</b>	<b>989,085</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	3,818,394	3,370,393	(448,001)	2,783,775
Interest	2,274,667	2,252,105	(22,562)	1,696,913
Fees	5,000	92	(4,908)	8,052
<b>Total expenditures</b>	<b>6,098,061</b>	<b>5,622,590</b>	<b>(475,471)</b>	<b>4,488,740</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
From General Fund	2,122,997	2,095,528	(27,469)	1,909,966
From Capital Projects Fund	2,362,254	1,914,253	(448,001)	1,589,689
<b>Total other financing sources (uses)</b>	<b>4,485,251</b>	<b>4,009,781</b>	<b>(475,470)</b>	<b>3,499,655</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>
<b>FUND BALANCES</b>				
Beginning fund balances		-		-
Ending fund balances	\$ -	-	\$ -	-

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**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2012  
II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
D. Required Supplementary Information:  
5. Major Enterprise Funds Financial Schedule**

	<u>Identifier</u>	<u>Page No.</u>
a. Solid Waste Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis	Exhibit II.D.5.a	118
b. Conference Center Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis	Exhibit II.D.5.b	120

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 Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis**

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues:				
Household user fees	\$ 1,464,941	\$ 1,428,628	\$ (36,313)	\$ 1,428,027
Departmental fees	3,182,324	4,107,019	924,695	3,561,955
Miscellaneous	17,619	30,062	12,443	200,196
Total operating revenues	<u>4,664,884</u>	<u>5,565,709</u>	<u>900,825</u>	<u>5,190,178</u>
Non-operating revenues:				
Other taxes	150,000	480,154	330,154	440,791
Intergovernmental revenues	52,695	84,168	31,473	130,666
Interest earned	7,686	2,179	(5,507)	44,053
Total non-operating revenues	<u>210,381</u>	<u>566,501</u>	<u>356,120</u>	<u>615,510</u>
<b>Total revenues</b>	<u>4,875,265</u>	<u>6,132,210</u>	<u>1,256,945</u>	<u>5,805,688</u>
<b>EXPENDITURES</b>				
Administration and operating expenditures:				
Salaries and benefits	1,896,672	1,823,121	(73,551)	1,750,698
Supplies and materials	53,789	50,950	(2,839)	97,024
Automotive fuels and supplies	535,665	500,114	(35,551)	478,932
Uniforms	8,705	8,464	(241)	6,159
Travel and training	5,861	7,128	1,267	9,465
Utilities, telecommunications, and postage	99,430	83,701	(15,729)	81,732
Repairs and maintenance	181,109	164,450	(16,659)	118,395
Advertising	4,500	3,160	(1,340)	5,181
Laundry and dry cleaning	16,962	14,998	(1,964)	15,965
Rent	8,150	8,097	(53)	27,098
Contracted services	322,321	279,979	(42,342)	335,128
Insurance	86,900	86,900	-	80,400
Garbage	969,765	903,502	(66,263)	922,920
Professional and legal services	289,934	260,545	(29,389)	123,350
Solid waste disposal tax to State	254,000	328,754	74,754	282,962
Miscellaneous	15,402	14,319	(1,083)	22,368
Total administration and operating expenditures	<u>4,749,165</u>	<u>4,538,182</u>	<u>(210,983)</u>	<u>4,357,777</u>
Capital outlay expenditures	3,588,599	156,655	(3,431,944)	1,027,093
<b>Total expenditures</b>	<u>8,337,764</u>	<u>4,694,837</u>	<u>(3,642,927)</u>	<u>5,384,870</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,462,499)</u>	<u>1,437,373</u>	<u>4,899,872</u>	<u>420,818</u>

(continued on next page)

Cleveland County, North Carolina

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

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>(continued from previous page)</b>				
<b>Excess of revenues over (under) expenditures (repeated from prior page)</b>	\$ (3,462,499)	\$ 1,437,373	\$ 4,899,872	\$ 420,818
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from General Fund	250,000	250,000	-	-
Transfers out to General Fund	(266,223)	(282,860)	(16,637)	(335,925)
Transfers out to Capital Projects Fund	(3,000,000)	(2,750,000)	250,000	-
Fund balance appropriated	6,478,722	-	(6,478,722)	-
<b>Total other financing sources (uses)</b>	<b>3,462,499</b>	<b>(2,782,860)</b>	<b>(6,245,359)</b>	<b>(335,925)</b>
<b>Net change in fund balance (modified accrual basis)</b>	<b>\$ -</b>	<b>\$ (1,345,487)</b>	<b>\$ (1,345,487)</b>	<b>\$ 84,893</b>

**Reconciliation of Modified Accrual Basis with Full Accrual Basis**

**Net change in fund balance**

<b>(modified accrual basis)</b>	\$ (1,345,487)	\$ 84,893
Capital outlay expenditures	156,655	1,027,093
Trade-in allowance on purchase of capital asset	-	16,000
Non-cash gain (loss) on disposals of capital assets	(26,161)	(26,551)
Acquisition of capital assets through landfill closure activity	1,671,409	1,500,710
Depreciation expense	(672,310)	(677,696)
Change in accrued retirement benefits	(86,291)	(85,930)
Change in accrued leave earned expense	12,208	8,455
Change in accrued landfill closure and postclosure care expense	(495,129)	(3,527,692)
<b>Change in net assets (full accrual basis)</b>	<b>\$ (785,106)</b>	<b>\$ (1,680,718)</b>

**Another Difference in Reporting Under Modified Accrual (MA) Basis**

**Versus Full Accrual (FA) Basis:**

Departmental fees (modified accrual basis)	\$ 4,107,019	\$ 3,561,955
Bad debt expense (reduces departmental fees revenue under MA basis)	9,462	21
Departmental fees (full accrual basis)	<b>\$ 4,116,481</b>	<b>\$ 3,561,976</b>

(continued from previous page)

## Cleveland County, North Carolina

## b. Conference Center Fund: Schedule of Revenues and Expenditures -- Budget to Actual; non-GAAP modified accrual basis

For the Year Ended June 30, 2012

With Comparative Totals For the Year Ended June 30, 2011

	2012		Variance - Over (Under)	2011
	Budget	Actual		Actual
<b>EXPENDITURES</b>				
Administration and operating expenditures:				
Supplies and materials	\$ 136,211	\$ 53,033	\$ (83,178)	\$ -
Professional and legal services	163,789	163,789	-	-
<b>Total expenditures</b>	<b>300,000</b>	<b>216,822</b>	<b>(83,178)</b>	<b>-</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(300,000)</b>	<b>(216,822)</b>	<b>83,178</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from General Fund	300,000	219,117	(80,883)	-
<b>Total other financing sources (uses)</b>	<b>300,000</b>	<b>219,117</b>	<b>(80,883)</b>	<b>-</b>
<b>Net change in fund balance (modified accrual basis)</b>	<b>\$ -</b>	<b>\$ 2,295</b>	<b>\$ 2,295</b>	<b>\$ -</b>
<b>Reconciliation of Modified Accrual Basis with Full Accrual Basis</b>				
<b>Net change in fund balance (modified accrual basis)</b>		<b>\$ 2,295</b>		<b>\$ -</b>
No differences		-		-
<b>Change in net assets (full accrual basis)</b>		<b>\$ 2,295</b>		<b>\$ -</b>

**Cleveland County, North Carolina  
Annual Financial and Compliance Report  
For the Year Ended June 30, 2012  
II: FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
D. Required Supplementary Information:  
6. Fiduciary Funds Financial Statement**

	<b>Identifier</b>	<b>Page No.</b>
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

Cleveland County, North Carolina

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

For the Year Ended June 30, 2012

	Beginning Balance 2011	Additions	Deductions	Ending Balance 2012
<b>Fines and Forfeitures Agency Fund</b>				
<b>Assets</b>				
Intergovernmental receivable *	\$ 5,040	\$ 505,134	\$ (505,668)	\$ 4,506
<b>Liabilities</b>				
Due to other taxing units - State of North Carolina *	\$ 5,040	\$ 503,478	\$ (504,012)	\$ 4,506
Due to other taxing units - Cleveland County Board of Education	-	493,332	(493,332)	-
<b>Total liabilities</b>	<b>\$ 5,040</b>	<b>\$ 996,810</b>	<b>\$ (997,344)</b>	<b>\$ 4,506</b>
<b>Inmate Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 4,429	\$ 246,143	\$ (230,425)	\$ 20,147
Intergovernmental receivable	1,847	138,294	(131,446)	8,695
<b>Total assets</b>	<b>\$ 6,276</b>	<b>\$ 384,437</b>	<b>\$ (361,871)</b>	<b>\$ 28,842</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,276	\$ 509,178	\$ (486,612)	\$ 28,842
<b>Property Tax Agency Fund</b>				
<b>Assets</b>				
Taxes receivable	\$ 35,203	\$ 439,530	\$ (442,513)	\$ 32,220
Accounts receivable	805,406	12,653,821	(12,740,798)	718,429
Intergovernmental receivable	218,469	13,236,706	(13,280,229)	174,946
<b>Total assets</b>	<b>\$ 1,059,078</b>	<b>\$ 26,330,057</b>	<b>\$ (26,463,540)</b>	<b>\$ 925,595</b>
<b>Liabilities</b>				
Accounts payable	\$ 179,445	\$ 15,605,213	\$ (15,650,515)	\$ 134,143
Due to other taxing units	879,633	13,376,486	(13,464,667)	791,452
<b>Total liabilities</b>	<b>\$ 1,059,078</b>	<b>\$ 28,981,699</b>	<b>\$ (29,115,182)</b>	<b>\$ 925,595</b>
<b>Rescue Squad Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,122	\$ 1,233	\$ (2,100)	\$ 4,255
<b>Total assets</b>	<b>\$ 5,122</b>	<b>\$ 1,233</b>	<b>\$ (2,100)</b>	<b>\$ 4,255</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,122	\$ 1,233	\$ (2,100)	\$ 4,255
<b>Total liabilities</b>	<b>\$ 5,122</b>	<b>\$ 1,233</b>	<b>\$ (2,100)</b>	<b>\$ 4,255</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, 2012

	Beginning Balance 2011	Additions	Deductions	Ending Balance 2012
<b>(continued from previous page)</b>				
<b>Social Services Agency Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 92,612	\$ 315,330	\$ (286,850)	\$ 121,092
<b>Liabilities</b>				
Accounts payable	\$ 92,612	\$ 315,330	\$ (286,850)	\$ 121,092
<b>TOTALS, All Agency Funds</b>				
<b>Assets</b>				
Cash and investments	\$ 102,163	\$ 562,706	\$ (519,375)	\$ 145,494
Taxes receivable	35,203	439,530	(442,513)	32,220
Accounts receivable	805,406	12,653,821	(12,740,798)	718,429
Intergovernmental receivable	225,356	13,880,134	(13,917,343)	188,147
<b>Total assets</b>	<b>\$ 1,168,128</b>	<b>\$ 27,536,191</b>	<b>\$ (27,620,029)</b>	<b>\$ 1,084,290</b>
<b>Liabilities</b>				
Accounts payable	\$ 283,455	\$ 16,430,954	\$ (16,426,077)	\$ 288,332
Due to other taxing units	884,673	14,373,296	(14,462,011)	795,958
<b>Total liabilities</b>	<b>\$ 1,168,128</b>	<b>\$ 30,804,250</b>	<b>\$ (30,888,088)</b>	<b>\$ 1,084,290</b>

Note:

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

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