

Cleveland County
NORTH CAROLINA

For Year Ended - June 30, 2025

CLEVELAND COUNTY
Shelby, North Carolina
Financial Statements
June 30, 2025

CLEVELAND COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2025

BOARD OF COUNTY COMMISSIONERS

Kevin Gordon, Chairman

Deb Hardin, Vice-Chairman

Doug Bridges

Johnny Hutchins

Tony Berry

OFFICERS

County Manager	David Cotton
Finance Director	Philip Steffen
Register of Deeds	Betsy S. Harnage
Tax Administrator	Sherry Lavender
Sheriff	Alan Norman

CLEVELAND COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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Cleveland County
NORTH CAROLINA

May 6th, 2026

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

The Annual Comprehensive Financial Report of Cleveland County, North Carolina, for fiscal year ended June 30, 2025 is hereby submitted. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the State publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The goal of the independent audit was to provide reasonable assurance that the financial statements of Cleveland County for the fiscal year ended June 30, 2025 are free of material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, there was a reasonable basis for rendering an unmodified opinion that Cleveland County's financial statements for the year ended June 30, 2025 are fairly presented in conformity with GAAP.

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

PROFILE OF CLEVELAND COUNTY

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

Domestic and international visitors to and within Cleveland County spent $170.81 million in 2024, a increase of 14 percent from 2023. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

2024 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 983 people in Cleveland County (4.2% Increase)
- Total payroll generated by Cleveland County Tourism Industry = $40.27 million, ($3,000,000 increase)
- State and local tax revenues totaled $10.71 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of $106.04 per resident.

These statistics come from the "Economic Impact of Travel on North Carolina Counties 2024," which can be accessed at partners.visitnc.com/economic-impact-studies. The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association.

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

In 2023, the NC Liver Mush Festival, the annual event presented each October by VISIT Cleveland County, drew the largest crowd ever topping the 2023 estimates by approximately 2,500 for a total estimated attendance of 18,000. In addition to the number of attendees, the geographic radius for the attendee places of origin also grew with a higher volume of attendees coming from further away than in any prior year.

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

Fiscal Year	Permits	Dollar Value	Unemployment Rate
2025	212	$ 341,242,013	4.5%
2024	239	$ 83,180,979	3.5%
2023	401	$ 31,165,699	3.3%
2022	441	$ 162,257,488	4.4%
2021	427	$ 91,531,729	4.9%
2020	338	$ 31,498,731	7.7%
2019	348	$ 29,667,204	4.6%

The number of permits issued for new residential and commercial construction had a large increase due to the Catawba Indian Nations project permits and the costs was much higher for those.

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

Company Name	Company Industry	Employment Range
Cleveland County Board of Education	Education & Health Services	1000+
Atrium Health	Education & Health Services	1000+
Wal-Mart Associates Inc.	Trade, Transportation & Utilities	1000+
County of Cleveland	Public Administration	1000+
Gardner-Webb University	Education & Health Services	250-499
Greenheck Fan Corporation	Manufacturing	500-999
Sofidel Tissue LLC	Manufacturing	500-999
Catawba Indian Nation	Trade, Transportation & Utilities	250-499
Ingles Market	Manufacturing	500-999
City Of Shelby	Public Administration	250-499

MAJOR INITIATIVES

FOR THE YEAR.

The Board of Commissioners adopted a balanced budget for the fiscal year with a county-wide ad valorem property tax rate of 40.5 cents per $100 dollars of valuation. Total General Fund Balance decreased by $1,092,521 to $57,492,524 and the Unassigned Fund Balance amount was $22,053,463

The Commissioners continue to focus on a community wide economic development strategy and job creation. Unemployment in Cleveland County is 4.5% which ranks strongly across North Carolina peer Counties. In collaboration with the City of Shelby, a joint industrial park has been completed that is located in west Shelby. Economic Development and fiscal sustainability both continue to be a high priority of the Commissions strategic plan.

For FY 2024 – 2025, the Board budgeted revenues on a revenue neutral base. Expenditures for most County Departments, the community college, and other outside agencies were budgeted conservatively as well.

FOR THE FUTURE.

FY 2025 – 2026 brings unique challenges to Cleveland County, some of which are results of past success. The County is experiencing economic growth which creates a workforce development shortage and a shortage of housing stock. Due to the increased values, the Board of Commissioners were able to adopt a balanced budget for FY 2025-2026 with a 40.5 cent of $100 value tax rate without service interruptions.

Cleveland County has poised itself for long-term sustainability with an external focus on a strong tax base and job creation. Moving into FY 2025 – 2026, the County is also focused on internal strategic planning. The Strategic Goals for FY 2025 – 2026 are to accurately and conservatively forecast budgeted revenues and expenditures while maintaining outstanding service delivery to the citizens of Cleveland County. Strategic investments toward the funding of our capital projects, education, public safety, health, and quality of life are also included in the FY25 budget.

FACTORS AFFECTING FINANCIAL CONDITION

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

FUND BALANCE.

Fund balance should always be measured based on the portion that is available for appropriation at the end of the fiscal year. The Board's Fund Balance direction is to have at least 16 percent, with a goal of achieving 18-20 percent in General Fund Unassigned Fund Balance at fiscal year-end. Cleveland County had $22.05 million in Unassigned General Fund Balance, or 15.85 percent of total General Fund expenditures excluding transfers. The temporary decrease in Unassigned General Fund Balance by approximately $19.0 million is directly correlated with the amount to be reimbursed to Cleveland County from FEMA as a result of the recovery efforts associated with Hurricane Helene. FEMA has obligated the funds, and it is anticipated that the County will receive the full balance by May 31st, 2026. Once the FEMA reimbursements are received, Cleveland County's Unassigned General Fund Balance will return to over 30.0 percent of the total General Fund expenditures excluding transfers. The Local Government Commission of the North Carolina Department of State Treasurer recommends that local governments have at least 8 percent of General Fund Expenditures in Unassigned General Fund Balance available for appropriation.

OTHER POST-EMPLOYMENT BENEFITS.

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

OTHER INFORMATION

INDEPENDENT AUDIT.

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

FINANCIAL INFORMATION.

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

AWARDS.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cleveland County, North Carolina, for the year ended June 30, 2024. This was the tenth consecutive year Cleveland County received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

USE OF THE REPORT.

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

ACKNOWLEDGMENTS.

A combined effort of Cleveland County Board of Commissioners, the Managers Office, Finance Department staff and other county departments, along with Thompson, Price, Scott, Adams & Co. made

preparation of this comprehensive annual financial report possible. Each has my sincere appreciation for their contributions made towards the completion of this report.

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

Respectfully submitted,



David B. Cotton
County Manager

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Cleveland County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Opioid Settlement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026 on our consideration of Cleveland County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cleveland County's internal control over financial reporting and compliance.

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

_____

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 18, 2026

CLEVELAND COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2025

As management of Cleveland County, we offer readers of Cleveland County's financial statements this narrative overview and analysis of the financial activities of Cleveland County for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here, in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of Cleveland County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $238,170,001 (*net position*). In accordance with North Carolina law, liabilities of the County include approximately $2,444,365 in long-term debt associated with assets which the County does not hold title. These assets are not reflected in the County's financial statements and the full amount of the long-term debt is reported.

- The County's total net position increased by $51,743,235, primarily due to the receipt of state grants for the construction of a new Justice Center offset by expenses related to Hurricane Helene clean up efforts that have not yet been reimbursed. The County also recorded a restatement of beginning net position that decreased Governmental Activities by $8,583,619 associated with the implementation of GASB Standard No. 101 "Compensated Absences". Additionally, the Solid Waste Fund (business-type activities) also reflected a decrease in net position of $786,361 and a restatement of beginning net position of ($313,393), which was associated with the implementation of GASB 101.

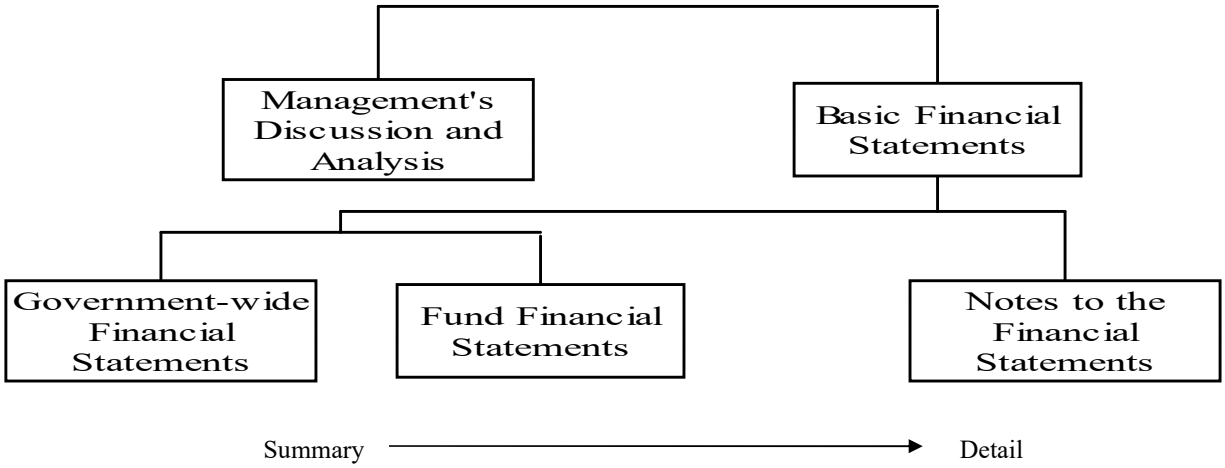
- As of the close of the current fiscal year, Cleveland County's governmental funds reported combined ending fund balances of $87,007,453. That amount is a decrease of $16,385,656 in comparison with the prior year. Approximately 56.88 percent of this total amount, or $49,491,365, is non-spendable or restricted.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $22,053,463 or 13.60 percent, of total General Fund expenditures including transfers out adjusted for loan and lease/IT subscription proceeds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Cleveland County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Cleveland County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

The final section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is the **required supplemental information**. This section contains funding information about the County's pension plans. After the required supplemental information, **supplemental schedules** are provided to show details about the County's nonmajor governmental funds and the Internal Service Fund all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

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

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

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

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Cleveland County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Cleveland County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities, is shown at the end of the budgetary statement.

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements directly follow the basic financial statements of this report.

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

Government-Wide Financial Analysis

Cleveland County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 157,042,123	$ 220,107,882	$ 9,483,991	$ 9,837,254	$ 166,526,114	$ 229,945,136
Capital assets	217,511,424	152,585,378	23,551,497	23,033,757	241,062,921	175,619,135
Total assets	374,553,547	372,693,260	33,035,488	32,871,011	407,589,035	405,564,271
Deferred Outflows of Resources	23,804,236	28,505,260	1,188,769	1,409,839	24,993,005	29,915,099
Liabilities:						
Long-term liabilities	96,860,702	96,547,066	31,310,664	30,251,197	128,171,366	126,798,263
Other liabilities	61,868,057	108,664,397	372,650	372,678	62,240,707	109,037,075
Total liabilities	158,728,759	205,211,463	31,683,314	30,623,875	190,412,073	235,835,338
Deferred Inflows of Resources	3,841,404	4,145,414	158,562	174,840	3,999,966	4,320,254
Net Position:						
Net investment in capital assets	187,454,014	117,456,363	23,551,497	23,033,757	211,005,511	140,490,120
Restricted	48,788,675	39,147,301	-	-	48,788,675	39,147,301
Unrestricted	(455,069)	35,237,979	(21,169,116)	(19,551,622)	(21,624,185)	15,686,357
Total net position	$ 235,787,620	$ 191,841,643	$ 2,382,381	$ 3,482,135	$ 238,170,001	$ 195,323,778

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Cleveland County exceeded its liabilities and deferred inflows of resources by $238,170,001 as of June 30, 2025. The County's net position increased by $51,743,235 for the fiscal year ended June 30, 2025. Net position of the County is reported in three categories: net investment in capital assets of $211,005,511; restricted net position of $51,743,235; and unrestricted net position of ($21,624,185).

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

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

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

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

- Continued diligence in the collection of all revenue sources, both current and delinquent
- A strong property tax collection rate of 98.46 percent
- Federal and State grant revenues
- Other budgetary control efforts
- Budgetary re-engineering and cost benefit analyses
- Management's proactive stance on monitoring budget compliance without slowing County growth and operations.

Governmental Activities. Governmental activities increased the County's net position by $52,529,596. Key elements of this increase are as follows:

- Increased local option sales tax revenue.
- Increased capital project activity that is funded by grants, which resulted in an increase of approximately $66.4 million
- Increase in investment earnings of $2.6 million as a result of market conditions

Business-Type Activities. Business-type activities decreased the County's net position by $786,361. Key elements of this decrease are as follows:

- Increase of approximately $1.4m in operating expenses, with minimal increases in revenues.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 26,904,582	$ 23,309,008	$ 9,647,789	$ 9,468,147	$ 36,552,371	$ 32,777,155
Operating grants and contributions	27,862,459	29,144,235	-	-	27,862,459	29,144,235
Capital grants and contributions	73,445,066	25,661,973	-	-	73,445,066	25,661,973
General revenues:						
Property taxes	81,901,279	81,887,675	-	-	81,901,279	81,887,675
Other taxes	34,224,998	31,105,595	804,970	865,534	35,029,968	31,971,129
Other	10,812,223	6,493,308	414,667	440,087	11,226,890	6,933,395
Total revenues	255,150,607	197,601,794	10,867,426	10,773,768	266,018,033	208,375,562
Expenses:						
General government	53,836,322	22,393,696	-	-	53,836,322	22,393,696
Public safety	60,094,158	58,033,374	-	-	60,094,158	58,033,374
Environmental protection	305,881	297,642	-	-	305,881	297,642
Economic and physical development	7,173,826	6,251,709	-	-	7,173,826	6,251,709
Human services	39,885,462	40,402,127	-	-	39,885,462	40,402,127
Cultural and recreational	1,694,946	837,631	-	-	1,694,946	837,631
Education	39,240,923	49,257,523	-	-	39,240,923	49,257,523
Interest on long-term debt	818,828	1,262,439	-	-	818,828	1,262,439
Solid waste disposal	-	-	11,224,452	10,394,945	11,224,452	10,394,945
Total expenses	203,050,346	178,736,141	11,224,452	10,394,945	214,274,798	189,131,086
Increase (decrease) in net position before transfers	52,100,261	18,865,653	(357,026)	378,823	51,743,235	19,244,476
Transfers	429,335	415,335	(429,335)	(415,335)	-	-
Increase (decrease) in net position	52,529,596	19,280,988	(786,361)	(36,512)	51,743,235	19,244,476
Net Position:						
Beginning of year - July 1, previously reported	191,841,643	163,154,098	3,482,135	3,736,576	195,323,778	166,890,674
Restatement	(8,583,619)	9,406,557	(313,393)	(217,929)	(8,897,012)	9,188,628
Beginning of year - July 1, restated	183,258,024	172,560,655	3,168,742	3,518,647	186,426,766	176,079,302
End of year - June 30	$235,787,620	$ 191,841,643	$ 2,382,381	$ 3,482,135	$238,170,001	$195,323,778

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

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

The General Fund is the chief operating fund of Cleveland County. At the end of the current fiscal year, available fund balance of the General Fund was $41,006,842 while total fund balance was $57,492,524. As a measure of the General Fund's liquidity, it may be useful to compare available fund balance to total fund expenditures and transfers out adjusted for loan and lease/IT subscription proceeds. Available fund balance represents 25.29 percent of total General Fund expenditures and transfers out less loan and lease/IT subscription proceeds while total fund balance represents 35.45 percent of that same amount.

The Justice Center Campus Capital Project Fund is also considered a major fund. At the end of the current fiscal year, total fund balance was $11,815,181 which was an increase of $2,110,423 over the prior year. The increase was a result of investment earnings.

The governing body of Cleveland County has determined that the County should maintain an unassigned fund balance of 16% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an unassigned fund balance percentage of 13.60 percent due to having to cover negative cash in the FEMA Fund while the county awaits reimbursements.

At June 30, 2025, the governmental funds of the County reported a combined fund balance of $87,007,453 a 15.85 percent decrease from last year. The decrease in fund balance was primarily due to covering expenditures related to Hurricane Helene cleanup efforts that have not yet been reimbursed.

General Fund Budgetary Highlights. The County's financial position increased during FY 2025 due to General Fund expenditures coming in well under budget at fiscal year-end. County departments' diligence in monitoring their operational budgets resulted in total expenditures being $9,605,865 under budget at fiscal year-end. Most notable the general government function had total expenditures $3.7 million under budget at fiscal year end. On the revenue side, the largest positive budget variances were in local option sales taxes, and sales and services.

The County revised the budget for various reasons during the fiscal year. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues by $4,249,916, or 2.98 percent, and expenditures by $14,602,002, or 9.76 percent, of the original budget. Actual revenues exceeded budget amounts by $8.8 million with most of that relating to local option sales tax, and sales and services offset by a shortfall in investment earnings. Total actual expenditures were $9.6 million less than amended budgeted amounts, with the majority of that amount relating to expenditures lower than budgeted in human services, general government, and public safety.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Total net position for the proprietary fund at the end of the fiscal year amounted to $2,382,381. During the fiscal year 2025, proprietary fund net position decreased $786,361. The decrease in total net position for the proprietary funds is primarily due to operating expenditures. The fund also reported a restatement in beginning net position associated with the implementation of GASBS No. 101 which decreased beginning net position by $313,393.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025 totals $241,069,921 (net of accumulated depreciation/amortization). These assets include land, buildings, vehicles and motor equipment, leasehold improvements, infrastructure, construction in progress, and right to use assets.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 21,094,923	$ 20,427,654	$ 19,428,489	$ 19,428,489	$ 40,523,412	$ 39,856,143
Buildings	80,257,455	82,956,187	628,020	659,433	80,885,475	83,615,620
Vehicles and motor equipment	12,808,571	11,982,443	3,425,112	2,865,250	16,233,683	14,847,693
Leasehold improvements	43,209	51,709	503	1,054	43,712	52,763
Infrastructure	1	206,636	69,373	79,531	69,374	286,167
Construction in progress	101,976,516	35,064,757	-	-	101,976,516	35,064,757
Right to use assets	1,330,749	1,895,992	-	-	1,330,749	1,895,992
Total	$ 217,511,424	$ 152,585,378	$ 23,551,497	$ 23,033,757	$ 241,062,921	$ 175,619,135

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

Long-Term Debt. As of June 30, 2025, Cleveland County had total bonded debt outstanding of $2,280,000. The County also has multiple installment notes outstanding, of which the majority is related to debt issued for the construction and renovation of school, county and community college facilities, and economic development projects. A summary of long-term debt is shown in Figure 5.

Cleveland County's Outstanding Debt & Long-Term Liabilities

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Limited obligation bonds	$ 2,280,000	$ 3,420,000	$ -	$ -	$ 2,280,000	$ 3,420,000
Leases and IT Subscriptions	1,189,261	1,681,660	-	-	1,189,261	1,681,660
Installment purchases	29,032,514	33,940,450	-	-	29,032,514	33,940,450
Total	$ 32,501,775	$ 39,042,110	$ -	$ -	$ 32,501,775	$ 39,042,110

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

Standard & Poors	AA+
Moody's	Aa2

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Cleveland County is $872,719,192.

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

Economic Factors and Fiscal Year End 2025 Budgets and Rates

Cleveland County's local economy is continuing to show steady trend data as we move through this prolonged inflationary economy. In May of 2025, the median listing home price in Cleveland County, NC was $309.9K, trending up 5.1% year-over-year.

With unemployment rates at 4.5% to end the second quarter of calendar year 2025, only a slight increase from 4.2% at the end of the second quarter of calendar year 2024. With continued company and job growth rates are expected to stay steady or decrease.

Domestic and international visitors to and within Cleveland County spent $170.81 million in 2024, a decrease of 14 percent from 2023. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

2024 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 983 people in Cleveland County (4.1% increase)
- Total payroll generated by Cleveland County Tourism Industry = $40.27 million, ($2,870,000 increase)
- State and local tax revenues totaled $10.71 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of $106.04 per resident.

Sales tax numbers daily figures increased slightly to $11,455 (+$1,044 per day).

- State & Local Taxes Combined Generated Daily: $29,342
  - State Taxes Generated Daily: $ 17,873.71
  - Local Taxes Generated Daily: $11,452.05
- Labor Income Generated Daily: $110,366.99

These statistics come from the "Economic Impact of Travel on North Carolina Counties 2024," which can be accessed at partners.visitnc.com/economic-impact-studies. The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association.

As indicated by the most recent county-level tourism report, Cleveland County experienced strong renewed growth in 2024, reversing the prior year's slowdown. Visitor spending increased by approximately 14% from 2023 to 2024, a substantial improvement compared to the 1.6% decline report between 2022 and 2023. When viewed over the longer term, Cleveland County's 2024 visitor spending total remains significantly above pre-pandemic and early-department baselines - up over 20% from 2019, the first year tourism functioned as a County Department, and well above 2021 levels. Even with shifting market dynamics, Cleveland County's tourism sector continued to demonstrate resilience and long-term strength throughout FY25, supported by rising visitor demand, record attendance at major events, and expanding regional reach.

In 2024, the NC Liver Mush Festival, the annual event presented each October by VISIT Cleveland County, drew the largest crowd ever topping the 2023 estimates by approximately 500 for a total estimated attendance of 18,000. In addition to the number of attendees, the geographic radius for the attendee places of origin also grew with a higher volume of attendees coming from further away than in any prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2026

The focus of the FY26 budget is to accurately and conservatively forecast budgeted revenues and expenditures while maintaining outstanding service delivery to the citizens of Cleveland County. Strategic investments toward the funding of our capital projects, education, public safety, health, and quality of life are included in this budget. The budget includes eight new positions and a 4 percent cost of living adjustment as well as the implementation of a pay and class study for Cleveland County's most valued asset – the employees of the organization.

The recommended FY 2026 budget is balanced with a general fund tax rate of 40.5 cents – which is accompanied by a 14-cent public school tax rate and a 7 cent fire tax rate. The budget is designed to function as a work plan in guiding departmental operations to incorporate and accomplish the goals and objectives established by the Board of County Commissioners.

Business-Type Activities. The solid waste household fees and current tipping fees were budgeted based on the adopted rate schedule for the 25-26 budget year which included slight fee increases. Management has developed a 10-year rate schedule to offset rising operational and personnel costs as well as future post closure and expansion costs.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	$ 93,532,684	$ 8,209,262	$ 101,741,946
Taxes receivable, net	2,739,452	-	2,739,452
Receivables, net	20,617,619	1,274,729	21,892,348
Inventories	215,107	-	215,107
Prepaid items	607,312	-	607,312
Restricted cash	30,659,884	-	30,659,884
Restricted opioid receivable, net	8,550,336	-	8,550,336
Total current assets	156,922,394	9,483,991	166,406,385
Non-current assets:			
Net pension asset	119,729	-	119,729
Capital assets:			
Land and construction in progress	123,071,439	19,428,489	142,499,928
Other capital assets, net of depreciation	93,109,236	4,123,008	97,232,244
Right to use assets, net of amortization	1,330,749	-	1,330,749
Total capital assets	217,511,424	23,551,497	241,062,921
Total non-current assets	217,631,153	23,551,497	241,182,650
Total assets	374,553,547	33,035,488	407,589,035
Deferred Outflows of Resources:			
OPEB deferrals	3,435,597	180,821	3,616,418
Pension deferrals	20,368,639	1,007,948	21,376,587
Total deferred outflows of resources	23,804,236	1,188,769	24,993,005
Total assets and deferred outflows of resources	398,357,783	34,224,257	432,582,040
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	35,378,214	249,236	35,627,450
Unearned grant revenues	16,878,745	-	16,878,745
Due within one year	9,611,098	123,414	9,734,512
Total current liabilities	61,868,057	372,650	62,240,707
Long-term liabilities:			
Due in more than one year	37,217,339	28,466,356	65,683,695
Net pension liability - LGERS	36,440,573	1,917,925	38,358,498
Total pension liability - LEOSSA	5,601,509	-	5,601,509
Total OPEB liability	17,601,281	926,383	18,527,664
Total long-term liabilities	96,860,702	31,310,664	128,171,366
Total liabilities	158,728,759	31,683,314	190,412,073

(continued)

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Prepaid taxes	237,058	-	237,058
OPEB deferals	2,302,658	121,193	2,423,851
Pension deferrals	1,301,688	37,369	1,339,057
Total deferred inflows of resources	3,841,404	158,562	3,999,966
Net Position:			
Net investment in capital assets	187,454,014	23,551,497	211,005,511
Restricted for:			
Stabilization for State statute	18,140,675	-	18,140,675
Register of Deeds' pension plan	119,729	-	119,729
Register of Deeds	101,778	-	101,778
General Government	220,994	-	220,994
Public safety	14,088,258	-	14,088,258
Economic and physical development	1,787,484	-	1,787,484
Education	10,533,661	-	10,533,661
Human services	62,671	-	62,671
Opioid settlement	3,500,158	-	3,500,158
Cultural and recreation	233,267	-	233,267
Unrestricted	(455,069)	(21,169,116)	(21,624,185)
Total net position	$ 235,787,620	$ 2,382,381	$ 238,170,001

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

CLEVELAND COUNTY, NORTH CAROLINA

Exhibit B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$ 53,836,322	$ 5,895,440	$ 8,555,903	-
Public safety	60,094,158	14,862,276	971,048	71,431,065
Environmental protection	305,881	-	33,600	-
Economic and physical development	7,173,826	236,395	876,189	1,588,685
Human services	39,885,462	5,884,920	17,218,858	-
Cultural and recreational	1,694,946	25,551	206,861	-
Education	39,240,923	-	-	425,316
Interest on long-term debt	818,828	-	-	-
Total governmental activities	203,050,346	26,904,582	27,862,459	73,445,066
Business-Type Activities:				
Solid Waste	11,224,452	9,647,789	-	-
Total business-type activities	11,224,452	9,647,789	-	-
Total primary government	$ 214,274,798	$ 36,552,371	$ 27,862,459	$ 73,445,066

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

CLEVELAND COUNTY, NORTH CAROLINA

Exhibit B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental Activities:			
General government	$ (39,384,979)	$ -	$ (39,384,979)
Public safety	27,170,231	-	27,170,231
Environmental protection	(272,281)	-	(272,281)
Economic and physical development	(4,472,557)	-	(4,472,557)
Human services	(16,781,684)	-	(16,781,684)
Cultural and recreational	(1,462,534)	-	(1,462,534)
Education	(38,815,607)	-	(38,815,607)
Interest on long-term debt	(818,828)	-	(818,828)
Total governmental activities	(74,838,239)	-	(74,838,239)
Business-Type Activities:			
Landfill	-	(1,576,663)	(1,576,663)
Total business-type activities	-	(1,576,663)	(1,576,663)
Total primary government	(74,838,239)	(1,576,663)	(76,414,902)
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	81,901,279	-	81,901,279
Local option sales tax	32,176,034	-	32,176,034
Other taxes and licenses	2,048,964	804,970	2,853,934
Investment earnings, unrestricted	6,619,137	414,667	7,033,804
Miscellaneous, unrestricted	1,612,669	-	1,612,669
Sale of assets and contributed capital	2,580,417	-	2,580,417
Total general revenues	126,938,500	1,219,637	128,158,137
Transfers	429,335	(429,335)	-
Total general revenues, capital contribution, and transfers	127,367,835	790,302	128,158,137
Change in net position	52,529,596	(786,361)	51,743,235
Net Position:			
Beginning of year - July 1, restated (see Note 6)	183,258,024	3,168,742	186,426,766
End of year - June 30	$ 235,787,620	$ 2,382,381	$ 238,170,001

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

CLEVELAND COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major				Nonmajor	
	General	FEMA Fund	Justice Center Campus Capital Project Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 48,987,118	$ -	$ 22,167,873	$ -	$ 22,377,693	$ 93,532,684
Taxes receivable, net	2,588,221	-	-	-	151,231	2,739,452
Due from other governments	840,972	471	979,422	-	-	1,820,865
Other receivables, net	16,290,413	-	-	3,843	2,502,498	18,796,754
Due from other funds	5,159,648	-	-	-	-	5,159,648
Inventories	215,107	-	-	-	-	215,107
Prepaid items	322,574	-	-	-	284,738	607,312
Restricted assets:						
Cash and investments	1,673,110	-	13,136,994	3,510,799	12,338,981	30,659,884
Opioid receivable, net	-	-	-	8,550,336	-	8,550,336
Total assets	$ 76,077,163	$ 471	$ 36,284,289	$ 12,064,978	$ 37,655,141	$ 162,082,042
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	$ 7,742,735	$ 14,691,636	$ 11,332,114	$ 10,641	$ 1,389,192	$ 35,166,318
Unearned grant revenue	1,673,593	-	13,136,994	-	2,068,158	16,878,745
Due to other funds	-	4,773,820	-	-	385,828	5,159,648
Total liabilities	9,416,328	19,465,456	24,469,108	10,641	3,843,178	57,204,711
Deferred Inflows of Resources:						
Property taxes receivable	2,588,221	-	-	-	151,231	2,739,452
Prepaid taxes	237,058	-	-	-	-	237,058
Other receivables	6,343,032	-	-	-	-	6,343,032
Opioid settlement	-	-	-	8,550,336	-	8,550,336
Total deferred inflows of resources	9,168,311	-	-	8,550,336	151,231	17,869,878
Fund Balances:						
Non-spendable:						
Inventory	215,107	-	-	-	-	215,107
Prepaid items	322,574	-	-	-	284,738	607,312
Restricted:						
Stabilization for State statute	15,948,001	-	-	3,843	2,188,831	18,140,675
Restricted, all other	1,160,746	-	11,815,181	3,500,158	14,052,186	30,528,271
Committed	7,900,291	-	-	-	6,678,283	14,578,574
Assigned for subsequent year's expenditures	9,394,394	-	-	-	-	9,394,394
Assigned, all other	497,948	-	-	-	10,833,320	11,331,268
Unassigned	22,053,463	(19,464,985)	-	-	(376,626)	2,211,852
Total fund balances	57,492,524	(19,464,985)	11,815,181	3,504,001	33,660,732	87,007,453
Total liabilities, deferred inflows of resourses, and fund balances	$ 76,077,163	$ 471	$ 36,284,289	$ 12,064,978	$ 37,655,141	

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

CLEVELAND COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Total Fund Balance, Governmental Funds	$ 87,007,453
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	216,180,675
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,330,749
Deferred inflows in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Position.	17,632,820
Long-term liabilities and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.	(45,191,506)
Net pension asset	119,729
Deferred outflows of resources related to pensions are not related in the funds.	20,368,639
Deferred outflows of resources related to OPEB are not related in the funds.	3,435,597
Some liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(211,896)
Deferred inflows of resources related to pensions are not related in the funds.	(1,301,688)
Deferred inflows of resources related to OPEB are not related in the funds.	(2,302,658)
Net pension liability	(36,440,573)
Total OPEB liability	(18,950,672)
Total pension liability	(5,889,049)
Net position of governmental activities	$ 235,787,620

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Major				Nonmajor	
	General Fund	FEMA Fund	Justice Center Campus Capital Project Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	$ 77,911,643	$ -	$ -	$ -	$ 4,159,054	$ 82,070,697
Local option sales taxes	24,855,384	-	-	-	7,320,651	32,176,035
Other taxes	1,652,096	-	-	-	-	1,652,096
Unrestricted intergovernmental revenues	396,868	-	-	-	-	396,868
Restricted intergovernmental revenues	20,615,439	3,854,825	66,416,978	955,606	9,434,278	101,277,126
Permits and fees	6,629,726	-	-	-	-	6,629,726
Sales and services	18,807,434	-	-	-	451,299	19,258,733
Investment earnings	3,401,599	-	2,110,422	-	1,107,116	6,619,137
Miscellaneous	1,556,950	-	-	-	55,719	1,612,669
Total revenues	155,827,139	3,854,825	68,527,400	955,606	22,528,117	251,693,087
Expenditures:						
General government	20,690,784	23,319,810	-	-	3,873,952	47,884,546
Public safety	48,925,147	-	66,416,977	-	12,288,817	127,630,941
Environmental protection	296,760	-	-	-	-	296,760
Economic and physical development	4,384,835	-	-	-	2,683,489	7,068,324
Human services	37,660,676	-	-	327,420	227,218	38,215,314
Cultural and recreational	1,551,478	-	-	-	-	1,551,478
Education	37,526,930	-	-	-	425,316	37,952,246
Insurance settlements	3,082,742	-	-	-	-	3,082,742
Debt service:						
Principal	440,589	-	-	-	6,160,514	6,601,103
Interest	12	-	-	-	940,679	940,691
Total expenditures	154,559,953	23,319,810	66,416,977	327,420	26,599,985	271,224,145
Revenues over (under) expenditures	1,267,186	(19,464,985)	2,110,423	628,186	(4,071,868)	(19,531,058)
Other Financing Sources (Uses):						
Lease and IT Subscriptions issued	135,650	-	-	-	-	135,650
Sale of Assets	-	-	-	-	1,763,776	1,763,776
Contributed Capital	816,641	-	-	-	-	816,641
Transfers from other funds	4,150,349	-	-	-	-	4,150,349
From General Fund	-	-	-	-	7,312,347	7,312,347
From Capital Reserve Fund	-	-	-	-	3,376,099	3,376,099
From School Capital Reserve	-	-	-	-	3,410,677	3,410,677
From Reimbursement Resolution	-	-	-	-	116,765	116,765
Transfers to other funds	(7,462,347)	-	-	-	(10,474,555)	(17,936,902)
Total other financing sources (uses)	(2,359,707)	-	-	-	5,505,109	3,145,402
Net change in fund balances	(1,092,521)	(19,464,985)	2,110,423	628,186	1,433,241	(16,385,656)
Fund Balances:						
Beginning of year - July 1	58,585,045	-	9,704,758	2,875,815	32,227,491	103,393,109
End of year - June 30	$ 57,492,524	$ (19,464,985)	$ 11,815,181	$ 3,504,001	$ 33,660,732	$ 87,007,453

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

CLEVELAND COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

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

Total net change in fund balances - total governmental funds	$ (16,385,656)
Property tax revenues and other fees and services in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(165,813)
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of difference causes timing of revenue recognition differences for the following revenue types:	
EMS revenues and other revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	1,607,523
Opioid settlement revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the governmental funds statement.	(564,602)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	152,551
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	7,039,035
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	156,859
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	1,349,391
Pension expense (LEOSSA, LGERS, and ROD)	(11,667,050)
OPEB plan expense	(580,886)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	73,055,599
Depreciation/amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(7,955,213)
Net gain/loss on the disposal of capital assets, not recognized on modified accrual basis.	(174,340)
Accrued interest that does not require current financial resources are not reported as expenditures in the governmental funds statement.	121,863
The issuance of long-term debt provides current financial resources to governmental funds, but does not effect net assets.	(135,650)
Principal repayments and capital lease payments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	6,675,985
Total change in net position of governmental activities	$ 52,529,596

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	General Fund			
	Budgeted Amounts			Variance from Final Budget
	Original	Final	Actual	Over/Under
Revenues:				
Ad valorem taxes	$ 77,192,644	$ 77,192,644	$ 77,911,643	$ 718,999
Local option sales taxes	21,603,000	21,603,000	24,855,384	3,252,384
Other taxes and licenses	1,232,000	1,262,000	1,652,096	390,096
Unrestricted intergovernmental revenues	400,000	400,000	396,868	(3,132)
Restricted intergovernmental revenues	17,717,816	19,558,713	20,615,439	1,056,726
Permits and fees	4,821,000	5,476,238	6,629,726	1,153,488
Sales and services	12,962,327	14,420,777	18,807,434	4,386,657
Investment earnings	6,004,000	6,004,000	3,401,599	(2,602,401)
Miscellaneous	831,800	1,097,131	1,556,950	459,819
Total revenues	142,764,587	147,014,503	155,827,139	8,812,636
Expenditures:				
General government	17,104,744	23,063,610	20,690,784	2,372,826
Public safety	46,410,363	50,416,446	48,925,147	1,491,299
Environmental protection	308,580	439,030	296,760	142,270
Economic and physical development	4,971,958	5,328,355	4,384,835	943,520
Human services	38,568,512	41,347,127	37,660,676	3,686,451
Cultural and recreational	1,501,487	1,863,794	1,551,478	312,316
Intergovernmental:				
Education	37,566,612	37,687,612	37,526,930	160,682
Risk management	1,334,810	3,250,010	3,082,742	167,268
Contingency	1,250,000	223,084	-	223,084
Debt service:				
Installment prinicpal	531,566	531,546	440,589	90,957
Interest and other charges	15,184	15,204	12	15,192
Total expenditures	149,563,816	164,165,818	154,559,953	9,605,865
Revenues over (under) expenditures	(6,799,229)	(17,151,315)	1,267,186	18,418,501
Other Financing Sources (Uses):				
Lease and IT Subscriptions issued	-	-	135,650	135,650
Transfers from other funds	3,869,713	3,869,713	4,150,349	280,636
Transfers to other funds	(8,261,625)	(8,807,876)	(7,462,347)	1,345,529
Contributed Capital	-	-	816,641	816,641
Appropriated fund balance	11,191,141	22,089,478	-	(22,089,478)
Total other financing sources (uses)	6,799,229	17,151,315	(2,359,707)	(19,511,022)
Net change in fund balance	$ -	$ -	(1,092,521)	$ (1,092,521)
Fund Balance:				
Beginning of year - July 1			58,585,045	
End of year - June 30			$ 57,492,524	

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Opioid Settlement Fund			
	Budgeted Amounts			Variance from Final Budget
	Original	Final	Actual	Over/Under
Revenues:				
Restricted intergovernmental revenues	$ 545,000	$ 545,000	$ 955,606	$ 410,606
Total revenues	545,000	545,000	955,606	410,606
Expenditures:				
Current:				
Human services	720,012	720,012	327,420	392,592
Total expenditures	720,012	720,012	327,420	392,592
Revenues over (under) expenditures	(175,012)	(175,012)	628,186	803,198
Other Financing Sources (Uses):				
Appropriated fund balance	175,012	175,012	-	(175,012)
Total other financing sources (uses)	175,012	175,012	-	(175,012)
Net change in fund balance	$ -	$ -	628,186	$ 628,186
Fund Balance:				
Beginning of year - July 1			2,875,815	
End of year - June 30			$ 3,504,001	

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Major Solid Waste Fund
Assets:	
Current assets:	
Cash and cash equivalents	$ 8,209,262
Accounts receivable, net	1,274,729
Total current assets	9,483,991
Non-current assets:	
Capital assets:	
Land and construction in progress	19,428,489
Other capital assets, net of depreciation	4,123,008
Total non-current assets	23,551,497
Total assets	33,035,488
Deferred Outflow of Resources:	
OPEB deferrals	180,821
Pension deferrals	1,007,948
Total deferred outflows of resources	1,188,769
Liabilities:	
Current liabilities:	
Accounts payable	122,622
Accrued payroll	126,614
Current portion of long term liabilities	123,414
Total current liabilities	372,650
Non-current liabilities:	
Other non-current liabilities:	
Accrued landfill closure and post-closure care costs	28,039,839
Compensated absences	426,517
Net pension liability	1,917,925
Total OPEB liability	926,383
Total non-current liabilities	31,310,664
Total liabilities	31,683,314
Deferred Inflows of Resources:	
Pension deferrals	37,369
OPEB deferrals	121,193
Total deferred outflows of resources	158,562
Net Position:	
Net investment in capital assets	23,551,497
Unrestricted	(21,169,116)
Total net position	$ 2,382,381

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2025

	Major
	Solid Waste Fund
Operating Revenues:	
Charges for services	$ 9,647,789
Unrestricted intergovernmental	804,970
Total operating revenues	10,452,759
Operating Expenses:	
Salaries and employee benefits	3,464,417
Other operating expenses	5,790,390
Landfill closure and post-closure care costs	865,155
Depreciation	1,104,490
Total operating expenses	11,224,452
Operating income (loss)	(771,693)
Non-Operating Revenues (Expenses):	
Interest income	414,667
Total non-operating revenues (expenses)	414,667
Income (loss) before capital contributions and transfers	(357,026)
Transfers:	
Transfers out	(429,335)
Total Transfers	(429,335)
Change in net position	(786,361)
Net Position:	
Beginning of year - July 1, restated (see Note 6)	3,168,742
End of year - June 30	$ 2,382,381

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major	
	Solid Waste Fund	
Cash Flows from Operating Activities:		
Cash received from customers	$	10,072,184
Cash paid for goods and services		(5,824,682)
Cash paid to employees for services		(3,343,587)
Net cash provided (used) by operating activities		903,915
Cash Flows from Non-Capital Financing Activities:		
Transfers out		(429,335)
Net cash provided (used) by non-capital financing activities		(429,335)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets		(1,622,230)
Net cash provided (used) for capital and related financing activities		(1,622,230)
Cash Flows from Investing Activities:		
Interest on investments		414,668
Net increase (decrease) in cash and cash equivalents		(732,982)
Cash and Cash Equivalents:		
Beginning of year - July 1		8,942,244
End of year - June 30	$	8,209,262

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major Solid Waste Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ (771,693)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,104,490
Landfill closure and post-closure care costs	865,155
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(380,575)
Increase (decrease) in accounts payable and accrued liabilities	(35,147)
Increase (decrease) in prepaid expense	855
Increase (decrease) in compensated absences	(45,233)
Increase (decrease) in net OPEB liability	(31,286)
(Increase) decrease in deferred outflows of resources - pensions	195,100
(Increase) decrease in deferred outflows of resources - OPEB	25,970
(Increase) in net pension liability	(7,443)
Decrease in deferred inflows of resources - pension	18,853
Increase in deferred inflows of resources - OPEB	(35,131)
Total adjustments	1,675,608
Net cash provided (used) by operating activities	$ 903,915

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
Assets	
Cash and cash equivalents	$ 454,422
Taxes receivable for other governments, net	1,035,574
Total assets	1,489,996
Liabilities	
Accounts payable and accrued liabilities	356,491
Total liabilities	356,491
Net Position	
Restricted for:	
Individuals, organizations, and other governments	1,133,505
Total fiduciary net position	$ 1,133,505

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

CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Total Custodial Funds
Additions	
Ad valorem taxes for other governments	$ 25,957,331
Collections on behalf of inmates	629,881
Total additions	26,587,212
Deductions	
Tax distributions to other governments	26,049,572
Payments on behalf of inmates	622,857
Total deductions	26,672,429
Net increase (decrease) in fiduciary net position	(85,217)
Net position, beginning	1,218,722
Net position, ending	$ 1,133,505

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

1. Summary of Significant Accounting Policies

The accounting policies of Cleveland County (the "County") and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

Cleveland County Industrial Facility and Pollution Control Financing Authority

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

B. Basis of Presentation - Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

FEMA Fund. This fund accounts for financial resources received to cover expenses associated with Hurricane Helene.

Opioid Settlement Fund. This fund accounts for financial resources received from Opioid settlements.

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

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

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

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

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column. In accordance with North Carolina General Statutes (NCGS), all funds of the County are maintained during the year using the modified accrual basis of accounting.

Measurement Focus, Basis of Accounting

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

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

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

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

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

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

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The Budget Officer is authorized to transfer authorized appropriations within a function and to amend the authorized budget for pass-through funds, including federal and State grants. During the year, several amendments to the original budget were necessary; the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Balance (Net Position)

Deposits and Investments

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

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

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

Cash and Cash Equivalents

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

Restricted Assets

Money for Tax Revaluation is classified as restricted assets because its use is restricted per North Carolina General Statue 153A-150. Money in the School Capital Reserve Fund is classified as restricted assets because its use is restricted per North Carolina General Statue 159-18 through 22. The amount of unspent resources obtained for the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of $8,550,336, related to the settlement are also reported as restricted assets. The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets. In addition, unspent grant funds are considered restricted assets. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

Governmental Activities		
Fund	**Purpose**	**Amount**
General Fund	Unspent grant proceeds	$ 1,673,110
Fire District Fund	Unspent grant proceeds	492,983
School Capital Reserve Fund	Restricted for school capital	10,533,661
American Rescue Plan Fund	Unspent grant proceeds	1,312,337
Opioid Settlement Funds	Unspent Settlement Proceeds	3,510,799
Justice Center Campus Capital Project Fund	Unspent grant proceeds	13,136,994
Total		$ 30,659,884

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2024. As allowed by State law, the County has established a schedule of discounts that apply to such taxes that are paid prior to the due date. In the County's General Fund and County Fire Service Fund, ad valorem tax revenues are reported net of such discounts.

Lease Receivable

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

Allowances for Doubtful Accounts

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

Inventories and Prepaid Items

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

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as is $5,000 for the year ended June 30, 2025. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports a Subscription Based Information Technology Agreement (SBITA).

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, three types of leave qualify for liability recognition for compensated absences – vacation, comp, and sick leave. The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable.
The vacation policies of the County provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as leave when earned. Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Vacation leave over thirty days is transferred to an employee's sick leave balance at the end of each calendar year.

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

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Any unused sick leave accumulated for employees who leave the County prior to retirement is forfeited. The County used a thre-year look back period to estimate a portion of sick leave to accrue as a result of the implementation of GASB 101.

Opioid Settlement Funds

The County, through a Memorandum of Agreement (MOA) with the State, is a party to certain opioid lawsuit and bankruptcy settlements. The amounts received and to be received are treated as exchange-like transactions. Per the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for all activity.

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a $26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. The North Carolina MOA between the State and local governments allocates funds 15% to the State, 80% to local governments, and 5% to a County incentive fund.

The County received $955,606 in the current fiscal year, spent $327,420, and, per the MOA, accounts for the amounts in a special revenue fund, the Opioid Settlement Fund (non-major fund).

In July 2025, Secondary Opioid Manufacturer Settlements were reached with Alvogen Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA, Indivior Inc., Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticals Inc. A settlement was also reached with Purdue Pharma L.P.'s bankruptcy plan for $7.4 billion. The Secondary Settlements are subject to the terms of the existing MOA with the State.

Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated $19,025,057 of fiscal recovery funds to be paid in two installments. The first installment of $9,512,529 was received in August 2021. The second installment was received in September 2022. County staff and the Board of Commissioners have elected to use these funds for revenue replacement and salaries associated with pandemic response. $9,512,529 was transferred to the General Fund from the ARPA Fund for Revenue replacement in FY 2021-22, $1,790,158 was transferred in FY 2022-23 and $3,746,396 was transferred in FY2023-24; and additional $2,369,960 was spent in FY2023-24 for public safety expenditures and $94,526 was spent in FY2024-25.

The unspent amount of funds, $1,157,209, on hand (total allocation of $19,025,058 minus totals spent to date of $17,867,849) is reported in the American Rescue Plan Special Revenue Fund as an asset with an offsetting amount reported as unearned revenues, a liability. As the use of these remaining funds are determined, the amounts will be transferred to the appropriate fund(s) and the revenue will be recognized.

Estimates

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

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

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

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

Restricted Fund Balance

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

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

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

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

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

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

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

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

Restricted fund balance at June 30, 2025 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Opioid Settlement Fund	Other Governmental Funds	Total Restricted
Public safety	$ 740,005	$ 11,815,181	$ -	$ 1,533,072	$ 14,088,258
Economic and physical development	23,025	-	-	1,764,459	1,787,484
Human services	62,671	-	-	-	62,671
General Government	-	-	-	220,994	220,994
Register of deeds	101,778	-	-	-	101,778
Opioid Settlement	-	-	3,500,158	-	3,500,158
Cultural and recreation	233,267	-	-	-	233,267
Education	-	-	-	10,533,661	10,533,661
Total	$ 1,160,746	$ 11,815,181	$ 3,500,158	$ 14,052,186	$ 30,528,271

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by ROD Pension Plan of $119,729.

Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

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

Committed fund balance at June 30, 2025 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Committed:				
General Government	$ 227,497	$ -	$ 6,665,362	$ 6,892,859
Cultural & recreational	-	-	12,921	12,921
Public Safety	7,672,794	-	-	7,672,794
Total	$ 7,900,291	$ -	$ 6,678,283	$ 14,578,574

Assigned Fund Balance

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

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

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

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

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

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

Assigned fund balance at June 30, 2025 is as follows:

Purpose	General Fund	Justice Center Campus Capital Project Fund	Other Governmental Funds	Total
Assigned:				
Subsequent year's expenditures	$ 9,394,394	$ -	$ -	$ 9,394,394
General government	-	-	3,346,020	3,346,020
Public safety	51,661	-	-	51,661
Risk management operations	444,131	-	-	444,131
Economic and physical development	2,156	-	-	2,156
Debt service	-	-	7,487,300	7,487,300
Total	$ 9,892,342	$ -	$ 10,833,320	$ 20,725,662

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

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

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

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

Total fund balance - General Fund	$ 57,492,524
Less:	
Inventories	(215,107)
Prepaids	(322,574)
Stabilization by State statute	(15,948,001)
Total available fund balance	$ 41,006,842

Defined Benefit Pension Plans

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

Net Investment in Capital Assets:

Net investment in capital assets at June 30, 2025 are computed as follows:

	Governmental	Business-Type
Capital assets	$ 217,511,424	$ 23,551,497
Less: Long-term debt	(32,501,775)	-
Add: School debt for assets to which the County does not hold title	2,444,365	-
Total	$ 187,454,014	$ 23,551,497

New Accounting Pronouncements

The County adopted the following new accounting pronouncements in the current fiscal year:

GASB 101, *Compensated Absences* , to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB 102, *Certain Risk Disclosures* , to better provide users with disclosures containing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact.

2. Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

Excess of Expenditures over Appropriations

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

General Capital Projects Fund	
Debt Service	$ (198,818)

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

Deficit Fund Balance or Net Position of Individual Funds

For the fiscal year ended June 30, 2025, the following funds reported deficit fund balances:

FEMA Fund	$ (19,464,985)
Cleveland County Fair Project	(72,658)

These deficits were due to delays in receiving expected funding. Because these are multi-year funds with budget appropriated in subsequent years, these are not reported as a finding.

Late Submission of LGC-203

Per N.C. General Statute 159-33 each officer having custody of any funds of any local government shall report to the secretary of the Local Government Commission the amounts of funds then in his custody. Reports were not filed by the due dates of January 25 and July 25.

Timeliness of Audit

The audit was completed a month after the required due date of February 12, 2026. The County experienced turnover in key finance staff which resulted in delays in completing various reconciliations of the general ledger during the year and for year end close-out procedures.

3. Detail Notes On All Funds

A. Assets

Deposits

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

At June 30, 2025. the County's deposits had a carrying amount of $5,675,725 and a bank balance of $6,381,833. Of the bank balance, $1,450,348 was covered by federal depository insurance, and $4,931,485 was covered by collateral held under the Pooling Method. At June 30, 2025, the County had $18,502 cash on hand.

Investments

At June 30, 2025, the County had the following investments and maturities:

Investment Type	Valuation Measurement Met	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years
U.S. government agencies	Fair Value - Level 2	$ 7,209,586	$ 2,013,177	$ 841,364	$ 4,355,045
NC Capital Management Trust - Government Portfolio	Amortized Cost	106,751,313	106,751,313	-	-
Commercial paper	Fair Value - Level 2	13,219,628	13,219,628	-	-
Total		$ 127,180,527	$ 121,984,118	$ 841,364	$ 4,355,045

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

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

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

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the County's investments in commercial paper were rated P1 by Standard and Poor's and A-1 by Moody's Investment Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA-mf by Standard & Poor's and Aaa by Moody's Investors Services as of June 30, 2025. The County's investment in U.S. government agencies (Federal Home Loan Mortgage Company) and (Federal National Mortgage Agency) were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service as of June 30, 2025.

Concentration of Credit Risk.

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

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

Property Tax – Use-Value Assessment on Certain Lands

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

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

Tax Year Levied	Additional Tax	Interest	Total
2025	$ 1,292,255	$ -	$ 1,292,255
2024	1,747,784	39,130	1,786,914
2023	1,743,647	100,260	1,843,907
2022	1,741,599	256,886	1,998,485
Total	$ 6,525,285	$ 396,276	$ 6,921,561

Receivables

Receivables at the government-wide level at June 30, 2025 were as follows:

	Accounts	Taxes	Interest Receivable	Due from Other Governments	Total
Governmental Activities:					
General	$ 25,170,215	$ 3,378,329	$ 562,550	$ 840,972	$ 29,952,066
Other governmental	2,226,430	180,100	-	1,262,821	3,669,351
Total receivables	27,396,645	3,558,429	562,550	2,103,793	33,621,417
Allowance for doubtful accounts	(9,442,351)	(821,995)	-	-	(10,264,346)
Total governmental activities	$ 17,954,294	$ 2,736,434	$ 562,550	$ 2,103,793	$ 23,357,071
Business-Type Activities:					
Solid waste	$ 1,131,265	$ -	$ -	268,648	$ 1,399,913
Allowance for doubtful accounts	(125,184)	-	-	-	(125,184)
Total business-type activities	$ 1,006,081	$ -	$ -	$ 268,648	$ 1,274,729

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

Sales and Use Tax	$ 2,372,441

Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	$ 20,427,654	$ 667,269	$ -	$ -	$ 21,094,923
Construction in progress	35,064,757	76,477,389	(9,565,630)	-	101,976,516
Total non-depreciable capital assets	55,492,411	77,144,658	(9,565,630)	-	123,071,439
Depreciable Capital Assets:					
Buildings	123,115,246	373,073	-	-	123,488,319
Vehicles and motor equipment	37,673,420	4,967,848	(1,299,127)	(129,624)	41,212,517
Leasehold improvements	425,178	-	-	-	425,178
Infrastructure	6,740,713	-	-	-	6,740,713
Total depreciable capital assets	167,954,557	5,340,921	(1,299,127)	(129,624)	171,866,727
Less Accumulated Depreciation:					
Buildings	40,159,059	3,071,805	-	-	43,230,864
Vehicles and motor equipment	25,690,977	3,967,380	(1,129,249)	(125,162)	28,403,946
Leasehold improvements	373,469	8,500	-	-	381,969
Infrastructure	6,534,077	206,635	-	-	6,740,712
Total accumulated depreciation	72,757,582	7,254,320	(1,129,249)	(125,162)	78,757,491
Total depreciable capital assets	95,196,975	(1,913,399)	(169,878)	(4,462)	93,109,236
Capital Assets being Amortized:					
Right to use assets:					
Leased Equipment	1,453,405	-	-	-	1,453,405
Leased Easements	37,961	-	-	-	37,961
IT Subscriptions	1,647,420	135,650	(206,829)	-	1,576,241
Total capital assets being amortized	3,138,786	135,650	(206,829)	-	3,067,607
Less Accumulated Amortization:					
Right to use assets:					
Leased Equipment	579,873	299,923	-	-	879,796
Leased Buildings	7,386	2,462	-	-	9,848
IT Subscriptions	655,535	398,508	(206,829)	-	847,214
Total accumulated amortization	1,242,794	700,893	(206,829)	-	1,736,858
Total capital assets being amortized, net	1,895,992	(565,243)	-	-	1,330,749
Governmental activities capital assets, net	$ 152,585,378	$ 74,666,016	$ (9,735,508)	$ (4,462)	$ 217,511,424

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

General government	$ 1,084,374
Public safety	3,978,410
Economic and physical development	13,563
Human services	1,294,201
Cultural and recreational	295,988
Education	1,288,677
Total	$ 7,955,213

	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Business-Type Activities:					
Solid Waste:					
Non-Depreciable Capital Assets:					
Land	$ 19,428,489	$ -	$ -	$ -	$ 19,428,489
Construction in progress	-	-	-	-	-
Total non-depreciable capital assets	19,428,489	-	-	-	19,428,489
Depreciable Capital Assets:					
Buildings	1,238,863	-	-	-	1,238,863
Equipment and vehicles	12,911,262	1,617,769	-	129,624	14,658,655
Leasehold improvements	16,518	-	-	-	16,518
Infrastructure	4,283,007	-	-	-	4,283,007
Total depreciable capital assets	18,449,650	1,617,769	-	129,624	20,197,043
Less Accumulated Depreciation:					
Buildings	579,430	31,413	-	-	610,843
Equipment and vehicles	10,046,012	1,062,369	-	125,162	11,233,543
Leasehold improvements	15,464	551	-	-	16,015
Infrastructure	4,203,476	10,158	-	-	4,213,634
Total accumulated depreciation	14,844,382	1,104,491	-	125,162	16,074,035
Total depreciable capital assets, net	3,605,268	513,278	-	4,462	4,123,008
Solid Waste capital assets, net	$ 23,033,757	$ 513,278	$ -	$ 4,462	$ 23,551,497

Construction Commitments

Cleveland County has active construction projects as of June 30, 2025. The projects include the Cleveland County Justice Center, E911 Communications & Emergency Operations Joint Center and renovations to an existing asset for the benefit of the Elections' Department. At June 30, 2025, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Cleveland County Justice Center[1]	$ 89,739,831	$ 30,038,861
E911 Communications & Emergency Operations Joint Center[1]	6,168,589	3,800,736
Election Department - Renovations[1]	1,466,072	608,288
	$ 97,374,492	$ 34,447,885

[1] = assumes Remaining Commitment based on project budget.

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2025 were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Insurance Claims Incurred But Not Reported	Total
Governmental Activities:					
General	$ 4,817,724	$ 2,093,566	$ 211,896	$ 831,445	$ 7,954,631
Other governmental	27,412,942	-	-	-	27,412,942
Total governmental activities	$ 32,230,666	$ 2,093,566	$ 211,896	$ 831,445	$ 35,367,573
Business-Type Activities:					
Solid Waste	$ 122,622	$ 126,614	$ -	$ -	$ 249,236

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the members average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.63% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were $7,399,100 for the year ended June 30, 2025.

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

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

At June 30, 2025, the County reported a liability of $38,358,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, the County's proportion was .569% (measured as of June 30, 2024), which was a decrease of .0124% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of $11,529,311. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,721,861	$ 45,195
Net difference between projected and actual earnings on pension plan investments	5,214,815	-
Changes in proportion and differences between County contributions and proportionate share of contributions	823,178	702,182
County contributions subsequent to the measurement date	7,399,100	-
Total	$ 20,158,954	$ 747,377

$7,399,100 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's or governmental nonemployer contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

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

Year Ending June 30	Amount
2026	$ 3,905,230
2027	7,652,331
2028	1,044,564
2029	(589,648)
Total	$ 12,012,477

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

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

The information above is based on 30-year expectations developed with an investing consulting firm. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. Return projects do not include any excess return expectations over benchmark average for public markets. All rates of return and inflation are annual amounts. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024, is 2.76%.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	$ 67,972,382	$ 38,358,498	$ 13,997,006

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

Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance's membership consisted of 135 active plan members and 18 retired members receiving benefits.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.28 percent

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

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

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

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

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

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

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

Contributions

The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid $315,937 as benefits came due for the reporting period.

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

At June 30, 2025, the County reported a total pension liability of $5,889,049. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $707,876.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 786,018	$ 37,116
Changes in assumptions	216,007	541,622
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	156,859	-
Total	$ 1,158,884	$ 578,738

The County paid $156,859 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	$ 209,506
2027	59,187
2028	60,762
2029	101,292
2030	454
Thereafter	(7,914)
Total	$ 423,287

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.28 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	$ 6,382,710	$ 5,889,049	$ 5,442,639

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

	2025
Beginning balance	$ 5,828,684
Service Cost	297,958
Interest on the total pension liability	227,397
Differences between expected and actual experience in the measurement of the total pension liability	(44,145)
Changes of assumptions or other inputs	(133,305)
Benefit payments	(287,540)
Net changes	60,365
Ending balance of the total pension liability	$ 5,889,049

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent at December 30, 2023 to 4.28 percent at December 30, 2024.

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2025, were $843,000, which consisted of $581,890 from the County and $261,110 from the law enforcement officers. No amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were $9,883 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of $119,729 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2025, the County's proportion was 1.039% (measured as of June 30, 2024), which was an increase of .01932% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the County recognized pension expense of $6,329. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,629	$ 2,140
Net difference between projected and actual earnings on pension plan investments	46,237	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	10,802
County contributions subsequent to the measurement date	9,883	-
Total	$ 58,749	$ 12,942

$9,883 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	$ 12,774
2027	18,786
2028	4,198
2029	166
2030	-
Thereafter	-
Total	$ 35,924

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 to 8.25%, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023, valuation was based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2025, is 0.9%.

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	$ (79,331)	$ (119,729)	$ (153,757)

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

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

The net pension liability for LGERS and ROD was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2024, with an actuarial valuation date of December 31, 2023. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	$ 38,358,498	$ (119,729)	$ -	$ 38,238,769
Proportion of the Net Pension Liability (Asset)	0.569%	1.039%	N/A	
Total Pension Liability	38,358,498	-	5,889,049	44,247,547
Pension Expense	11,529,311	6,329	707,876	12,243,516

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	ROD	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 6,721,861	$ 786,018	$ 2,629	$ 7,510,508
Changes in assumptions	-	216,007	-	216,007
Net difference between projected and actual earnings on pension plan investments	5,214,815	-	46,237	5,261,052
Changes in proportion and differences between County contributions and proportionate share of contributions	823,178	-	-	823,178
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	7,399,100	156,859	9,883	7,565,842
	$ 20,158,954	$ 1,158,884	$ 58,749	$ 21,376,587

	LGERS	LEOSSA	ROD	Total
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 45,195	$ 37,116	$ 2,140	84,451
Changes in assumptions	-	541,622	-	541,622
Changes in proportion and differences between County contributions and proportionate share of contributions	702,182	-	10,802	712,984
	$ 747,377	$ 578,738	$ 12,942	$ 1,339,057

Post-Employment Benefits

Other Post-Employment Benefits - Healthcare Benefits

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

Membership of the plan consisted of the following at June 30, 2025, the date of the latest actuarial valuation:

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

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

Total OPEB Liability

The County's total OPEB liability of $19,948,076 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 to 8.41 percent, including wage inflation
Discount rate	3.93 percent
Healthcare cost trend rates	Pre-Medicare - 7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2033

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	$ 20,573,800
Changes for the year	
Service Cost	399,314
Interest	722,800
Differences between expected and actual experience	1,019,356
Changes in assumptions or other inputs	(405,274)
Benefit Payments	(2,361,920)
Net changes	(625,724)
Balance at June 30, 2024	$ 19,948,076

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.65% to 3.93%.

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

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	$ 21,442,927	$ 19,948,076	$ 18,581,321

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

	1% Decrease	Current	1% Increase
Total OPEB liability	$ 18,293,858	$ 19,948,076	$ 21,826,602

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

For the year ended June 30, 2025, the County recognized OPEB expense of $611,459. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 998,094	$ 1,022,922
Changes of assumptions	1,197,912	1,400,929
Benefit payments and plan administrative expense made subsequent to the measurement date	1,420,412	-
Total	$ 3,616,418	$ 2,423,851

$1,420,412 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. Contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's or governmental nonemployer contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2026	$ 208,941
2027	(376,726)
2028	(157,022)
2029	96,962
Total	$ (227,845)

Landfill Closure and Post-Closure Care Costs

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

The $28,039,839 reported as landfill post-closure care liability at June 30, 2025 represents the cumulative amount reported at that date for costs yet to be incurred. The County will recognize the remaining estimated cost of post-closure care as incurred. These amounts are based on what it would cost to perform all post-closure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	$ 21,376,587	$ 1,339,057
OPEB deferrals	3,616,418	2,423,851
Prepaid taxes, not yet earned (General)	-	237,058
Leases (General)	-	-
Total - Government-wide Statements	$ 24,993,005	$ 3,999,966
Taxes receivable, net less penalties (General)	$ -	$ 2,588,221
Taxes receivable, net less penalties (Special Revenue)	-	151,231
Prepaid taxes, not yet earned (General)	-	237,058
Opioid settlement, net (Special Revenue)	-	8,550,336
Other receivable (General Fund)	-	6,343,032
Total - Fund Statements	$ -	$ 17,869,878

Risk Management

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

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

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

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

Effective July 1, 2002, the County became self-insured for health insurance coverage on a cost-reimbursement basis. Under this program, the County is obligated for claims payments. The County contributes up to $1,100 per employee as part of a HSA plan. A stop-loss insurance contract executed with an insurance carrier covers claims in excess of $125,000 per person. The estimated liability for outstanding losses includes $425,707 for incurred but unrecorded claims as of June 30, 2025. The County has contracted with a private insurer (BCBS) to administer the payment of claims and the County reimburses the insurer each week.

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

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

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

	Year Ending June 30	
	2024	**2025**
Health	$ 259,803	$ 425,707
Workers' compensation	313,759	403,999
Total	$ 573,562	$ 829,706

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

Claims and Judgments

At June 30, 2025, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Leases

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

On 03/04/2022, the County entered into a 60 month lease as Lessee for the use of RFID Equipment - Library. An initial lease liability was recorded in the amount of $72,582. As of 06/30/2025, the value of the lease liability is $14,753. The County is required to make annual fixed payments of $14,998. The lease has an interest rate of 1.6590%. The value of the right to use asset as of 06/30/2025 of $72,582 with accumulated amortization of $48,267 is included with Leased Equipment on the Capital Asset schedule.

On 07/01/2021, the County entered into a 185 month lease as Lessee for the use of Number 8 Township. An initial lease liability was recorded in the amount of $37,961. As of 06/30/2025, the value of the lease liability is $29,637. The County is required to make annual fixed payments of $2,662. The lease has an interest rate of 1.9908%. The value of the right to use asset as of 06/30/2025 of $37,961 with accumulated amortization of $9,849 is included with Leased Easements on the Capital Asset schedule.

On 07/02/2022, the County entered into a 60 month lease as Lessee for the use of Axon Taser. An initial lease liability was recorded in the amount of $1,205,439. As of 06/30/2024, the value of the lease liability is $487,450. The County is required to make annual fixed payments of $251,473. The lease has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2025 of $1,245,077 with accumulated amortization of $746,769 is included with Leased Equipment on the Capital Asset schedule.

On 05/01/2023, the County entered into a 48 month lease as Lessee for the use of Axon Body Cameras. An initial lease liability was recorded in the amount of $70,468. As of 06/30/2025, the value of the lease liability is $17,867. The County is required to make annual fixed payments of $18,258. The lease has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2025 of $70,468 with accumulated amortization of $38,170 is included with Leased Equipment on the Capital Asset schedule.

On 01/01/2023, the County entered into a 48 month lease as Lessee for the use of Axon Body Cams -Detention Center. An initial lease liability was recorded in the amount of $65,279. As of 06/30/2025, the value of the lease liability is $26,168. The County is required to make annual fixed payments of $13,593. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2025 of $65,279 with accumulated amortization of $246,591 is included with Leased Equipment on the Capital Asset schedule.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities Principal	Interest	Total
2026	$ 288,788	$ 12,196	$ 300,984
2027	261,902	6,092	267,994
2028	2,427	501	2,928
2029	2,475	453	2,928
2030	2,524	404	2,928
2031-2035	14,602	1,210	15,812
2036-2037	3,158	63	3,221
Total	$ 575,876	$ 20,919	$ 596,795

Other Long-Term Obligations

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

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

Serviced by the General Fund:

Direct Placement Debt:

$1,933,173 - Series Multi Capital Installment, Tax-Exempt installment contract, due in annual installments ranging from $73,253 to $597,176; Payments are due to HomeTrust Bank.	$ 76,974
$8,500,000 - Public Infrastructure Project, Taxable Installment Financing Contract, Series 2022; due in annual installments of $854,000 through February 2032; interest at 2.39%; payments are due to Truist Bank	5,974,000
$3,500,000 - First Supplement to Installment Financing Contract, DSS Expansion, Tax-Exempt Installment Financing Contract, due in annual installments of $350,000 through September 2031; interest at 2.95%; payments are due to Capital One Public Funding, LLC.	2,450,000
$4,930,950- Community College Building Project, Series 2010; due in semi-annual installments of $164,365 through September 2025; interest payable at 4.91%; These are American Recovery Zone Bonds and interest payments are partially subsidized by the federal government; payments are due to BB&T.	164,365
$34,631,000 - Advanced refunding of existing debt for various County projects; due in semi-annual installments of $3,783,000 through September 2034; interest at 2.10%; payments are due to Capital One Public Finance.	20,061,000
$12,255,000 - City of Shelby Enterprise System Revenue Bonds, Series 2004; due in annual installments ranging from $315,000 to $810,000 through May 1, 2029; County's portion of revenue bonds ($634,599) per contract with City of Shelby are due in annual installments of $16,312 to $41,944 through May 1, 2029; interest is payable at 5% and are due to the City of Shelby	157,161
$445,136 - Stryker; due in three annual installments of $161,588 plus sales tax and interest at 8.10%. Loan is collateralized by equipment. Final payment is due in December 2025.	149,014
Total direct placement	$ 29,032,514

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

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

	Installment Financing	
Year Ending June 30	Principal	Interest
2026	$ 4,439,119	$ 626,461
2027	3,597,319	522,310
2028	4,669,132	429,112
2029	4,627,944	325,037
2030	4,543,000	221,794
2031-2035	7,156,000	197,312
Total	$ 29,032,514	$ 2,322,026

Limited Obligation Indebtedness

The County's Limited Obligation Bonds consisted of the following at June 30, 2025:

$22,000,000 - Shelby Middle School, Series 2010 A & B Limited Obligation Bonds; due in semi-annual installments ranging from $1,080,000 to $1,140,000 through March 2030; interest is payable semi-annually ranging from 4.49% to 6.07%. These are Build America Bonds and interest payments are partially subsidized by federal government; payments are due to Wells Fargo.	$ 2,280,000
Total General Obligation and Limited Obligation Bonds	$ 2,280,000

The County issued Limited Obligation Bonds for which the County does not hold title to the capital assets. The bonds were issued for public school construction and renovation projects. The amount of outstanding debt at June 30, 2025 for which the County held no collateral totaled $2,280,000.

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

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

Annual debt service for the County's limited obligation bonds to maturity at June 30, 2025 are:

Year Ending June 30	Principal	Interest
2026	$ 1,140,000	$ 133,836
2027	1,140,000	66,918
Total	$ 2,280,000	$ 200,754

Subscriptions

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

On 07/01/2022, the County entered into a 35 month subscription for the use of LinkedIn Learning Software. An initial subscription liability was recorded in the amount of $55,648. As of 06/30/2025, the value of the subscription liability is $0. The County is required to make annual fixed payments of $28,140. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2024 of $55,648 with accumulated amortization of $55,658 were listed as disposals with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 72 month subscription for the use of EMS' Office 365 Software. An initial subscription liability was recorded in the amount of $130,027. As of 06/30/2025, the value of the subscription liability is $55,878. The County is required to make annual fixed payments of $19,385. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2025 of $130,027 with accumulated amortization of $64,834 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 months.

On 07/01/2023, the County entered into a 36 month subscription for the use of Priority Dispatch System Software. An initial subscription liability was recorded in the amount of $22,512. As of 06/30/2025, the value of the subscription liability is $7,503. The County is required to make annual fixed payments of $7,680. The subscription has an interest rate of 2.3630%. The value of the right to use asset as of 06/30/2025 of $22,512 with accumulated amortization of $15,008 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 54 month subscription for the use of Revize Software Systems. An initial subscription liability was recorded in the amount of $27,786. As of 06/30/2025, the value of the subscription liability is $7,235. The County is required to make annual fixed payments of $6,900. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of 06/30/2025 of $30,861 with accumulated amortization of $20,398 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 60 month subscription for the use of Motorola Software License. An initial subscription liability was recorded in the amount of $0. As of 06/30/2025, the value of the subscription liability is $0. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2025 of $16,000. with accumulated amortization of $9,600 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 60 month subscription for the use of JurisLink Services. An initial subscription liability was recorded in the amount of $87,212. As of 06/30/2025, the value of the subscription liability is $19,445. The County is required to make annual fixed payments of $59,000. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2024 of $87,212 with accumulated amortization of $51,838 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 36 month subscription for the use of Human Resource Training Platform An initial subscription liability was recorded in the amount of $139,707. As of 06/30/2025, the value of the subscription liability is $0. The County is required to make annual fixed payments of $33,545. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2024 of $151,181 with accumulated amortization of $151,181 is listed as a disposal in IT Subscriptions on the

On 07/01/2022, the County entered into a 43 month subscription for the use of TCP Software. An initial subscription liability was recorded in the amount of $116,646. As of 06/30/2025, the value of the subscription liability is $0. The County is required to make annual fixed payments of $37,832. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of 06/30/2025 of $120,164 with accumulated amortization of $100,524 is included with IT Subscriptions on the Capital Asset schedule. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 72 month subscription for the use of IT Office 365 Software. An initial subscription liability was recorded in the amount of $1,034,379. As of 06/30/2025, the value of the subscription liability is $450,663. The County is required to make annual fixed payments of $156,342. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2025 of $1,034,379 with accumulated amortization of $517,190 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 months.

On 07/01/2024, County of Cleveland, NC entered into a 24 month subscription for the use of POWER DMS . An initial subscription liability was recorded in the amount of $135,650. As of 06/30/2025, the value of the subscription liability is $72,662. County of Cleveland, NC is required to make annual fixed payments of $63,000. The subscription has an interest rate of 3.2170%. The value of the right to use asset as of 06/30/2025 of $135,650 with accumulated amortization of $67,825 is included with IT Subscriptions on the Capital Asset schedule.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2025, were as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2026	$ 257,416	$ 13,392	$ 270,808
2027	173,472	7,256	180,728
2028	182,497	3,729	186,226
Total	$ 613,385	$ 24,377	$ 637,762

Debt Related to Capital Activities - Of the total governmental activities debt listed, only $30,057,410 relates to assets the County holds title. The County also has capital proceeds that were reimbursed via installment financing in the Reimbursement Resolution Capital Project Fund. These funds are not considered unspent debt proceeds and are not restricted by debt covenants. A summary of changes in long-term debt follows:

Long-Term Obligation Activity

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion of Balance
Governmental Activities:					
Limited obligation bonds	$ 3,420,000	$ -	$ (1,140,000)	$ 2,280,000	$ 1,140,000
Direct placement installment purchases	33,940,450	-	(4,907,936)	29,032,514	4,439,119
Lease Liabilities	858,688	-	(282,812)	575,876	288,788
IT Subscription Liabilities	822,972	135,650	(345,237)	613,385	257,416
Compensated absences					
Sick leave**	8,583,619	1,438,983	(1,471,300)	8,551,302	1,435,001
Vacation leave	4,258,663	-	(120,234)	4,138,429	413,843
Total compensated absences	12,842,282	1,438,983	(1,591,534)	12,689,731	1,848,844
Total OPEB Liability	19,545,110	-	(594,438)	18,950,672	1,349,391
Net pension liability (LGERS)	36,581,988	-	(141,415)	36,440,573	-
Total Pension Liability (LEO)	5,828,684	60,365	-	5,889,049	287,540
Total governmental activities	$ 113,840,174	$ 1,634,998	$ (9,003,372)	$ 106,471,800	$ 9,611,098
Business-Type Activities:					
Accrued landfill closure and post-closure care cost	$ 27,174,684	$ 865,155	$ -	$ 28,039,839	$ -
Total OPEB Liability	1,028,690	-	(31,286)	997,404	71,021
Net pension liability (LGERS)	1,925,368	-	(7,443)	1,917,925	-
Compensated absences					
Sick leave **	313,393	52,538	(53,718)	312,213	52,393
Vacation leave	210,750	-	(44,053)	166,697	-
Total Compensated absences	524,143	52,538	(97,771)	478,910	52,393
Total business-type activities	$ 30,652,885	$ 917,693	$ (136,500)	$ 31,434,078	$ 123,414

**Beginning balances were restated as a result of the implementation of GASB 101

At June 30, 2025, the County had no bonds authorized, but unissued, and a legal debt margin available of $872,719,192.

Compensated absences and other post-employment benefits typically have been liquidated in the General Fund. Compensated absences are accounted for on a FIFO basis. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

Conduit Debt Obligations

Cleveland County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private business owners involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. As of June 30, 2025, there was one series of industrial revenue bonds outstanding, with an aggregate principal payable of $450,000. Neither the County, Authority, State, nor any political subdivision thereof, is obligated in any manner for the repayment of these bonds. Accordingly, these bonds were not reported in the accompanying financial statements.

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2025 consist of the following:

	Transfers		
	From	To	Purpose
General Fund	$ 7,462,347	$ -	
Capital Reserve Fund	-	1,582,300	Fund capital expansion
County General Capital Project Fund	-	150,000	Fund capital expansion
School Capital Reserve Fund	-	1,233,170	Fund capital expansion
Board of Elections Capital Project Fund	-	1,130,770	Fund capital expansion
Fair Enhancement Capital Project Fund	-	507,987	Fund capital expansion
Waco Substation	-	6,000	Fund capital expansion
Debt Service	-	2,852,120	Debt service
Capital Reserve Fund	3,226,099		
County General Capital Project Fund	-	2,061,040	Fund capital expansion
Board of Elections Capital Project Fund	-	114,058	Fund capital expansion
E911 Call Center Project Fund	-	528,503	Fund capital expansion
LaGrand AV System	-	184,961	Fund capital expansion
Fair Enhancement Capital Project Fund	-	337,537	Fund capital expansion
Reimbursement Resolution Capital Project Fund	116,765	-	
Broad River Greenway Improvement Project	-	116,765	Fund capital expansion
School Capital Reserve	7,131,691	-	
Debt Service Fund	-	3,410,677	Debt service
General Fund	-	3,721,014	Capital allotment
Solid Waste	429,335	-	
General Fund	-	429,335	Environmental health expense
Total	$ 18,366,237	$ 18,366,237	

Balances due to / from other funds at June 30, 2025, consists of the following:

	From	To	Purpose
General Fund	$ 5,159,648	$ -	
Capital Project Fund	-	233,601	To cover negative cash
DSS Colocation Capital Project Fund	-	44,747	To cover negative cash
FEMA Fund	-	4,773,820	To cover negative cash
Cleveland County Fair Capital Project Fund	-	107,480	To cover negative cash

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

3. Joint Ventures

The County, in conjunction with the State of North Carolina and Cleveland County Board of Education, participates in a joint venture to operate Cleveland Community College ("Community College"). Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The President of the Community College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College, because of the statutory responsibility to provide funding for the Community College's facilities. The County contributed $3,648,872 to the Community College for operational and capital expenditures during the fiscal year ended June 30, 2025. In addition, the County made debt service payments of $349,070, including interest, during the year ended June 30, 2025, for the Community College facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2025. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Blue Ridge Community College, Flat Rock, North Carolina.

4. Jointly Governed Organization

The County, in conjunction with three other counties and twenty municipalities, established the Isothermal Planning and Development Commission (IPDC). The participating governments established the commission to coordinate various funding received from federal and state agencies. Each participating member appoints one member to IPDC's governing board. The County paid membership fees of $46,168 during the fiscal year ended June 30, 2025.

5. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

6. Changes in Accounting Principle and Correction of Errors in Previously issued Financial Statements

Changes in Accounting Principle

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences* . In addition to the value of the unused vacation time owed to employees upon separation of employement, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effect of the change in accounting principle is summarized in the Restatement - GASB 101 implementation column in the table below.

	Net Position, June 30, 2024, as previously reported	Restatement - GASB 101 Implementation	Net Position June 30, 2024, as restated
Government Wide Statements			
Governmental Activities	$ 191,841,643	$ (8,583,619)	$ 183,258,024
Business-Type Activities	3,482,135	(313,393)	3,168,742
Governmental Wide Total	$ 195,323,778	$ (8,897,012)	$ 186,426,766
Enterprise Funds			
Solid Waste Fund	$ 3,482,135	$ (30,652,885)	$ (27,170,750)

Changes to or Within the Reporting Unit

The following chart details the changes in major and nonmajor fund classifications that are reflected in the current financial statements.

	Fund Balance, June 30, 2024, as previously	Transfers to Major Fund	Transfers To Nonmajor Fund	Fund Balance, June 30, 2024, as restated
Special Revenue Funds				
Opioid Settlement Fund	$ -	$ 2,875,815	$ -	$ 2,875,815
Nonmajor Special Revenue Funds	35,103,306	(2,875,815)	-	32,227,491

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Local Government Employees' Retirement System

	2025	2024	2023	2022	2021
Cleveland County's proportion of the net pension liability (asset) (%)	0.569%	0.581%	0.537%	0.508%	0.529%
Cleveland County's proportion of the net pension liability (asset) ($)	$ 38,358,498	$38,507,356	$ 30,318,162	$ 7,798,029	$18,887,343
Cleveland County's covered payroll	$ 50,664,817	$48,379,250	$ 39,607,119	$ 34,824,337	$36,908,124
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.71%	79.59%	76.55%	22.39%	51.17%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%

	2020	2019	2018	2017	2016
Cleveland County's proportion of the net pension liability (asset) (%)	0.561%	0.519%	0.521%	0.524%	0.508%
Cleveland County's proportion of the net pension liability (asset) ($)	$ 15,333,035	$12,306,761	$ 7,964,020	$ 11,123,372	$ 2,280,098
Cleveland County's covered payroll	$ 37,041,797	$34,564,877	$ 32,605,693	$ 31,210,450	$32,420,724
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.39%	35.60%	24.43%	35.64%	7.03%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%

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

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

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Local Government Employees' Retirement System

	2025	2024	2023	2022	2021
Contractually required contribution	$ 7,399,100	$ 6,616,592	$ 5,933,317	$ 4,523,537	$ 3,563,065
Contributions in relation to the contractually required contribution	7,399,100	6,616,592	5,933,317	4,523,537	3,563,065
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Cleveland County's covered payroll	$53,389,059	$50,664,817	$48,379,250	$39,607,119	$34,824,337
Contributions as a percentage of covered payroll	13.86%	13.06%	12.26%	11.42%	10.23%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,331,205	$ 2,914,078	$ 2,629,021	$ 2,403,167	$ 2,108,026
Contributions in relation to the contractually required contribution	3,331,205	2,914,078	2,629,021	2,403,167	2,108,026
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Cleveland County's covered payroll	$36,908,124	$37,041,797	$34,564,877	$32,605,693	$31,210,450
Contributions as a percentage of covered payroll	9.03%	7.87%	7.61%	7.37%	6.75%

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Registers of Deeds' Supplemental Pension Fund

	2025	2024	2023	2022	2021
Cleveland County's proportion of the net pension liability (asset) (%)	1.039%	1.020%	0.887%	0.752%	0.805%
Cleveland County's proportion of the net pension liability (asset) ($)	$ (119,729)	$ (122,540)	$ (117,448)	$ (144,455)	$ (184,499)
Plan fiduciary net position as a percentage of the total pension	133.61%	135.74%	139.04%	156.53%	173.62%

	2020	2019	2018	2017	2016
Cleveland County's proportion of the net pension liability (asset) (%)	0.816%	0.806%	0.704%	0.659%	0.670%
Cleveland County's proportion of the net pension liability (asset) ($)	$ (161,170)	$ (133,496)	$ (120,186)	$ (123,136)	$ (155,352)
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	153.31%	153.77%	160.17%	197.29%

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

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

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Registers of Deeds' Supplemental Pension Fund

	2025	2024	2023	2022	2021
Contractually required contribution	$ 9,883	$ 8,940	$ 9,101	$ 10,169	$ 9,023
Contributions in relation to the contractually required contribution	9,883	8,940	9,101	10,169	9,023
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -

	2020	2019	2018	2017	2016
Contractually required contribution	$ 7,708	$ 7,759	$ 6,897	$ 6,118	$ 5,381
Contributions in relation to the contractually required contribution	7,708	7,759	6,897	6,118	5,381
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance

	2025	2024	2023	2022	2021
Beginning balance	$ 5,828,684	$ 4,766,302	$ 4,617,362	$ 4,528,906	$ 3,116,377
Service Cost	297,958	257,731	275,372	255,707	156,108
Interest on the total pension liability	227,397	200,160	101,294	85,119	98,097
Changes in benefit terms	-	-	296,360	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(44,145)	715,001	480,884	101,532	237,833
Changes of assumptions or other inputs	(133,305)	133,915	(774,135)	(116,677)	1,135,045
Benefit payments	(287,540)	(244,425)	(230,835)	(237,225)	(214,554)
Ending balance of the total pension liability	$ 5,889,049	$ 5,828,684	$ 4,766,302	$ 4,617,362	$ 4,528,906

	2020	2019	2018	2017
Beginning balance	$ 2,829,769	$ 2,725,009	$ 2,470,182	$ 2,454,014
Service Cost	140,541	136,342	113,259	118,880
Interest on the total pension liability	99,352	83,878	92,071	85,238
Differences between expected and actual experience in the measurement of the total pension liability	162,286	126,505	62,677	-
Changes of assumptions or other inputs	85,047	(100,651)	156,674	(55,151)
Benefit payments	(200,618)	(141,314)	(169,854)	(132,799)
Ending balance of the total pension liability	$ 3,116,377	$ 2,829,769	$ 2,725,009	$ 2,470,182

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

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance

	2025	2024	2023	2022	2021
Total pension liability	$ 5,889,049	$ 5,828,684	$ 4,766,302	$ 4,617,362	$ 4,528,906
Covered-employee payroll	9,489,940	8,264,808	6,873,328	5,870,799	5,483,584
Total pension liability as a percentage of covered-employee payroll	62.06%	70.52%	69.34%	78.65%	82.59%

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

Notes to the schedules:

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

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

CLEVELAND COUNTY, NORTH CAROLINA

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

Total OPEB Liability	2025	2024	2023	2022
Service Cost	$ 399,314	$ 470,695	$ 607,548	$ 777,666
Interest	722,800	748,543	525,551	499,427
Differences between expected and actual experience	1,019,356	(1,089,450)	(745,312)	(167,916)
Changes of assumptions	(405,274)	428,692	(2,371,645)	1,839,382
Benefit payments	(2,361,920)	(1,307,161)	(829,915)	(1,259,452)
Net change in total OPEB liability	(625,724)	(748,681)	(2,813,773)	1,689,107
Total OPEB liability - beginning	20,573,800	21,322,481	24,136,254	22,447,147
Total OPEB liability - ending	$ 19,948,076	$ 20,573,800	$ 21,322,481	$ 24,136,254

Total OPEB Liability	2021	2020	2019	2018
Service Cost	$ 577,986	$ 670,355	$ 691,281	$ 744,068
Interest	706,837	613,306	574,289	495,401
Differences between expected and actual	(112,374)	3,246,013	(24,112)	482,688
Changes of assumptions	2,169,405	448,183	(534,720)	(917,780)
Benefit payments	(1,015,366)	(1,235,048)	(913,210)	(1,347,122)
Net change in total OPEB liability	2,326,488	3,742,809	(206,472)	(542,745)
Total OPEB liability - beginning	20,120,659	16,377,850	16,584,322	17,127,067
Total OPEB liability - ending	$ 22,447,147	$ 20,120,659	$ 16,377,850	$ 16,584,322

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

Fiscal Year	Rate
2025	3.93%
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

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

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Ad Valorem Taxes:			
Taxes - General Fund		$ 61,775,897	
Taxes - public schools		15,573,285	
Penalties, interest, and advertising		562,461	
Total	77,192,644	77,911,643	718,999
Other Taxes:			
Local option sales tax		18,984,839	
Local option sales tax - schools		5,870,545	
Other taxes		1,652,096	
Total	22,865,000	26,507,480	3,642,480
Unrestricted Intergovernmental Revenues:			
Local revenue		396,868	
Total	400,000	396,868	(3,132)
Restricted Intergovernmental Revenues:			
Federal and State grants		4,287,951	
DSS grants		14,019,499	
Health dept grants		2,307,989	
Total	19,558,713	20,615,439	1,056,726
Permits and Fees:			
Register of Deeds		658,934	
Carolina health care rent		3,035,895	
Other permits and fees		2,934,897	
Total	5,476,238	6,629,726	1,153,488
Sales and Services:			
Rents - Legrand		185,926	
EMS fees		6,136,182	
Sherriff fees		252,004	
Shooting complex fees		522,027	
Health department fees		5,005,191	
Contracted Revenues		1,010,791	
Court facility fees		122,543	
Insurance fees		2,453,472	
Wellness center fees		841,136	
Travel & Tourism - Merchandise Sales		7,588	
Other County fees		2,270,574	
Total	14,420,777	18,807,434	4,386,657

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Investment Earnings	6,004,000	3,401,599	(2,602,401)
Miscellaneous:			
Sale of materials		170,123	
Other		1,386,827	
Total	1,097,131	1,556,950	459,819
Total revenues	147,014,503	155,827,139	8,812,636
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits		177,809	
Operating expenditures		418,207	
Total	645,491	596,016	49,475
Administration:			
Salaries and employee benefits		1,105,771	
Operating expenditures		115,175	
Total	1,274,171	1,220,946	53,225
Elections:			
Salaries and employee benefits		585,727	
Operating expenditures		207,713	
Capital outlay		-	
Total	835,321	793,440	41,881
Finance:			
Salaries and employee benefits		1,235,046	
Operating expenditures		291,182	
Total	1,571,006	1,526,228	44,778
Taxes:			
Salaries and employee benefits		1,812,040	
Operating expenditures		441,843	
Capital outlay		8,964	
Total	2,365,801	2,262,847	102,954

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Legal:			
Salaries and employee benefits		232,128	
Contracted services		183,470	
Capital outlay - foreclosure		3,018	
Total	484,015	418,616	65,399
Register of Deeds:			
Salaries and employee benefits		540,371	
Operating expenditures		180,292	
Total	880,466	720,663	159,803
Human Resources:			
Salaries and employee benefits		1,194,079	
Operating expenditures		215,858	
Capital outlay		31,551	
Total	1,457,531	1,441,488	16,043
Facilities Maintenance:			
Salaries and employee benefits		655,863	
Operating expenditures		1,304,637	
Capital outlay		83,944	
Total	2,140,190	2,044,444	95,746
Court Facilities:			
Salaries and employee benefits		132,268	
Operating expenditures		569,759	
Total	707,009	702,027	4,982
Information Technology:			
Salaries and employee benefits		1,172,019	
Operating expenditures		434,701	
Capital outlay		140,841	
Total	1,832,782	1,747,561	85,221
Pass-Thru Grants:			
Salaries and employee benefits		975	
Operating expenditures		3,426,850	
Total	4,789,203	3,427,825	1,361,378

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Wellness Clinic:			
Salaries and employee benefits		870,078	
Operating expenditures		1,955,464	
Total	2,964,283	2,825,542	138,741
Communities in Schools:			
Operating expenditures	40,000	40,000	-
Historic Courthouse:			
Operating expenditures		96,500	
Total	96,500	96,500	-
Other:			
Outside Agency Request		10,000	
Donated Assets		816,641	
Total	979,841	826,641	153,200
Total general government	23,063,610	20,690,784	2,372,826
Public Safety:			
Sheriff and Communications:			
Salaries and employee benefits		13,063,047	
Operating expenditures		1,435,903	
Capital outlay		1,878,551	
Total	16,865,178	16,377,501	487,677
School Resource Officers:			
Salaries and employee benefits		1,444,896	
Operating expenditures		97,294	
Capital outlay		191,123	
Total	1,779,875	1,733,313	46,562
Jail:			
Salaries and employee benefits		7,215,796	
Operating expenditures		2,787,476	
Capital outlay		149,654	
Total	10,616,642	10,152,926	463,716

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Emergency Management:			
Salaries and employee benefits		396,528	
Operating expenditures		87,148	
Capital outlay		53,869	
Total	579,237	537,545	41,692
Emergency Communication:			
Salaries and employee benefits		1,833,609	
Operating expenditures		177,751	
Total	2,039,110	2,011,360	27,750
Electronic Maintenance:			
Salaries and employee benefits		433,427	
Operating expenditures		488,341	
Capital outlay		149,692	
Total	1,079,062	1,071,460	7,602
Inspections:			
Salaries and employee benefits		458,635	
Operating expenditures		50,639	
Capital outlay		41,588	
Total	558,285	550,862	7,423
Coroner:			
Operating expenditures		125,350	
Total	125,350	125,350	-
HAZ-MAT Control:			
Operating expenditures		132	
Total	3,300	132	3,168
Public Shooting Range:			
Salaries and employee benefits		779,039	
Operating expenditures		311,641	
Total	1,180,402	1,090,680	89,722
Emergency Medical Services:			
Salaries and employee benefits		12,698,943	
Operating expenditures		1,512,757	
Capital outlay		917,841	
Total	15,439,924	15,129,541	310,383

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Federal/State Forfeited Property:			
Operating expenditures		103,559	
Capital outlay		40,918	
Total	150,081	144,477	5,604
Total public safety	50,416,446	48,925,147	1,491,299
Environmental Protection:			
Soil and Water Conservation:			
Salaries and employee benefits		191,643	
Operating expenditures		13,214	
Total	337,187	204,857	132,330
Forestry Service:			
Operating expenditures	101,843	91,903	9,940
Total environmental protection	439,030	296,760	142,270
Economic and Physical Development:			
Travel and Tourism:			
Salaries and employee benefits		105,656	
Operating expenditures		227,708	
Total	356,076	333,364	22,712
Planning:			
Salaries and employee benefits		531,142	
Operating expenditures		62,732	
Total	625,650	593,874	31,776
LeGrand Center:			
Salaries and employee benefits		452,688	
Operating expenditures		293,361	
Total	1,027,622	746,049	281,573
Economic Development:			
Salaries and employee benefits		250,711	
Operating expenditures		1,353,946	
Total	1,626,600	1,604,657	21,943

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Business Development:			
Salaries and employee benefits		169,970	
Operating expenditures		217,298	
Total	777,463	387,268	390,195
Cooperative Extension:			
Salaries and employee benefits		283,377	
Operating expenditures		105,364	
Total	507,121	388,741	118,380
Transportation Admin:			
Operating expenditures		330,882	
Total	407,823	330,882	76,941
Total economic and physical development	5,328,355	4,384,835	943,520
Human Services:			
Health:			
General and Administration:			
Salaries and employee benefits		743,679	
Operating expenditures		674,065	
Total	2,076,625	1,417,744	658,881
Public Health:			
Salaries and employee benefits		326,288	
Operating expenditures		292,889	
Total	750,015	619,177	130,838
AIDS Grant:			
Salaries and employee benefits		101,455	
Operating expenditures		725	
Total	99,215	102,180	(2,965)
Tuberculosis Clinic:			
Salaries and employee benefits		114,867	
Operating expenditures		95,593	
Total	221,315	210,460	10,855

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
School Health:			
Salaries and employee benefits		1,931,737	
Operating expenditures		34,673	
Total	1,923,660	1,966,410	(42,750)
Health Promotions:			
Salaries and employee benefits		77,888	
Operating expenditures		11,613	
Total	89,542	89,501	41
Maternal Health:			
Salaries and employee benefits		552,921	
Operating expenditures		83,120	
Total	708,933	636,041	72,892
Family Planning:			
Salaries and employee benefits		1,120,213	
Operating expenditures		108,258	
Total	1,432,870	1,228,471	204,399
Adolescent Pregnancy Prevention:			
Salaries and employee benefits		76,634	
Operating expenditures		14,676	
Total	106,500	91,310	15,190
Child Health:			
Salaries and employee benefits		858,245	
Operating expenditures		21,034	
Total	995,148	879,279	115,869
WIC:			
Salaries and employee benefits		648,134	
Operating expenditures		74,068	
Total	848,074	722,202	125,872
Animal/Rabies Control:			
Salaries and employee benefits		1,254,822	
Operating expenditures		564,342	
Capital outlay		50,790	
Total	2,278,654	1,869,954	408,700

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Health Department Grants:			
Salaries and employee benefits		63,887	
Operating expenditures		3,000	
Total	65,261	66,887	(1,626)
Dental Clinic:			
Salaries and employee benefits		195,841	
Operating expenditures		183,460	
Capital outlay		5,635	
Total	1,197,262	384,936	812,326
Nurse Family Partnerships:			
Salaries and employee benefits		367,065	
Operating expenditures		48,136	
Total	600,222	415,201	185,021
Carolina Access II:			
Salaries and employee benefits		7,885	
Total	7,885	7,885	-
CC4C PCM:			
Salaries and employee benefits		692,351	
Operating expenditures		18,982	
Total	723,625	711,333	12,292
CODAP:			
Salaries and employee benefits		67,155	
Operating expenditures		62,900	
Total	266,370	130,055	136,315
Environmental Health:			
Salaries and employee benefits		1,237,525	
Operating expenditures		52,873	
Capital outlay		43,697	
Total	1,328,132	1,334,095	(5,963)
Veteran Services:			
Salaries and employee benefits		166,285	
Operating expenditures		30,510	
Total	204,030	196,795	7,235

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Primary Care:			
Salaries and employee benefits		397,745	
Operating expenditures		350,967	
Total	605,745	748,712	(142,967)
Total public health	16,529,083	13,828,628	2,700,455
Social Services:			
Mental Health:			
Operating expenditures		606,800	
Total	606,800	606,800	-
Administration:			
Salaries and employee benefits		1,247,488	
Operating expenditures		841,088	
Total	2,334,507	2,088,576	245,931
Outside Poor:			
Operating expenditures		2,234,149	
Total	2,446,658	2,234,149	212,509
TANF Program:			
Salaries and employee benefits		7,303,882	
County participation only		737,517	
Total	8,188,989	8,041,399	147,590
Income Maintenance Program:			
Salaries and employee benefits		7,271,911	
Operating expenditures		87,846	
Total	7,381,669	7,359,757	21,912
Special Assistance:			
Salaries and employee benefits		31,161	
Special Assistance:		-	
Total	70,599	31,161	39,438
Foster Care:			
Salaries and employee benefits		1,251,739	
Operating expenditures		5,378	
Total	1,551,779	1,257,117	294,662

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Smart Start:			
Salaries and employee benefits		139,643	
Total	139,660	139,643	17
Other Assistance:			
Operating expenditures	1,929,051	1,905,114	23,937
Total social services	24,649,712	23,663,716	985,996
Council on Aging:			
Operating expenditures	168,332	168,332	-
Total human services	41,347,127	37,660,676	3,686,451
Cultural and Recreational:			
Library:			
Salaries and employee benefits		934,712	
Operating expenditures		481,410	
Total	1,727,744	1,416,122	311,622
Parks and Recreation:			
Operating expenditures		135,356	
Total	136,050	135,356	694
Total cultural and recreational	1,863,794	1,551,478	312,316
Intergovernmental:			
Education:			
Public schools - current expense		32,418,376	
Public schools - operational expense		76,424	
Public schools - capital expense		1,400,000	
Community colleges - capital expense		3,632,130	
Total education	37,687,612	37,526,930	160,682
Debt Service:			
Principal		440,589	
Interest		12	
Total debt service	546,750	440,601	106,149

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Risk Management:			
Operating expenditures	3,250,010	3,082,742	167,268
Total	3,250,010	3,082,742	167,268
Contingency	223,084	-	223,084
Total expenditures	164,165,818	154,559,953	9,605,865
Revenues over (under) expenditures	(17,151,315)	1,267,186	18,418,501
Other Financing Sources (Uses):			
Lease and IT Subscription Liabilties	-	135,650	135,650
Contributed Capital	-	816,641	816,641
Transfers in	3,869,713	4,150,349	280,636
Transfers out	(8,807,876)	(7,462,347)	1,345,529
Appropriated fund balance	22,089,478	-	(22,089,478)
Total other financing sources (uses)	17,151,315	(2,359,707)	(19,511,022)
Net changes in fund balance	$ -	(1,092,521)	$ (1,092,521)
Fund Balance:			
Beginning of year - July 1		58,585,045	
End of year - June 30		$ 57,492,524	

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY FEMA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	$ 33,766,250	$ -	$ 3,854,825	$ 3,854,825	$ (29,911,425)
Investment income	-	-	-	-	-
Total revenues	33,766,250	-	3,854,825	3,854,825	(29,911,425)
Expenditures:					
Salaries and benefits	386,600	-	-	-	386,600
Operating Expenses	180,465	-	21,824	21,824	158,641
Contracted Services	33,199,185	-	23,297,986	23,297,986	9,901,199
Total expenditures	33,766,250	-	23,319,810	23,319,810	10,446,440
Net change in fund balance	$ -	$ -	(19,464,985)	$ (19,464,985)	$ (19,464,985)
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ (19,464,985)		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY JUSTICE CENTER CAMPUS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	$ 103,150,000	$ 23,596,028	$ 66,416,978	$ 90,013,006	$ (13,136,994)
Investment income	-	208,921	2,110,422	2,319,343	2,319,343
Total revenues	103,150,000	23,804,949	68,527,400	92,332,349	(10,817,651)
Expenditures:					
Capital outlay:					
Public Safety	119,778,692	23,596,028	66,416,977	90,013,005	29,765,687
Total expenditures	119,778,692	23,596,028	66,416,977	90,013,005	29,765,687
Revenues over (under) expenditures	(16,628,692)	208,921	2,110,423	2,319,344	18,948,036
Other Financing Sources (Uses):					
Transfers in:					
From Reimbursement Resolution	-	467,694	-	467,694	467,694
From General Fund	16,628,692	9,028,143	-	9,028,143	(7,600,549)
Total other financing sources (uses)	16,628,692	9,495,837	-	9,495,837	(7,132,855)
Net change in fund balance	$ -	$ 9,704,758	2,110,423	$ 11,815,181	$ 11,815,181
Fund Balance:					
Beginning of year - July 1			9,704,758		
End of year - June 30			$ 11,815,181		

CLEVELAND COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 545,000	$ 955,606	$ 410,606
Total revenues	545,000	955,606	410,606
Expenditures:			
Human Services			
Salaries and Benefits	172,809	110,615	62,194
Operating Expenses	414,025	129,467	284,558
Capital Outlay	133,178	87,338	45,840
Total expenditures	720,012	327,420	392,592
Revenues over (under) expenditures	(175,012)	628,186	803,198
Other Financing Sources (Uses):			
Appropriated fund balance	175,012	-	(175,012)
Total other financing sources (uses)	175,012	-	(175,012)
Net change in fund balance	$ -	628,186	$ 628,186
Fund Balance:			
Beginning of year, July 1		2,875,815	
End of year, June 30		$ 3,504,001	

Nonmajor Governmental Funds

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

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

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

CLEVELAND COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Nonmajor Governmental Funds			
	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Totals June 30, 2025
Assets:				
Cash and investments	$ 1,534,076	$ 13,356,317	$ 7,487,300	$ 22,377,693
Accounts receivable, net	536,066	1,966,432	-	2,502,498
Taxes receivable, net	151,231	-	-	151,231
Prepaid items	105,038	179,700	-	284,738
Restricted cash	1,805,320	10,533,661	-	12,338,981
Total assets	$ 4,131,731	$ 26,036,110	$ 7,487,300	$ 37,655,141
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	$ 29,726	$ 1,359,466	$ -	$ 1,389,192
Due to other funds	-	385,828	-	385,828
Unearned revenue	1,650,192	417,966	-	2,068,158
Total liabilities	1,679,918	2,163,260	-	3,843,178
Deferred Inflows of Resources:				
Taxes receivable	151,231	-	-	151,231
Total deferred inflows of resources	151,231	-	-	151,231
Fund Balances:				
Non-spendable:				
Prepaids	105,038	179,700	-	284,738
Restricted				
Stabilization for State statute	536,066	1,652,765	-	2,188,831
Restricted, all other	1,667,126	12,385,060	-	14,052,186
Committed	-	6,678,283	-	6,678,283
Assigned	-	3,346,020	7,487,300	10,833,320
Unassigned	(7,648)	(368,978)	-	(376,626)
Total fund balances	2,300,582	23,872,850	7,487,300	33,660,732
Total liabilities, deferred inflows of resources, and fund balances	$ 4,131,731	$ 26,036,110	$ 7,487,300	$ 37,655,141

CLEVELAND COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Governmental Funds			
	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Totals June 30, 2025
Revenues:				
Ad valorem taxes	$ 4,159,054	$ -	$ -	$ 4,159,054
Other taxes and licenses	1,666,700	5,653,951	-	7,320,651
Restricted intergovernmental revenues	915,533	7,028,088	1,490,657	9,434,278
Sales and services	451,299	-	-	451,299
Investment earnings	219,527	887,589	-	1,107,116
Miscellaneous	-	55,719	-	55,719
Total revenues	7,412,113	13,625,347	1,490,657	22,528,117
Expenditures:				
General government	451,299	3,422,653	-	3,873,952
Public safety	6,746,227	5,542,590	-	12,288,817
Human services	227,218	-	-	227,218
Economic and physical development	-	2,683,489	-	2,683,489
Debt service:				
Principal repayments	-	185,831	5,974,683	6,160,514
Interest	-	12,987	927,692	940,679
Total expenditures	7,424,744	12,272,866	6,902,375	26,599,985
Revenues over (under) expenditures	(12,631)	1,352,481	(5,411,718)	(4,071,868)
Other Financing Sources (Uses):				
Sale of Assets	-	1,763,776	-	1,763,776
Transfers from:				
General Fund	-	4,460,227	2,852,120	7,312,347
Capital Reserve Fund	-	3,376,099	-	3,376,099
School Capital Reserve Fund	-	-	3,410,677	3,410,677
Reimbursement Resolution	-	116,765	-	116,765
Transfers to:				
General Fund	-	(3,721,014)	-	(3,721,014)
County General Capital Projects Fund	-	(3,342,864)	-	(3,342,864)
Total other financing sources (uses)	-	(757,688)	6,262,797	5,505,109
Net change in fund balances	(12,631)	594,793	851,079	1,433,241
Fund Balances:				
Fund balance, beginning	2,313,213	23,278,057	6,636,221	32,227,491
End of year - June 30	$ 2,300,582	$ 23,872,850	$ 7,487,300	$ 33,660,732

Nonmajor Governmental Funds

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

- **Emergency Telephone Systems Fund (E-911)** – accounts for the funds received for the operation of the County's Emergency 911 Communications Center.

- **Fire Districts Fund –** accounts for the property tax revenue received and used to fund County fire operations.

- **American Rescue Plan Act Special Revenue Fund** – accounts for federal grant funds received and used to respond and recover from the COVID-19 pandemic.

- **Fines and Forfeitures Fund** – accounts for fines and forfeitures collected by the court system and passed directly to the public school system as required by General Statute.

- **Representative Payee Fund** – accounts for funds held by the County on behalf of individuals or other entities.

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Nonmajor Special Revenue Funds			
	Emergency Telephone System Fund (E-911)	Fire Districts Fund	American Rescue Plan Act Fund	Fines and Forfeiture Fund
Assets:				
Cash and investments	$ 700,505	$ 562,662	$ -	$ 21,994
Accounts receivable, net	30,969	475,387	68	29,642
Taxes receivable, net	-	151,231	-	-
Prepaid items	105,038	-	-	-
Restricted opioid receivable, net	-	-	-	-
Restricted cash	-	492,983	1,312,337	-
Total assets	$ 836,512	$ 1,682,263	$ 1,312,405	$ 51,636
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ 84	$ -	$ 29,642
Unearned revenue	-	492,983	1,157,209	-
Total liabilities	-	493,067	1,157,209	29,642
Deferred Inflows of Resources:				
Taxes receivable	-	151,231	-	-
Opioid settlement	-	-	-	-
Total deferred inflows of resources	-	151,231	-	-
Fund Balances:				
Non-spendable:				
Inventory	-	-		
Prepaids	105,038	-	-	-
Restricted:				
Stabilization for State statute	30,969	475,387	68	29,642
Restricted, all other	700,505	562,578	155,128	-
Unassigned	-	-	-	(7,648)
Total fund balances	836,512	1,037,965	155,196	21,994
Total liabilities, deferred inflows of resources, and fund balances	$ 836,512	$ 1,682,263	$ 1,312,405	$ 51,636

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Nonmajor Special Revenue Funds	
	Representative Payee Fund	Totals June 30, 2025
Assets:		
Cash and investments	$ 248,915	$ 1,534,076
Accounts receivable, net	-	536,066
Taxes receivable, net	-	151,231
Prepaid items	-	105,038
Restricted opioid receivable, net	-	-
Restricted cash	-	1,805,320
Total assets	$ 248,915	$ 4,131,731
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	$ -	$ 29,726
Unearned revenue	-	1,650,192
Total liabilities	-	1,679,918
Deferred Inflows of Resources:		
Taxes receivable	-	151,231
Opioid settlement	-	-
Total deferred inflows of resources	-	151,231
Fund Balances:		
Non-spendable:		
Inventory		-
Prepaids	-	105,038
Restricted:		-
Stabilization for State statute	-	536,066
Restricted, all other	248,915	1,667,126
Unassigned	-	(7,648)
Total fund balances	248,915	2,300,582
Total liabilities, deferred inflows of resources and fund balances	$ 248,915	$ 4,131,731

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Special Revenue Funds			
	Emergency Telephone System Fund (E-911)	Fire Districts Fund	American Rescue Plan Act Fund	Fines and Forfeiture Fund
Revenues:				
Ad valorem taxes	$ -	$ 4,159,054	$ -	$ -
Other taxes and licenses	-	1,666,700	-	-
Restricted intergovernmental revenues	30,247	517,676	94,526	-
Sales and services	-	-	-	451,299
Investment earnings	38,890	63,011	117,626	-
Total revenues	69,137	6,406,441	212,152	451,299
Expenditures:				
Current:				
General government	-	-	-	451,299
Public safety	331,086	6,320,615	94,526	-
Human Services	-	-	-	-
Total expenditures	331,086	6,320,615	94,526	451,299
Net change in fund balances	(261,949)	85,826	117,626	-
Fund Balances:				
Beginning of year - July 1	1,098,461	952,139	37,570	21,994
End of year - June 30	$ 836,512	$ 1,037,965	$ 155,196	$ 21,994

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Special Revenue Funds	
	Representative Payee Fund	Totals June 30, 2025
Revenues:		
Ad valorem taxes	$ -	$ 4,159,054
Other taxes and licenses	-	1,666,700
Restricted intergovernmental revenues	273,084	915,533
Sales and services	-	451,299
Investment earnings	-	219,527
Total revenues	273,084	7,412,113
Expenditures:		
Current:		
General government	-	451,299
Public safety	-	6,746,227
Human Services	227,218	227,218
Total expenditures	227,218	7,424,744
Net change in fund balances	45,866	(12,631)
Fund Balances:		
Beginning of year - July 1	203,049	2,313,213
End of year - June 30	$ 248,915	$ 2,300,582

CLEVELAND COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND (E-911)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ -	$ 30,247	$ 30,247
Investment income	-	38,890	38,890
Total revenues	-	69,137	69,137
Expenditures:			
Public safety:			
Operations	686,170	331,086	355,084
Capital expenditures	625,919	-	625,919
Total expenditures	1,312,089	331,086	981,003
Revenues over (under) expenditures	(1,312,089)	(261,949)	1,050,140
Other Financing Sources (Uses):			
Appropriated fund balance	1,312,089	-	(1,312,089)
Total other financing sources (uses)	1,312,089	-	(1,312,089)
Net change in fund balance	$ -	(261,949)	$ (261,949)
Fund Balance:			
Beginning of year - July 1		1,098,461	
End of year - June 30		$ 836,512	

CLEVELAND COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	$ 4,067,360	$ 4,159,054	$ 91,694
Unrestricted intergovernmental	1,714,374	1,666,700	(47,674)
Investment income	15,000	63,011	48,011
Total revenues	5,796,734	6,406,441	609,707
Expenditures:			
Capital outlay:			
Public safety	7,046,427	6,320,615	725,812
Total expenditures	7,046,427	6,320,615	725,812
Revenues over (under) expenditures	(1,249,693)	85,826	1,335,519
Other Financing Sources (Uses):			
Appropriated fund balance	1,249,693	-	(1,249,693)
Total other financing sources (uses)	1,249,693	-	(1,249,693)
Revenues over (under) expenditures and other financing sources (uses)	$ -	85,826	$ 85,826
Fund Balance:			
Beginning of year, July 1		952,139	
End of year, June 30		$ 1,037,965	

CLEVELAND COUNTY, NORTH CAROLINA

AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 1,251,735	$ 94,526	$ (1,157,209)
Investment Income	-	117,626	117,626
Total revenues	1,251,735	212,152	(1,039,583)
Expenditures:			
Public safety	1,251,735	94,526	1,157,209
Total expenditures	1,251,735	94,526	1,157,209
Revenues over (under) expenditures	-	117,626	117,626
Other Financing Sources (Uses):			
Transfers To:			
General Fund	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	$ -	117,626	$ 117,626
Fund Balance:			
Beginning of year - July 1		37,570	
End of year - June 30		$ 155,196	

CLEVELAND COUNTY, NORTH CAROLINA

FINES AND FORFEITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Sales and Services	$ 1,200,000	$ 451,299	$ (748,701)
Total revenues	1,200,000	451,299	(748,701)
Expenditures:			
General Government	1,200,000	451,299	748,701
Total expenditures	1,200,000	451,299	748,701
Revenues over (under) expenditures	$ -	-	$ -
Fund Balance:			
Beginning of year - July 1		21,994	
End of year - June 30		$ 21,994	

CLEVELAND COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 305,000	$ 273,084	$ (31,916)
Total revenues	305,000	273,084	(31,916)
Expenditures:			
Human Services	305,000	227,218	77,782
Total expenditures	305,000	227,218	77,782
Net change in fund balance	$ -	45,866	$ 45,866
Fund Balance:			
Beginning of year, July 1		203,049	
End of year, June 30		$ 248,915	

Nonmajor Governmental Funds

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

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

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
JUNE 30, 2025

	Nonmajor Capital Project Funds			
	General Capital Project Fund	Public Shooting Range Capital Project Fund	Capital Reserve Fund	Reimbursement Resolution Capital Reserve Fund
Assets:				
Cash and investments	$ -	$ 12,921	$ 3,346,020	$ 6,670,362
Accounts receivable, net	73,573	-	2,301	-
Prepaid Expense	179,700	-	-	-
Restricted cash	-	-	-	-
Total assets	$ 253,273	$ 12,921	$ 3,348,321	$ 6,670,362
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	$ 17,972	$ -	$ -	$ 5,000
Due to other funds	233,601	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	$ 251,573	$ -	$ -	$ 5,000
Fund Balances:				
Non-spendable				
Prepaids	$ 179,700	$ -	$ -	$ -
Restricted				
Stabilization for State statute	73,573	-	2,301	-
Restricted, all other	-	-	-	-
Committed	-	12,921	-	6,665,362
Assigned	-	-	3,346,020	-
Unassigned	(251,573)	-	-	-
Total fund balances	1,700	12,921	3,348,321	6,665,362
Total liabilities and fund balances	$ 253,273	$ 12,921	$ 3,348,321	$ 6,670,362

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
JUNE 30, 2025

	Nonmajor Capital Project Funds				
	School Capital Reserve Fund	Board of Elections Capital Project Fund	Shell Building IV Capital Project Fund	DSS Colocation Capital Project Fund	Public School Building Capital Fund
Assets:					
Cash and investments	$ -	$ 457,018	$ 1,764,459	$ -	$ -
Accounts receivable, net	1,525,352	6,792	-	44,747	-
Prepaid Expense	-	-	-	-	-
Restricted cash	10,533,661	-	-	-	-
Total assets	$ 12,059,013	$ 463,810	$ 1,764,459	$ 44,747	$ -
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 391,152	$ -	$ -	$ -
Due to other funds	-	-	-	44,747	-
Unearned revenue	-	-	-	-	-
Total liabilities	$ -	$ 391,152	$ -	$ 44,747	$ -
Fund Balances:					
Non-spendable					
Prepaids	$ -	$ -	$ -	$ -	$ -
Restricted					
Stabilization for State statute	1,525,352	6,792	-	44,747	-
Restricted, all other	10,533,661	65,866	1,764,459	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(44,747)	-
Total fund balances	12,059,013	72,658	1,764,459	-	-
Total liabilities and fund balances	$ 12,059,013	$ 463,810	$ 1,764,459	$ 44,747	$ -

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
JUNE 30, 2025

	Nonmajor Capital Project Funds			
	Broad River Greenway Improvements Fund	911 Call Center Project Fund	Cleveland County Fair Capital Project Fund	LaGrand AV System Capital Project Fund
Assets:				
Cash and investments	$ -	$ 1,036,259	$ -	$ 69,278
Accounts receivable, net	-	257,446	34,822	21,399
Prepaid Expense	-	-	-	-
Restricted cash	-	-	-	-
Total assets	$ -	$ 1,293,705	$ 34,822	$ 90,677
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ 854,665	$ -	$ 90,677
Due to other funds	-	-	107,480	-
Unearned revenue	-	417,966	-	-
Total liabilities	$ -	$ 1,272,631	$ 107,480	$ 90,677
Fund Balances:				
Non-spendable				
Prepaids	$ -	$ -	$ -	$ -
Restricted				
Stabilization for State statute	-	-	-	-
Restricted, all other	-	21,074	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(72,658)	-
Total fund balances	-	21,074	(72,658)	-
Total liabilities and fund balances	$ -	$ 1,293,705	$ 34,822	$ 90,677

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
JUNE 30, 2025

	Nonmajor Capital Project Funds	
	Waco Substation Capital Project Fund	Totals June 30, 2025
Assets:		
Cash and investments	$ -	$ 13,356,317
Accounts receivable, net	-	1,966,432
Prepaid Expense	-	179,700
Restricted cash	-	10,533,661
Total assets	$ -	$ 26,036,110
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	$ -	$ 1,359,466
Due to other funds	-	385,828
Unearned revenue	-	417,966
Total liabilities	$ -	$ 2,163,260
Fund Balances:		
Non-spendable		
Prepaids	$ -	$ 179,700
Restricted		
Stabilization for State statute	-	1,652,765
Restricted, all other	-	12,385,060
Committed	-	6,678,283
Assigned	-	3,346,020
Unassigned	-	(368,978)
Total fund balances	-	23,872,850
Total liabilities and fund balances	$ -	$ 26,036,110

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Capital Projects Funds			
	General Capital Project Fund	Public Shooting Range Capital Project Fund	Capital Reserve Fund	Reimbursement Resolution Capital Reserve Fund
Revenues:				
Other taxes and licenses	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	-	-	-	-
Investment earnings	-	-	42,120	45,358
Local revenues	55,000	-	-	-
Total revenues	55,000	-	42,120	45,358
Expenditures:				
Current:				
General government	2,065,522	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	53,857
Education	-	-	-	-
Debt service:				
Principal repayments	185,831	-	-	-
Interest	12,987	-	-	-
Total expenditures	2,264,340	-	-	53,857
Revenues over (under) expenditures	(2,209,340)	-	42,120	(8,499)
Other Financing Sources (Uses):				
Proceeds on Sale of Assets	-	-	-	-
Transfers from:				
General Fund	-	-	1,582,300	-
Capital Reserve Fund	2,211,040	-	-	-
Reimbursement Resolution CRF	-	-	-	
Transfers to:				
General Fund	-	-	-	-
County General Capital Projects Fund	-	-	(3,226,099)	(116,765)
Debt Service Fund	-	-	-	-
Total other financing sources (uses)	2,211,040	-	(1,643,799)	(116,765)
Net change in fund balances	1,700	-	(1,601,679)	(125,264)
Fund Balances:				
Beginning of year - July 1	-	12,921	4,950,000	6,790,626
End of year - June 30	$ 1,700	$ 12,921	$ 3,348,321	$ 6,665,362

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Capital Projects Funds				
	School Capital Reserve Fund	Board of Elections Capital Project Fund	Shell Building IV Capital Project Fund	DSS Colocation Capital Project Fund	Public School Building Capital Fund
Revenues:					
Other taxes and licenses	$ 5,653,951	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	-	-	-	-	425,316
Investment earnings	790,033	-	-	-	-
Local revenues	719	-	-	-	-
Total revenues	6,444,703	-	-	-	425,316
Expenditures:					
Current:					
General government	-	1,172,170	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Education	-	-	-	-	425,316
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	1,172,170	-	-	425,316
Revenues over (under) expenditures	6,444,703	(1,172,170)	-	-	-
Other Financing Sources (Uses):					
Proceeds on Sale of Assets	-	-	1,763,776	-	-
Transfers from:					
General Fund	1,233,170	1,130,770	-	-	-
Capital Reserve Fund	-	114,058	-	-	-
Reimbursement Resolution CRF	-	-	-	-	-
Transfers to:					
General Fund	(3,721,014)	-	-	-	-
County General Capital Projects Fund	-	-	-	-	-
Debt Service Fund	(3,410,677)	-	-	-	-
Total other financing sources (uses)	(5,898,521)	1,244,828	1,763,776	-	-
Net change in fund balances	546,182	72,658	1,763,776	-	-
Fund Balances:					
Beginning of year - July 1	11,512,831	-	683	-	-
End of year - June 30	$ 12,059,013	$ 72,658	$ 1,764,459	$ -	$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Capital Projects Funds			
	Broad River Greenway Improvements Fund	911 Call Center Capital Project Fund	Cleveland County Fair Capital Project Fund	LaGrand AV System Capital Project Fund
Revenues:				
Other taxes and licenses	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	-	5,014,087	1,588,685	-
Investment earnings	-	10,078	-	-
Local revenues	-	-	-	-
Total revenues	-	5,024,165	1,588,685	-
Expenditures:				
Current:				
General government	-	-	-	184,961
Public safety	-	5,542,590	-	-
Economic and physical development	116,765	-	2,506,867	-
Education	-	-	-	-
Debt service:				
Principal repayments	-	-	-	-
Interest	-	-	-	-
Total expenditures	116,765	5,542,590	2,506,867	184,961
Revenues over (under) expenditures	(116,765)	(518,425)	(918,182)	(184,961)
Other Financing Sources (Uses):				
Proceeds on Sale of Assets	-	-	-	-
Transfers from:				
General Fund	-	-	507,987	-
Capital Reserve Fund	-	528,503	337,537	184,961
Reimbursement Resolution CRF	116,765	-	-	-
Transfers to:				
General Fund	-	-	-	-
County General Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Total other financing sources (uses)	116,765	528,503	845,524	184,961
Net change in fund balances	-	10,078	(72,658)	-
Fund Balances:				
Beginning of year - July 1	-	10,996	-	-
End of year - June 30	$ -	$ 21,074	$ (72,658)	$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Nonmajor Capital Projects Funds	
	Waco Substation Capital Project Fund	Totals June 30, 2025
Revenues:		
Other taxes and licenses	$ -	$ 5,653,951
Restricted intergovernmental revenues	-	7,028,088
Investment earnings	-	887,589
Local revenues	-	55,719
Total revenues	-	13,625,347
Expenditures:		
Current:		
General government	-	3,422,653
Public safety	-	5,542,590
Economic and physical development	6,000	2,683,489
Education	-	425,316
Debt service:		
Principal repayments	-	185,831
Interest	-	12,987
Total expenditures	6,000	12,272,866
Revenues over (under) expenditures	(6,000)	1,352,481
Other Financing Sources (Uses):		
Proceeds on Sale of Assets	-	1,763,776
Transfers from:		
General Fund	6,000	4,460,227
Capital Reserve Fund	-	3,376,099
Reimbursement Resolution CRF	-	116,765
Transfers to:		
General Fund	-	(3,721,014)
County General Capital Projects Fund	-	(3,342,864)
Debt Service Fund	-	(3,410,677)
Total other financing sources (uses)	6,000	(757,688)
Net change in fund balances	-	594,793
Fund Balances:		
Beginning of year - July 1	-	23,278,057
End of year - June 30	$ -	$ 23,872,850

CLEVELAND COUNTY, NORTH CAROLINA

GENERAL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Local Revenues	$ -	$ 55,000	$ 55,000
Total revenues	-	55,000	55,000
Expenditures:			
Capital outlay:			
General government	2,374,643	2,065,522	309,121
Debt Service:			
Principal	-	185,831	(185,831)
Interest	-	12,987	(12,987)
Total expenditures	2,374,643	2,264,340	110,303
Revenues over (under) expenditures	(2,374,643)	(2,209,340)	165,303
Other Financing Sources (Uses):			
Transfers in:			
From Capital Reserve Fund	1,779,800	2,211,040	431,240
From School Capital Reserve Fund	430,000	-	(430,000)
Appropriated fund balance	164,843	-	(164,843)
Total other financing sources (uses)	2,374,643	2,211,040	(163,603)
Net change in fund balance	$ -	1,700	$ 1,700
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		$ 1,700	

CLEVELAND COUNTY, NORTH CAROLINA

PUBLIC SHOOTING RANGE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted intergovernmental	$ -	$ -	$ -	$ -	$ -
Local Revenues	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay:					
Economic development	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	-	12,921	-	12,921	12,921
Total other financing sources (uses)	-	12,921	-	12,921	12,921
Net change in fund balance	$ -	$ 12,921	-	$ 12,921	$ 12,921
Fund Balance:					
Beginning of year - July 1			12,921		
End of year - June 30			$ 12,921		

CLEVELAND COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Local revenues	$ -	$ -	$ -
Investment income	-	42,120	42,120
Total revenues	-	42,120	42,120
Other Financing Sources (Uses):			
Transfers from:			
General Fund	1,582,300	1,582,300	-
Transfers to:			
Capital Projects Funds	(5,470,270)	(3,226,099)	2,244,171
Appropriated fund balance	3,887,970	-	(3,887,970)
Total other financing sources (uses)	-	(1,643,799)	(1,643,799)
Net change in fund balance	$ -	(1,601,679)	$ (1,601,679)
Fund Balance:			
Beginning of year - July 1		4,950,000	
End of year - June 30		$ 3,348,321	

CLEVELAND COUNTY, NORTH CAROLINA

REIMBURSEMENT RESOLUTION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	$ -	$ 31,538	$ -	$ 31,538	$ 31,538
Investment earnings	-	482,508	45,358	527,866	527,866
Local Revenues	-	1,033,590	-	1,033,590	1,033,590
Total revenues	-	1,547,636	45,358	1,592,994	1,592,994
Expenditures:					
Capital outlay:					
Economic development	16,635,575	10,982,096	53,857	11,035,953	5,599,622
Total expenditures	16,635,575	10,982,096	53,857	11,035,953	5,599,622
Revenues over (under) expenditures	(16,635,575)	(9,434,460)	(8,499)	(9,442,959)	7,192,616
Other Financing Sources (Uses):					
Installment financing issued	19,975,833	19,975,833	-	19,975,833	-
Transfers in:					
From General Fund	-	1,200,000	-	1,200,000	1,200,000
From Capital Projects	-	219,075	-	219,075	219,075
Transfers out:					
To Capital Projects	(5,387,491)	(5,169,822)	(116,765)	(5,286,587)	100,904
Appropriated fund balance	2,047,233	-	-	-	(2,047,233)
Total other financing sources (uses)	16,635,575	16,225,086	(116,765)	16,108,321	(527,254)
Net change in fund balance	$ -	$ 6,790,626	(125,264)	$ 6,665,362	$ 6,665,362
Fund Balance:					
Beginning of year - July 1			6,790,626		
End of year - June 30			$ 6,665,362		

CLEVELAND COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Other taxes and licenses	$ 4,552,113	$ 5,653,951	$ 1,101,838
Restricted intergovernmental	600,000	-	(600,000)
Investment earnings	-	790,033	790,033
Local revenues	-	719	719
Total revenues	5,152,113	6,444,703	1,292,590
Revenues over (under) expenditures	5,152,113	6,444,703	1,292,590
Other Financing Sources (Uses):			
Transfers from:			
General Fund	1,990,753	1,233,170	757,583
Transfers to:			
General Fund	(3,732,189)	(3,721,014)	(11,175)
Debt Service Fund	(3,410,677)	(3,410,677)	-
Total other financing sources (uses)	(5,152,113)	(5,898,521)	746,408
Net change in fund balance	$ -	546,182	$ 546,182
Fund Balance:			
Beginning of year - July 1		11,512,831	
End of year - June 30		$ 12,059,013	

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY BOARD OF ELECTIONS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay:					
General Government	2,074,360	293,902	1,172,170	1,466,072	608,288
Total expenditures	2,074,360	293,902	1,172,170	1,466,072	608,288
Revenues over (under) expenditures	(2,074,360)	(293,902)	(1,172,170)	(1,466,072)	608,288
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	1,324,360	-	1,130,770	1,130,770	(193,590)
From Capital Reserve Fund	456,097	293,902	114,058	407,960	(48,137)
Appropriated fund balance	293,903	-	-	-	(293,903)
Total other financing sources (uses)	2,074,360	293,902	1,244,828	1,538,730	(535,630)
Net change in fund balance	$ -	$ -	72,658	$ 72,658	$ 72,658
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ 72,658		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY SHELL BUILDING IV CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual				Variance Positive (Negative)
		Prior Years	Current Year	Closed Out	Total to Date	
Revenues:						
Investment earnings	$ -	$ 683	$ -	$ -	$ 683	$ 683
Total revenues	-	683	-	-	683	683
Expenditures:						
Capital outlay:						
Economic Development	-	8,500,000	-	(8,500,000)	-	-
Total expenditures	-	8,500,000	-	(8,500,000)	-	-
Revenues over (under) expenditures	-	(8,499,317)	-	8,500,000	683	683
Other Financing Sources (Uses):						
Installment Proceeds	-	8,500,000	-	(8,500,000)	-	-
Proceeds on Sale of Assets	-	-	1,763,776	-	1,763,776	1,763,776
Total other financing sources (uses)	-	8,500,000	1,763,776	(8,500,000)	1,763,776	1,763,776
Net change in fund balance	$ -	$ 683	1,763,776	$ -	$ 1,764,459	$ 1,764,459
Fund Balance:						
Beginning of year - July 1			683			
End of year - June 30			$ 1,764,459			

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY DSS COLOCATION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay:					
Human Services	$ -	$ -	$ -	$ -	$ -
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Installment Proceeds	-	-	-	-	-
Transfers in:					
From Capital Reserve Fund	-	-	-	-	-
Appropriated fund balance	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ -		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY PUBLIC SCHOOL BUILDING CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental					
Public School Capital	$ 29,304,500	$ 28,865,153	$ 425,316	$ 29,290,469	$ (14,031)
Total revenues	29,304,500	28,865,153	425,316	29,290,469	(14,031)
Expenditures:					
Capital outlay:					
Education	29,304,500	28,865,153	425,316	29,290,469	14,031
Total expenditures	29,304,500	28,865,153	425,316	29,290,469	14,031
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ -		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY BROAD RIVER GREENWAY IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual				Variance Positive (Negative)
		Prior Years	Current Year	Closed Out	Total to Date	
Revenues:						
Restricted Intergovernmental	$ 100,000	$ -	$ -	$ -	$ -	$ (100,000)
Total revenues	100,000	-	-	-	-	(100,000)
Expenditures:						
Capital outlay:						
Economic and Physical Development	$ 225,962	$ 149,040	$ 116,765	$ (149,040)	$ 116,765	$ 109,197
Total expenditures	225,962	149,040	116,765	(149,040)	116,765	109,197
Revenues over (under) expenditures	(125,962)	(149,040)	(116,765)	149,040	(116,765)	9,197
Other Financing Sources (Uses):						
Transfers in:						
From Reimbursement Resolution	125,962	149,040	116,765	(149,040)	116,765	(9,197)
Total other financing sources (uses)	125,962	149,040	116,765	(149,040)	116,765	(9,197)
Net change in fund balance	$ -	$ -	-	$ -	$ -	$ -
Fund Balance:						
Beginning of year - July 1			-			
End of year - June 30			$ -			

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY E911 CALL CENTER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental	$ 6,949,910	$ 530,017	$ 5,014,087	$ 5,544,104	$ (1,405,806)
Investment Earnings	-	10,996	10,078	21,074	21,074
Total revenues	6,949,910	541,013	5,024,165	5,565,178	(1,384,732)
Expenditures:					
Capital outlay:					
Public Safety	9,969,325	625,999	5,542,590	6,168,589	3,800,736
Total expenditures	9,969,325	625,999	5,542,590	6,168,589	3,800,736
Revenues over (under) expenditures	(3,019,415)	(84,986)	(518,425)	(603,411)	2,416,004
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	3,019,415	95,982	528,503	624,485	(2,394,930)
Total other financing sources (uses)	3,019,415	95,982	528,503	624,485	(2,394,930)
Net change in fund balance	$ -	$ 10,996	10,078	$ 21,074	$ 21,074
Fund Balance:					
Beginning of year - July 1			10,996		
End of year - June 30			$ 21,074		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY FAIR ENHANCEMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental	$ 2,577,523	$ 888,837	$ 1,588,685	$ 2,477,522	$ (100,001)
Total revenues	2,577,523	888,837	1,588,685	2,477,522	(100,001)
Expenditures:					
Capital outlay:					
Economic and Physical Development	3,595,510	988,837	2,506,867	3,495,704	99,806
Total expenditures	3,595,510	988,837	2,506,867	3,495,704	99,806
Revenues over (under) expenditures	(1,017,987)	(100,000)	(918,182)	(1,018,182)	(195)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	507,987	-	507,987	507,987	-
From Capital Reserve Fund	510,000	100,000	337,537	437,537	(72,463)
Appropriated fund balance	-	-	-	-	-
Total other financing sources (uses)	1,017,987	100,000	845,524	945,524	(72,463)
Net change in fund balance	$ -	$ -	(72,658)	$ (72,658)	$ (72,658)
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ (72,658)		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY LAGRAND AV SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Capital outlay:					
General Government	$ 412,458	$ 212,542	$ 184,961	$ 397,503	$ 14,955
Total expenditures	412,458	212,542	184,961	397,503	14,955
Revenues over (under) expenditures	(412,458)	(212,542)	(184,961)	(397,503)	14,955
Other Financing Sources (Uses):					
Transfers in:					
From Capital Reserve Fund	412,458	212,542	184,961	397,503	(14,955)
Total other financing sources (uses)	412,458	212,542	184,961	397,503	(14,955)
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			$ -		

CLEVELAND COUNTY, NORTH CAROLINA

CLEVELAND COUNTY WACO SUBSTATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

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

Debt Service Fund

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

CLEVELAND COUNTY, NORTH CAROLINA

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 1,484,123	$ 1,490,657	$ 6,534
Total revenues	1,484,123	1,490,657	6,534
Expenditures:			
Debt service:			
Principal repayments	6,220,481	5,974,683	245,798
Interest and fees	1,116,137	927,692	188,445
Total expenditures	7,336,618	6,902,375	434,243
Revenues over (under) expenditures	(5,852,495)	(5,411,718)	440,777
Other Financing Sources (Uses):			
Transfers in:			
From General Fund	3,562,670	2,852,120	(710,550)
From School Capital Reserve Fund	2,289,825	3,410,677	1,120,852
Total other financing sources (uses)	5,852,495	6,262,797	410,302
Net change in fund balance	$ -	851,079	$ 851,079
Fund Balance:			
Beginning of year - July 1		6,636,221	
End of year - June 30		$ 7,487,300	

Enterprise Fund

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

Individual Fund Descriptions:

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

CLEVELAND COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Fees for service	$ 8,838,823	$ 9,647,789	$ 808,966
Non-operating revenues:			
Other taxes and fees	760,700	804,970	44,270
Interest income	-	414,667	414,667
Total revenues	9,599,523	10,867,426	1,267,903
Expenditures:			
Solid Waste Disposal:			
Salaries and employee benefits	2,737,105	2,873,822	(136,717)
Other operating expenditures	5,152,414	3,749,477	1,402,937
Capital outlay	2,152,687	1,617,769	534,918
Total Solid Waste Disposal	10,042,206	8,241,068	1,801,138
Solid Waste Collections:			
Salaries and employee benefits	850,147	781,978	68,169
Other operating expenditures	2,516,566	2,040,913	475,653
Capital outlay	36,000	17,100	18,900
Total Solid Watse Collections	3,402,713	2,839,991	562,722
Total expenditures	13,444,919	8,241,068	5,203,851
Revenue over (under) expenditures	(3,845,396)	2,626,358	(3,935,948)
Other Financing Sources (Uses):			
Transfers out	(429,335)	(429,335)	-
Appropriated retained earnings	4,274,731	-	(4,274,731)
Total other financing sources (uses)	3,845,396	(429,335)	(4,274,731)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	2,197,023	$ 2,197,023

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Reconciling items:	
Decrease in deferred outflows of resources - OPEB	(25,970)
Increase in deferred inflows of resources -OPEB	35,131
Increase in OPEB liability	31,286
Capital outlay, capitalized	1,617,769
Change in accrued vacation	357,446
Post-closure care costs	(865,155)
Increase in deferred outflows of resources - pensions	(195,100)
Increase in net pension liability	7,443
Decrease in deferred inflows of resources - pensions	(18,853)
Depreciation	(1,104,490)
Total reconciling items	(160,493)
Change in net position	$ 2,036,530

Custodial Funds

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

Individual Fund Descriptions:

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

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

CLEVELAND COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Assets			
Cash and cash equivalents	$ 357,015	$ 97,407	$ 454,422
Taxes receivable for other governments, net	1,035,574	-	1,035,574
Other receivables	-	-	-
Total assets	1,392,589	97,407	1,489,996
Liabilities			
Accounts payable and accrued liabilities	356,491	-	356,491
Due to other governments	-	-	-
Total liabilities	356,491	-	356,491
Net Position			
Restricted for:			
Individuals, organizations, and other governments	1,036,098	97,407	1,133,505
Total net position	$ 1,036,098	$ 97,407	$ 1,133,505

CLEVELAND COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions			
Ad valorem taxes for other governments	$ 25,957,331	$ -	$ 25,957,331
Collections on behalf of inmates	-	629,881	629,881
Total additions	25,957,331	629,881	26,587,212
Deductions			
Tax distributions to other governments	26,049,572	-	26,049,572
Payments on behalf of inmates	-	622,857	622,857
Total deductions	26,049,572	622,857	26,672,429
Net increase (decrease) in fiduciary net position	(92,241)	7,024	(85,217)
Net position, beginning	1,128,339	90,383	1,218,722
Net position, ending	$ 1,036,098	$ 97,407	$ 1,133,505

Additional Financial Data

This section contains additional information on taxes receivable, the tax levy, and schedule of revenues and expenditures for Cleveland County as of June 30, 2025.

CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	$ -	$ 78,127,809	$ 76,925,539	$ 1,202,270
2023-2024	1,339,625	-	630,234	709,391
2022-2023	696,715	-	212,172	484,543
2021-2022	271,257	-	102,896	168,361
2020-2021	194,797	-	49,563	145,234
2019-2020	274,685	-	25,450	249,235
2018-2019	143,309	-	20,820	122,489
2017-2018	78,853	-	9,755	69,098
2016-2017	50,323	-	6,752	43,571
2015-2016	56,713	-	5,493	51,220
2014-2015	62,486	-	62,486	-
Total	$ 3,168,763	$ 78,127,809	$ 78,051,160	3,245,412

Less: allowance for uncollectible accounts: General Fund	(790,108)
Ad valorem taxes receivable net: General Fund	$ 2,455,304

Reconciliation with Revenues:

Ad valorem taxes - General Fund	$ 77,911,643
Reconciling items:	
Interest	(562,461)
Adjustments and abatements	497,016
Other miscellaneous adjustments	(81,556)
Incentivized paybacks	224,032
Amounts written off per Statute of Limitations	62,486
Total collections and credits	$ 78,051,160

CLEVELAND COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2025

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	$ 10,281,622,691	0.6875	$ 70,686,156	$ 62,620,936	$ 8,065,220
Penalty	-		361,760	361,760	-
Total	10,281,622,691		71,047,916	62,982,696	8,065,220
Discoveries:					
Current year taxes	1,028,550,836	0.6875	7,071,287	7,071,287	-
Prior year taxes	74,196,970	0.6875	489,700	489,700	-
Prior year taxes	2,487,813	0.71	15,922	15,922	-
Total	1,105,235,619		7,576,909	7,576,909	-
Abatements					
Current year taxes	(71,596,218)	0.6875	(492,224)	(492,224)	-
Prior year taxes	(697,018)	0.71	(4,792)	(4,792)	-
Total	(72,293,236)		(497,016)	(497,016)	-
Total property valuation	$ 11,315,262,091				
Net Levy			78,127,809	70,062,589	8,065,220
Uncollected taxes at June 30, 2025			(1,202,270)	(1,202,270)	-
Current Year's Taxes Collected			$ 76,925,539	$ 68,860,319	$ 8,065,220
Current Levy Collection Percentage			98.46%	98.28%	100.00%

Statistical Section

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

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities											
Net investment in capital assets	$ 96,884,891	$ 103,435,523	$ 82,890,909	$ 84,463,578	$ 86,494,103	$ 80,780,670	$ 78,440,880	$ 84,103,556	$ 101,636,238	117,456,363	187,454,014
Restricted	14,935,402	18,719,625	29,407,653	21,716,519	22,268,506	20,148,657	24,363,362	25,102,730	38,435,503	39,147,301	48,788,675
Unrestricted	(3,827,118)	(7,345,176)	4,700,168	(4,027,666)	(3,053,611)	5,480,597	11,294,543	23,902,557	23,082,357	35,237,979	(455,069)
Total governmental activities	$ 107,993,175	$ 114,809,972	$ 116,998,730	$ 102,152,431	$ 105,708,998	$ 106,409,924	$ 114,098,785	$ 133,108,843	$ 163,154,098	191,841,643	235,787,620
Business-type activities											
Net investment in capital assets	$ 16,448,095	$ 17,184,372	$ 22,236,046	$ 22,669,381	$ 23,143,736	$ 23,299,376	$ 23,335,901	$ 23,208,942	$ 23,698,771	23,033,757	23,551,497
Unrestricted	(6,405,462)	(6,020,500)	(10,259,677)	(11,637,138)	(10,469,654)	(20,794,826)	(21,245,533)	(20,355,317)	(19,962,195)	(19,551,622)	(21,169,116)
Total business-type activities	$ 10,042,633	$ 11,163,872	$ 11,976,369	$ 11,032,243	$ 12,674,082	$ 2,504,550	$ 2,090,368	$ 2,853,625	$ 3,736,576	3,482,135	2,382,381
Primary government											
Net investment in capital assets	$ 113,332,986	$ 120,619,895	$ 105,126,955	$ 107,132,959	$ 109,637,839	$ 104,080,046	$ 101,776,781	$ 107,312,498	$ 125,335,009	140,490,120	211,005,511
Restricted	14,935,402	18,719,625	29,407,653	21,716,519	22,268,506	20,148,657	24,363,362	25,102,730	38,435,503	39,147,301	48,788,675
Unrestricted	(10,232,580)	(13,365,676)	(5,559,509)	(15,664,804)	(13,523,265)	(15,314,229)	(9,950,990)	3,547,240	3,120,162	15,686,357	(21,624,185)
Total primary government net position	$ 118,035,808	$ 125,973,844	$ 128,975,099	$ 113,184,674	$ 118,383,080	$ 108,914,474	$ 116,189,153	$ 135,962,468	$ 166,890,674	195,323,778	238,170,001

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

	Fiscal Year						Fiscal Year				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses											
Governmental activities:											
General government	$ 9,192,572	$ 11,020,393	$ 11,852,530	$ 13,385,504	$ $16,206,681	$ $19,866,977	$ $18,153,438	$ 18,673,778	$ 12,784,906	22,393,696	53,836,322
Public safety	23,023,383	25,934,833	25,546,272	29,382,033	31,238,186	34,113,907	39,328,539	39,856,789	48,337,683	58,033,374	60,094,158
Human services	37,343,610	38,328,743	36,826,648	34,213,345	35,995,884	35,659,097	34,605,901	34,789,359	36,753,772	40,402,127	39,885,462
Education	28,527,582	30,170,441	30,252,460	32,706,674	32,645,084	33,471,594	36,165,259	33,518,685	54,350,996	49,257,523	39,240,923
Economic and physical development	4,887,922	5,553,981	8,076,066	17,169,078	7,211,865	5,954,351	5,913,415	13,755,654	14,679,651	6,549,351	7,479,707
Cultural and recreation	698,756	1,673,852	688,520	1,761,508	1,503,021	1,136,245	470,975	1,006,307	865,200	837,631	1,694,946
Interest on long term debt	1,791,022	1,904,752	1,741,975	2,411,379	2,247,146	2,065,998	1,891,833	1,344,504	1,344,909	1,262,439	818,828
Total governmental activities	105,464,847	114,586,995	114,984,471	131,029,521	127,047,867	132,268,169	136,529,360	142,945,076	169,117,117	178,736,141	203,050,346
Business-type activities:											
Landfill	4,679,344	4,862,707	5,927,192	7,916,155	6,380,315	16,996,569	8,281,509	6,116,658	9,116,937	10,394,945	11,224,452
Conference center	-	-	-	-	-	-	-	-	-	-	
Total business-type activities	4,679,344	4,862,707	5,927,192	7,916,155	6,380,315	16,996,569	8,281,509	6,116,658	9,116,937	10,394,945	11,224,452
Total primary government expenses	$ 110,144,191	$ 119,449,702	$ 120,911,663	$ 138,945,676	$ 133,428,182	$ 149,264,738	$ 144,810,869	$ 149,061,734	$ 178,234,054	189,131,086	214,274,798
Program Revenues											
Governmental activities											
Charges for services:											
General government	$ 3,164,697	$ 3,537,614	$ 3,592,173	$ 3,854,639	$ 3,906,891	$ $2,890,925	$ $4,585,674	$ 3,921,923	$ 5,651,316	5,877,312	5,895,440
Public safety	2,264,490	2,334,725	2,004,684	2,582,628	3,206,964	2,892,983	5,212,395	4,220,281	10,495,773	11,359,062	14,862,276
Human services	-	-	3,817,502	3,950,570	3,831,593	3,726,656	15,416,673	3,958,393	5,760,252	5,646,874	5,884,920
Education	-	-	-	-	-	-	-	-	281,161	-	
Economic and physical development	3,939,136	5,340,699	370,675	226,392	238,696	317,471	399,903	412,721	18,557	414,704	236,395
Cultural and recreation	-	-	-	-	-	-	-	-	-	11,056	25,551
Operating grants and contributions:											
General government	3,058,427	2,284,872	1,351,849	1,917,858	1,521,611	$2,937,159	$2,126,341	13,322,466	3,207,242	4,004,122	8,555,903
Public safety	369,245	155,891	355,316	258,388	464,295	561,328	662,005	2,312,137	3,174,179	7,970,670	971,048
Human services	20,024,711	20,176,304	17,834,543	19,695,707	19,304,541	18,471,804	10,916,922	22,411,642	24,424,686	15,382,476	17,218,858
Education	-	1,231,021	-	-	-	-	-	-	-	1,000,000	
Economic and physical development	107,025	-	-	-	-	-	-	-	726,464	591,934	909,789
Cultural and recreation	-	-	184,000	33,000	33,768	1,717	28,393	-	304,129	195,033	206,861
Capital grants and contributions:											
General government	450,760	40,542	-	-	-	-	1,752,082	-	-	88,000	
Public safety	298,438	183,461	-	1,088,296	1,861,658	-	-	450,000	9,999,106	14,126,939	71,431,065
Human services	4,311,346	4,140,732	4,351,935	1,679,551	1,855,251	1,921,253	1,566,451	1,116,360	-	-	
Education	1,595,639	1,593,900	1,093,478	1,289,305	1,044,355	1,758,942	575,002	545,431	19,249,553	10,590,540	425,316
Economic and physical development	-	2,063,691	1,670,321	1,167,046	2,345,007	1,122,124	-	-	32,343	856,494	1,588,685
Cultural and recreation	-	-	-	-	-	25,384	424,641	-	-	-	
Total governmental activities program revenues	39,583,914	43,083,452	36,626,476	37,743,380	39,614,630	$36,627,746	$43,666,482	52,671,354	83,324,761	78,115,216	128,212,107
Business-type activities:											
Charges for services	5,976,341	5,746,746	5,996,327	7,037,731	7,404,183	7,475,752	7,754,153	6,368,705	9,398,600	9,468,147	9,647,789
Operating grants and contributions	108,734	-	-	-	-	-	-	-	-	-	
Capital grants and contributions	-	3,700	-	-	-	-	-	-	-	-	
Total business-type activities program revenues	6,085,075	5,750,446	5,996,327	7,037,731	7,404,183	7,475,752	7,754,153	6,368,705	9,398,600	9,468,147	9,647,789
Total primary government program revenues	$ 45,668,989	$ 48,833,898	$ 42,622,803	$ 44,781,111	$ 47,018,813	$ 44,103,498	$ 51,420,635	$ 59,040,059	$ 92,723,361	87,583,363	137,859,896
Net (Expense)/Revenue											
Governmental activities	$ (65,880,933)	$ (71,503,543)	$ (78,357,995)	$ (93,286,141)	$ (87,433,237)	$ (95,640,423)	$ (92,862,878)	$ (90,273,722)	$ (85,792,356)	(100,620,925)	(74,838,239)
Business-type activities	1,405,731	887,739	69,135	(878,424)	1,023,868	(9,520,817)	(527,356)	252,047	281,663	(926,798)	(1,576,663)
Total primary government net (expense)/revenue	$ (64,475,202)	$ (70,615,804)	$ (78,288,860)	$ (94,164,565)	$ (86,409,369)	$ (105,161,240)	$ (93,390,234)	$ (90,021,675)	$ (85,510,693)	(101,547,723)	(76,414,902)

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

	Fiscal Year										
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Revenues and Other Changes in Net Position											
Governmental activities:											
Property taxes	$ 59,587,494	$ 60,047,655	$ 61,266,854	$ 63,400,076	$ 66,988,662	$ 70,909,731	$ 73,371,750	$ 78,507,314	$ 79,974,882	81,887,675	81,901,279
Local option sales tax	17,202,034	17,561,662	19,434,159	21,425,575	21,292,439	20,666,648	24,177,027	20,057,021	28,269,805	29,250,887	32,176,034
Other taxes and licenses	-	-	360,205	122,392	127,770	223,981	-	202,785	1,993,728	1,854,708	2,048,964
Grants and contributions not restricted	-	-	-	-	-	-	-	-	-	-	
Investment earnings	188,580	278,703	595,379	839,841	1,316,562	1,608,680	362,361	1,609,415	2,537,792	3,986,216	6,619,137
Miscellaneous	-	-	568,882	687,665	750,305	1,645,121	2,019,378	(4,593,894)	2,506,802	2,507,092	4,193,086
Special item:											
Gain/(loss) on sale of capital asset	-	-	-	-	-	-	-	-	-	-	
Transfers	125,966	432,320	-	-	-	1,287,188	515,335	(609,755)	515,335	415,335	
Total governmental activities:	77,104,074	78,320,340	82,225,479	86,475,549	90,475,738	96,341,349	100,445,851	95,172,886	115,798,344	119,901,913	126,938,500
Business-type activities:											
Investment earnings	1,004	13,557	31,524	26,814	77,333	59,933	777	188,366	244,253	439,958	414,667
Miscellaneous	515,482	652,263	711,838	644,313	788,587	578,540	627,732	642,166	872,370	865,663	804,970
Transfers	(125,967)	(432,320)	-	-	-	(1,287,188)	(515,335)	-	(515,335)	(415,335)	
Total business-type activities	390,519	233,500	743,362	671,127	865,920	(648,715)	113,174	830,532	601,288	890,286	1,219,637
Total primary government	$ 77,494,593	$ 78,553,840	$ 82,968,841	$ 87,146,676	$ 91,341,658	$ 95,692,634	$ 100,559,025	$ 96,003,418	$ 116,399,632	120,792,199	128,158,137
Change in Net Position											
Governmental activities	$ 11,223,141	$ 6,816,797	$ 3,867,484	$ (6,810,592)	$ 3,042,501	$ 700,926	$ 7,582,973	$ 4,899,164	$ 30,005,988	19,280,988	52,100,261
Business-type activities	1,796,250	1,121,239	812,497	(207,297)	1,889,788	(10,169,532)	(414,182)	1,082,579	882,951	(36,512)	(357,026)
Total primary government	$ 13,019,391	$ 7,938,036	$ 4,679,981	$ (7,017,889)	$ 4,932,289	$ (9,468,606)	$ 7,168,791	$ 5,981,743	$ 30,888,939	19,244,476	51,743,235

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

	Fiscal Year										
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund											
Non-spendable:											
Inventories	$ 144,859	$ 172,014	$ 92,666	$ 106,556	$ 108,852	$ 109,512	$ 102,436	$ 148,826	$ 219,264	270,174	215,107
Long-Term receivable	-	-	91,764	73,412	-	-	-	-	-	-	
Leases	-	-	-	-	-	-	-	3,428	-	-	
Prepaid items	241,229	201,261	880,263	339,516	396,008	507,947	376,937	451,522	423,354	341,006	322,574
Restricted:											
Stabilization for State statute	6,873,561	7,070,633	6,583,257	8,185,106	8,647,664	7,507,168	11,612,772	13,424,185	11,442,113	10,185,609	15,948,001
Register of Deeds	-	-	76,671	121,964	172,918	189,798	189,798	189,798	137,557	198,373	101,778
Restricted, all other	1,202,757	3,114,229	2,432,842	2,465,389	2,465,389	2,343,740	2,343,740	2,343,740	1,140,136	960,703	1,058,968
Committed:										8,597,606	7,900,291
Construction	9,257,021	-	-	-	-	-	-	-	-	-	
Other	-	-	15,426	15,426	1,015,426	15,426	15,426	15,426	106,760	-	
Assigned for subsequent year's expenditures	6,025,000	4,809,895	4,555,046	5,204,151	4,992,241	4,465,278	5,780,387	4,238,027	7,218,696	7,218,696	9,394,394
Assigned all other	3,025,000	4,015,426	5,000,000	5,000,000	3,300,000	7,083,120	4,000,000	4,000,000	192,162	469,748	497,948
Unassigned:	17,516,639	19,127,229	19,892,312	19,358,902	20,716,473	21,136,357	23,183,392	27,600,715	40,236,496	30,343,130	22,053,463
Total General Fund	$ 44,286,066	$ 38,510,687	$ 39,620,247	$ 40,870,422	$ 41,814,971	$ 43,358,346	$ 47,604,888	$ 52,415,667	$ 61,116,538	58,585,045	57,492,524
All Other Governmental Funds											
Non-spendable:											
Prepaid items	$ -	$ 43,573	$ 10,856	$ 71,930	$ 51,164	$ 79,798	$ 122,851	$ 329,319	$ 238,251	370,514	284,738
Restricted:											
Stabilization for State statute	1,254,152	1,238,907	1,781,340	1,440,840	1,919,165	2,419,513	1,439,815	2,270,719	6,883,056	3,210,486	2,192,674
Restricted, all other	5,809,555	8,548,950	29,728,948	9,206,155	8,917,423	7,534,540	8,739,462	13,770,549	18,667,155	24,469,590	29,367,525
Committed:											6,678,283
Special revenue and debt service funds	15,675	469,261	-	-	-	-	-	-	-	-	
Capital project funds	-	499,948	9,832,946	8,135,803	8,123,200	8,123,200	7,369,051	14,740,602	6,749,919	6,803,547	
Assigned all other:	-	-	2,269,942	2,881,403	2,794,155	2,881,711	5,994,552	8,469,035	11,155,898	10,577,887	10,833,320
Unassigned:	(126,577)	(901,293)	(348,897)	(916,195)	(1,662,935)	3,370,082	140,028	785,700	(4,285,473)	(623,960)	(19,841,611)
Total all other governmental funds	6,952,805	9,899,346	43,275,135	20,819,936	20,142,172	24,408,844	23,805,759	40,365,924	39,408,806	44,808,064	29,514,929
Total fund balances	$ 51,238,871	$ 48,410,033	$ 82,895,382	$ 61,690,358	$ 61,957,143	$ 67,767,190	$ 71,410,647	$ 92,781,591	$ 100,525,344	103,393,109	87,007,453

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

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

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues											
Taxes:											
Property	$ 59,299,996	$ 60,146,105	$ 61,374,504	$ 63,302,733	$ $67,057,925	$ $70,356,321	$ $73,526,131	$ $ 77,893,969	$ $ 79,484,196	$ 81,662,943	$ 82,070,697
Sales	17,202,034	17,561,662	19,434,159	21,425,575	21,292,439	20,666,648	24,177,027	20,057,021	28,269,805	29,250,887	32,176,035
Other	513,548	-	-	-	-	-	-	-	1,557,687	1,382,693	1,652,096
Total taxes	77,015,578	77,707,767	80,808,663	84,728,308	88,350,364	91,022,969	97,703,158	97,950,990	109,311,688	112,296,523	115,898,828
Intergovernmental	28,591,587	29,595,682	26,769,053	25,300,823	26,961,939	26,023,339	27,459,286	32,397,637	61,553,740	56,865,840	101,673,994
Permits and fees	4,218,683	4,321,708	4,502,846	4,695,185	4,699,153	4,766,452	4,958,126	4,870,190	4,692,876	5,066,932	6,629,726
Sales and services	5,808,912	6,243,473	5,656,678	7,037,795	7,212,000	6,159,742	10,389,288	14,350,640	17,667,188	17,275,588	19,258,733
Investment earnings	188,579	278,704	595,379	839,841	1,316,562	1,619,141	362,361	89,142	2,537,792	3,986,216	6,619,137
Miscellaneous	910,103	2,346,817	661,389	1,086,004	750,305	1,645,121	2,019,378	1,053,716	2,506,802	2,507,430	1,612,669
Total revenues	116,733,442	120,494,151	118,994,008	123,687,956	129,290,323	131,236,764	142,891,597	150,712,315	198,270,086	197,998,529	251,693,087
Expenditures											
General government	9,331,755	10,675,904	11,067,806	12,971,595	14,107,263	16,073,171	16,585,069	18,535,182	12,352,605	21,417,633	47,884,546
Public safety	23,276,410	23,462,335	24,891,592	27,954,198	25,391,553	32,949,395	33,291,394	38,844,677	44,778,568	69,750,542	127,630,941
Human services	33,181,597	36,610,613	32,917,523	33,024,912	34,966,574	33,735,619	32,912,256	35,701,930	34,281,759	39,689,691	38,215,314
Education	28,404,757	30,170,441	32,008,152	41,567,546	31,401,693	32,346,313	34,782,194	37,980,208	53,062,784	47,966,519	37,952,246
Economic and physical development	6,147,272	5,699,333	5,541,505	4,947,724	6,284,388	5,980,831	5,787,580	7,003,626	14,581,398	6,444,844	7,365,084
Culture and recreation	1,330,274	1,332,421	1,234,611	1,482,089	1,320,498	1,549,495	1,346,830	1,319,010	521,438	1,354,776	1,551,478
Capital outlay	13,393,096	10,530,185	5,742,301	14,408,813	9,538,225	4,595,410	8,693,365	2,427,594	25,100,502		
Insurance settlements											3,082,742
Debt service:											
Principal	3,456,376	3,589,291	3,343,658	5,429,537	5,462,225	5,534,481	3,851,743	11,645,460	8,414,480	7,749,282	6,601,103
Interest	1,808,490	1,684,786	1,536,656	2,502,268	2,282,665	2,034,600	2,041,293	1,283,954	1,355,300	1,195,324	940,691
Total expenditures	120,330,027	123,755,309	118,283,804	144,288,682	130,755,084	134,799,315	139,291,724	154,741,641	194,448,834	195,568,611	271,224,145
Revenues over (under) expenditures	(3,596,585)	(3,261,158)	710,204	(20,600,726)	(1,464,761)	(3,562,551)	3,599,873	(4,029,326)	3,821,252	2,429,918	(19,531,058)
Other Financing Sources (Uses)											
Transfers in	31,866,480	28,979,447	22,626,019	25,433,670	11,131,967	15,675,411	14,781,390	44,945,272	20,715,702	18,039,818	18,366,237
Transfers out	(31,740,513)	(28,547,127)	(22,626,019)	(24,918,335)	(10,616,632)	(14,388,223)	(14,266,055)	(44,429,937)	(20,200,367)	(17,624,483)	(17,936,902)
Proceeds from capital lease / Capital Lease issued	-	-	425,145	26,440	70,138	525,410	1,529,550	110,543	2,962,030		816,641
Installment financing proceeds	-	-	33,350,000	-	-	7,560,000	34,631,000	12,000,000	445,136	22,512	135,650
Payment to bond escrow agent	-	-	-	-	-	-	(36,738,188)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	6,875,000	-	-	1,763,776
Total other financing sources (uses)	125,967	432,320	33,775,145	541,775	585,473	9,372,598	(62,303)	19,500,878	3,922,501	437,847	3,145,402
Net change in fund balances	$ (3,470,618)	$ (2,828,838)	$ 34,485,349	$ (20,058,951)	$ (879,288)	$ 5,810,047	$ 3,537,570	$ 15,471,552	$ 7,743,753	2,867,765	(16,385,656)
Debt Service / Operating Non-Capital Ratio	4.92%	4.66%	4.34%	6.11%	6.39%	5.81%	4.51%	8.96%	5.77%	4.57%	2.78%

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

Fiscal Year	Tax Year	Commercial/ Residential Real Property*	Public Utility(2)/ Personal Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Total Real Value	Tax YR Sales Ratio	Estimated Actual Value (4)	Deferred Tax Value(1)
2016	2015	4,869,958,412	2,277,437,124	371,676,532	7,519,072,068	0.7200	5,241,634,944	1.0223	5,127,296,238	266,438,525
2017	2016 (5)	4,742,567,715	2,494,562,612	413,563,893	7,650,694,220	0.7200	5,156,131,608	1.0035	5,138,148,090	300,106,413
2018	2017	4,750,457,635	2,485,109,777	472,393,562	7,707,960,974	0.7200	5,222,851,197	0.9628	5,424,648,107	299,486,739
2019	2018	4,774,366,007	2,856,941,586	489,194,684	8,120,502,277	0.7200	5,263,560,691	0.9434	5,579,352,015	303,475,853
2020	2019	4,821,704,976	3,188,830,524	579,515,133	8,590,050,633	0.7200	5,401,220,109	0.9121	5,921,741,157	302,890,399
2021	2020	4,868,231,964	3,223,667,945	670,365,949	8,762,265,858	0.7200	5,538,597,913	0.8808	6,288,144,770	303,982,726
2022	2021 (5)	5,744,869,189	3,129,538,575	692,875,043	9,567,282,807	0.6875	6,437,744,232	0.9803	6,567,116,426	319,770,565
2023	2022	5,852,333,625	3,394,862,265	701,120,178	9,948,316,068	0.6875	6,553,453,803	0.7498	8,740,269,142	317,960,514
2024	2023	5,946,653,073	3,554,677,932	706,965,572	10,208,296,577	0.6875	6,653,618,645	0.6381	10,427,234,987	318,328,216
2025	2024	6,053,877,934	3,354,938,617	705,895,126	10,114,711,677	0.6875	6,759,773,060	0.5918	11,422,394,491	319,075,485
2026	2025 (5)	9,416,161,457	3,774,662,443	838,782,128	14,029,606,028	0.5450	10,254,943,585			506,215,188

Source: County Assessor's Annual County Report of Valuation and Property Tax Levies (TR-1)

Notes:

(1) Present use value property is agricultural, horticultural, and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable is a lien on the property and is deferred. The deferred taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

(2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(3) Per $100 of value.

(4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the N.C. Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The ratio for the most recent year is not yet available. (This ratio only applies to real property)

(5) Property in Cleveland County is typically reassessed every four years and never to exceed 8 years.
January 1, 2025 was the last revaluation. Prior to 2025 the last revaluation was in 2021. The current cycle is set for four years. (2029)

* Indicates valuation includes the Commercial Real Property Valuation

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

	Fiscal Year																											
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Cleveland County	$ 0.6270	0.6270	0.7800	0.7800	0.7800	0.7800	0.7300	0.7300	0.7300	0.7300	0.7200	0.7200	$ 0.7200	$ 0.7200	$ 0.7200	$ 0.7200	$ 0.7200	$ 0.7200	$ 0.7200	0.7200	0.7200	0.7200	0.6875	0.6875	0.6875	0.6875	0.6875	0.5450
Municipality Rates:																												
Town of Grover	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.3600	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.3900	0.3900	0.3900	0.3900	0.4400	0.4500	0.4500	0.4700	0.4700	0.4700	0.4700	0.4700
City of Kings Mountain	0.4000	0.4000	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4800	0.4800	0.4800	0.4800	0.4800
City of Kings Mountain Municiple Service District	N/A	N/A	N/A	N/A	N/A	N/A	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2662	0.2662	0.2662	0.2362	0.2362	0.2400	0.2400	0.7162	0.7162	0.7162	0.7162
Town of Lattimore	0.1500	0.2000	0.2000	0.2000	0.2000	0.2000	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Town of Kingstown	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.3500
Town of Fallston	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Town of Earl	0.1000	0.1000	0.1000	0.1800	0.1800	0.1800	0.1800	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
Town of Polkville	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0800	0.0800	0.0800
Town of Lawndale	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
Town of Lawndale Fire Service Dist																										0.0.875	0.0875	
Town of Casar	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	
Town of Waco	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.1200	0.1200	0.1200	0.1500	0.1700	0.1700	0.1700	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2300	0.2300	0.2300	0.2300	0.2300	
City of Shelby	0.4700	0.4700	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4350	0.4350	0.4350	0.4350	0.4350	0.4350	0.4350	0.4350	0.4972	0.4972	0.5225	0.5225	0.5225	0.5200	0.5200	0.5175	0.5175	0.4500	
Uptown Shelby Municiple Revitiliztion	0.3000	0.3000	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	
Town of Boiling Springs	0.3000	0.3000	0.2800	0.2800	0.3000	0.3300	0.3000	0.3000	0.3000	0.3000	0.2900	0.2900	0.2900	0.2900	0.2900	0.3200	0.3200	0.3300	0.3700	0.3800	0.3900	0.3900	0.3700	0.3700	0.3800	0.4000	0.3400	
Town of Patterson Springs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	
Town of Belwood	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	
Fire Districts:																												
County Fire	0.0200	0.0200	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0500	0.0500	0.0500	0.0500	0.0875	0.0875	0.0875	0.0875	0.0900	0.0900	0.0875	0.0875	0.0700	
Fallston Fire	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Lattimore Fire	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0300	0.0300	0.0300	0.0300	0.0300	0.0400	0.0500	0.0500	0.0500	0.0875	0.0875	0.0875	0.0875	0.0900	0.0900	0.0875	0.0875	N/A	
Rippy Fire	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0875	0.0875	0.0875	0.0875	0.0900	0.0900	0.0875	0.0875	0.0700	
Sanitary Water District	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0290	0.0200	0.0200	

Source: Cleveland County Tax Collector

***Fallston Fire went in with the main County Fire taxing district in FY 2018.**
***Town of Lawndale established a Town Fire tax district in FY 2024.**
***Lattimore Fire went in with the main County Fire taxing district in FY 2026.**

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

		Fiscal Year 2025			Fiscal Year 2016		
Taxpayer	**Type of Business**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Duke Energy Carolinas LLC	Electric Utility	848,924,334	1	8.39%	576,383,615	1	7.67%
Clearwater Paper Shelby	Paper products	485,030,249	2	4.80%	244,268,039	3	3.25%
Carolina Power Partners LLC	Electric Utility	274,814,150	3	2.72%	N/A		
Southern Power Company	Electric Utility	168,061,987	4	1.66%	282,153,449	2	3.75%
Nippon Electric Glass	Fiberglass Manufacturing	98,658,459	5	0.98%	82,360,031	6	1.10%
Albemarle US Inc	Lithium Mining	83,204,024	6	0.82%	N/A		
Disney Worldwide Services Inc	Data Center	81,267,881	7	0.80%	107,009,040	5	1.42%
Public Service Co of NC Inc	Electric Utility	69,423,206	8	0.69%	3,506,883	8	0.05%
BellSouth Telephone Co Inc	Telephone Utility	67,277,155	9	0.67%	132,248,224	4	1.76%
Eaton Corporation	Manufacturing	49,651,995	10	0.49%	38,317,402	7	0.51%
Totals		$ 2,226,313,440		22.01%	1,466,246,683		19.50%

FY 2025 Total Valuation
10,114,711,677
FY 2016 Total Valuation
7,519,072,068

Source: Cleveland County Assessor

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

Schedule 8
Cleveland County (Rev Units 010 & 020 only)
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2015	58,143,528	(69,534)	58,073,994	57,048,877	98.23%	-	57,987,960	99.85%	72,371
2016	59,509,987	(274,162)	59,235,825	58,272,377	98.37%	-	59,146,560	99.85%	70,997
2017	61,013,048	(587,915)	60,425,133	59,552,304	98.56%	-	60,324,156	99.83%	80,122
2018	61,608,401	(587,915)	61,020,486	60,059,273	98.42%	-	60,870,181	99.75%	120,978
2019	64,748,877	(253,441)	64,495,436	63,566,623	98.56%	-	64,256,173	99.63%	185,341
2020	68,596,144	(258,796)	68,337,348	66,938,085	97.95%	-	67,915,588	99.38%	328,987
2021	70,690,330	(437,916)	70,252,414	69,299,596	98.64%	-	69,730,198	99.26%	359,212
2022	73,801,747	(355,861)	73,445,886	72,424,345	98.61%	-	72,424,345	98.61%	467,655
2023	76,852,892	(703,867)	76,149,025	74,839,400	98.28%	-	74,839,400	98.28%	1,309,625
2024	77,766,703	(725,981)	77,040,722	76,416,951	98.26%		76,416,951	99.19%	1,349,752
2025	70,023,560	(245,243)	69,778,317	68,821,291	98.28%		69,699,724	99.11%	620,571
									$ 5,864,221

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

Fiscal Year	Governmental Activities					Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Limited Obligation Bonds	Installment Purchases	Lease & IT Subscriptions	Other			
2015	350,000	16,590,000	19,980,662	-	21,887	36,942,549	373	1.02%
2016	100,000	15,505,000	17,519,868	-	11,095	33,135,963	337	0.87%
2017	-	14,420,000	48,849,671	-	715,074	63,984,745	650	1.70%
2018	-	13,335,000	44,605,475	-	641,174	58,581,649	603	1.50%
2019	-	12,250,000	40,361,278	-	578,284	53,189,562	542	1.39%
2020	-	11,165,000	43,993,473	-	582,019	55,740,492	573	1.58%
2021	-	6,825,000	42,552,938	-	1,933,173	51,311,111	524	1.40%
2022	-	5,690,000	45,992,996	93,198	-	51,776,194	520	1.38%
2023	-	4,555,000	39,980,549	2,233,331	-	46,768,880	466	1.13%
2024	-	3,420,000	33,961,106	943,710	-	38,324,816	381	0.84%
2025		2,280,000	29,032,514	1,189,261		32,501,775	315	0.63%

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2015	350,000	16,590,000	16,940,000	0.47%	0.23%	171
2016	100,000	15,505,000	15,605,000	0.41%	0.19%	159
2017	-	14,420,000	14,420,000	0.39%	0.18%	147
2018	-	13,335,000	13,335,000	0.35%	0.13%	136
2019	-	12,250,000	12,250,000	0.32%	0.12%	126
2020	-	11,165,000	11,165,000	0.29%	0.11%	114
2021	-	6,825,000	6,825,000	0.18%	0.05%	69
2022	-	5,690,000	5,690,000	0.15%	0.06%	57
2023	-	4,555,000	4,555,000	0.12%	0.05%	45
2024	-	3,420,000	3,420,000	0.07%	0.03%	34
2025		2,280,000	2,280,000	0.04%	0.02%	22

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.
(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
(2) See Schedule 5 for assessed property valuation data.

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

	Fiscal Year							Fiscal Year			
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Assessed Value of Property	$ 8,065,832,500	$ 8,227,197,978	$ 8,392,379,583	$ 8,475,067,500	$ 9,336,317,707	$ 9,491,298,333	$ 9,757,279,722	$ 10,683,037,964	$ 11,076,221,818	11,139,119,175	11,315,262,088
Debt Limit, 8% of Assessed Value (Statutory Limitation)	645,266,600	658,175,838	671,390,367	678,005,400	746,905,417	759,303,867	780,582,378	854,643,037	886,097,745	891,129,534	905,220,967
Amount of Debt Applicable to Limit:											
Less: Gross debt	36,942,549	33,553,258	63,984,745	58,581,649	53,189,562	55,740,492	51,311,111	51,776,194	46,768,880	38,324,816	32,501,775
Total net debt applicable to limit	36,942,549	33,553,258	63,984,745	58,581,649	53,189,562	55,740,492	51,311,111	51,776,194	46,768,880	38,324,816	32,501,775
Legal Debt Margin	$ 608,324,051	$ 624,622,580	$ 607,405,622	$ 619,423,751	$ 693,715,855	$ 703,563,375	$ 729,271,267	$ 802,866,843	$ 839,328,865	852,804,718	872,719,192
Total debt applicable to the limit as a percentage of debt limit	6.29%	5.73%	5.10%	9.53%	7.12%	7.34%	6.57%	6.06%	5.57%	4.30%	

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

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

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

Governmental Unit	Gross Non-Revenue Bonded Debt	Percent Applicable to County	Amount Applicable to Primary Government
Total County direct debt	$ 32,501,775	100%	$ 32,501,775
Overlapping:			
Public Schools	-	0%	-
Total overlapping debt	$ -		-
Total	$ 32,501,775		$ 32,501,775

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

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

Year	Population(1)	Personal Income (2) (thousands of dollars)	Median Household Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Commercial Public Food Inspections Performed(5)	Number of Building Inspections Performed(6)
2015	98,224	3,829,655	38,989	15,103	6.80%	1,192	262
2016	97,871	3,739,455	38,208	14,906	5.60%	1,192	300
2017	97,178	3,892,854	40,059	14,761	4.40%	1,187	319
2018	98,074	3,838,028	39,134	14,452	4.30%	1,185	324
2019	97,288	3,531,415	40,002	15,070	4.60%	1,178	348
2020	97,947	3,677,383	40,393	15,471	7.70%	937	338
2021	99,519	3,753,633	42,247	16,417	4.90%	918	427
2022	100,359	4,121,428	43,512	13,686	4.40%	796	1,417
2023	100,558	4,542,813	45,126	13,957	3.60%	888	1,838
2024	101,097	4,829,010	55,758	13,865	3.30%	576	1,855
2025	103,325	5,171,870	58,534	13,862	4.50%	1,002	2,092

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

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

	2025		2016	
Employer	**Employment Range**	**Rank**	**Employment Range**	**Rank**
Charlotte Mecklenburg Hospital Auth	1000+	1	1000+	2
Cleveland County Board Of Education	1000+	2	1000+	1
			1000+	3
Wal-Mart Associates Inc	1000+	3		
County Of Cleveland	1000+	4	1000+	4
Greenheck Fan Corporation	500-999	5	100-249	21
Sofidel Tissue Llc	500-999	6	NA	NA
Ingles Markets Inc	500-999	7	500-999	7
Catawba Indian Nation Gamiing Autho	250-499	8	NA	NA
Gardner-Webb University	250-499	9	500-999	5
City Of Shelby	250-499	10	250-499	10
Suncakes Llc	250-499	11	NA	NA
Electric Glass Fiber America Llc	250-499	12	N/A	N/A
Cleveland Community College	250-499	13	250-499	12
Cleveland County Family Young Mens	250-499	14	250-499	16

Source: NC Commerce Website
Notes: Data not available on percentage of total employment.

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

Function/Program	Full-Time Equivalent Employees As of June 30										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	88	89	92	95	102	86	96	112	114	101	133
Public safety	279	286	287	288	294	299	293	318	337	342	374
Environmental protection	36	39	39	38	37	35	36	35	35	19	13
Economic and physical development	18	18	19	19	18	12	15	13	13	12	11
Human services	410	417	420	421	431	322	283	290	294	360	301
Cultural and recreation	23	24	24	25	26	24	23	22	22	15	25
Total	854	873	881	886	908	778	746	790	815	849	857

Source: Human Resources Department

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

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

	Fiscal Year										
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function											
General Government											
# of registered voters	58,771	61,180	63,435	64,557	60,779	63,738	66,222	67,594	66,297	68,570	68,271
Public Safety											
# of building permits issued	262	300	319	324	348	338	427	1,417	1,838	1,855	2,092
# of calls dispatched	90,154	95,769	94,568	99,050	110,779	129,464	134,558	123,392	150,396	171,299	174,186
Human Services											
# of food & lodging sites inspected	1,192	1,192	1,187	1,185	1,178	937	918	796	888	576	1,002
# of Health clients served (clinical)	18,627	16,796	15,813	16,442	16,329	14,089	11,753	13,849	12,364	11,033	10,101
Economic and Physical Development											
Number of major subdivision plan reviews	0	0	0	0	0	0	0	6	5	2	2
Cultural and Recreation											
Library:											
Book volumes per capita	1.14	1.19	0.98	1.06	1.03	1.37	3.38	0.99	7.185	1.57	11.75
Library income per capita (local)	9.41	9.81	10.41	9.20	10.44	10.47	11.46	11.60	11.15	12.30	13.69
Library income per capita (total)	13.27	12.41	12.71	12.33	12.76	12.70	13.70	13.96	14.99	14.31	16.19
Library visits per capita	1.86	1.86	1.79	2.66	1.36	1.91	0.68	0.76	0.85	1.00	1.04
Turnover rate (circulation per book)	1.88	1.72	1.77	1.87	2.04	2.12	1.95	1.92	1.88	2.01	2.19
Education											
Total $ spent per ADM	1,751 $	1,817 $	1,903 $	1,975 $	1,975 $	2,110 $	2,110 $	1,804 $	2,135 $	2,370	680
Enterprise Fund - Landfill											
Solid waste generated # tons/day	477	446	470	495	699	474	479	547	548	513	485

Source: Fiscal year data for various governmental and business-type functions.
***According to NCACC county map book**
*The decline in major subdivision plan reviews is related to the downturn in the economy that began in late 2008.
** Per capita information based on most recent US Census.

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

	Fiscal Year		Fiscal Year								
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function											
Public Safety											
Sheriff's Department:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Vehicles	154	165	169	160	164	166	181	180	199	203	204
Emergency Medical Services:											
Stations	9	9	9	9	9	9	9	13	13	13	13
Vehicles	30	34	34	35	38	45	40	42	45	58	64
Cultural and Recreation											
Park acreage	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	168
Parks	2	2	2	2	2	2	2	2	2	2	2
Libraries	2	2	2	2	2	2	2	2	2	2	2
Total government-wide assets value	$ 187,892,153	$ 188,269,410	$ 224,811,862	$ 216,004,405	$ 217,240,237	$ 223,993,725	$ 244,007,169	$ 314,198,611	$ 353,922,867	$ 405,564,271	$ 407,589,035.00

Source: Various County Departments

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

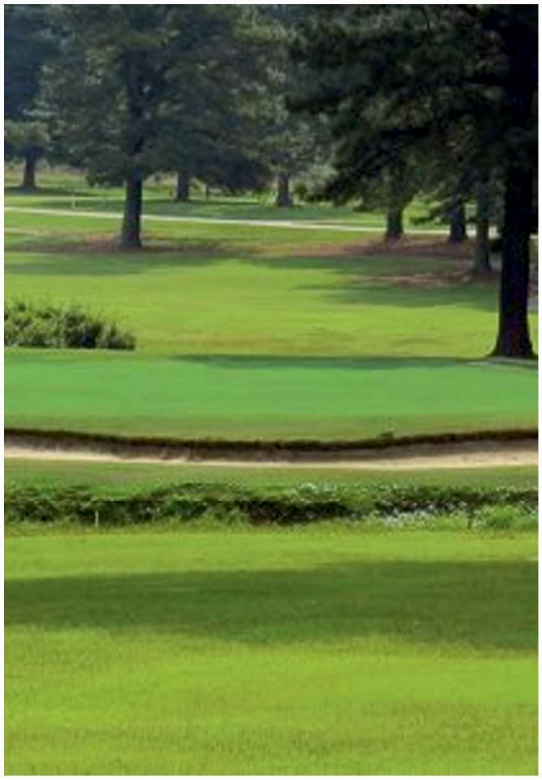
Schedule 18
Cleveland County
Principal Industry Sectors -
Current versus 3 and 6 years ago

Industry NAICS Sector*	2025********** Annual Wages Paid	2025 Annual Average Number of Employees	2025 % Percentage of Total Labor Force or Employed	2022 Annual Wages Paid	2022 Annual Average Number of Employees	2022 % Percentage of Total Labor Force or Employed	2019 Annual Wages Paid	2019 Annual Average Number of Employees	2019 % Percentage of Total Labor Force or Employed
Manufacturing	$ 484,228,113	7,075	20.73%	$ 446,376,667	7,221	21.64%	$ 413,170,212	7,343	22.03%
Health Care and Social Assistance	$ 339,171,311	5,475	16.04%	$ 285,917,187	5,006	15.00%	$ 233,386,712	5,098	15.29%
Construction	$ 163,625,119	2,388	7.00%	$ 95,810,451	1,790	5.36%	$ 78,453,708	1,675	5.02%
Educational Services	$ 157,418,829	3,367	9.87%	$ 154,442,253	3,393	10.17%	$ 134,434,311	3,552	10.65%
Retail Trade	$ 151,482,099	4,238	12.42%	$ 143,720,345	4,246	12.72%	$ 108,430,801	3,905	11.71%
Transportation and Warehousing	$ 116,801,121	2,323	6.81%	$ 124,817,513	2,690	8.06%	$ 98,059,935	2,332	6.99%
Public Administration	$ 115,672,549	2,129	6.24%	$ 100,567,852	2,019	6.05%	$ 87,864,126	2,070	6.21%
Administrative and Support and Waste Management and Remediation Ser	$ 74,849,957	1,840	5.39%	$ 67,414,554	1,867	5.59%	$ 61,692,042	2,201	6.60%
Wholesale Trade	$ 68,931,745	1,125	3.30%	$ 53,663,231	911	2.73%	$ 47,753,144	1,045	3.13%
Accommodation and Food Services	$ 59,746,470	2,980	8.73%	$ 55,859,648	3,042	9.12%	$ 45,582,512	3,022	9.06%
Professional Scientific and Technical Services	$ 57,349,037	758	2.22%	$ 55,120,038	789	2.36%	$ 42,222,501	697	2.09%
Information	$ 43,231,308	429	1.26%	$ 39,471,932	399	1.20%	$ 34,509,561	399	1.20%
	$ 1,832,507,658	34,127	100.00%	$ 1,623,181,671	33,373	100.00%	$ 1,385,559,565	33,339	100.00%

*All data in this exhibit was obtained from NC Commerce Website. https://D4.nccommerce.com/QCEWSelection.aspx
** All data is on calendar year end basis.
*** 2025 #s are for 2024 as 2025 not available.

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COMPLIANCE SECTION





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Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based on An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprises Cleveland County's basic financial statements, and have issued our report thereon dated March 18, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as items [2025-001, 2025-002] that we consider to be significant deficiency.

Report on Compliance and Other Matters

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

Cleveland County's Response to Findings

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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 18, 2026

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cleveland County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Cleveland County's major federal programs for the year ended June 30, 2025. Cleveland County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cleveland County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2025-003] to be significant deficiencies.

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 18, 2026

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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

Independent Auditors' Report

To the Board of County Commissioners
Cleveland County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Cleveland County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Cleveland County's major State programs for the year ended June 30, 2025. Cleveland County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cleveland County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 18, 2026

Cleveland County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

AL No.	Program Name
93.658, 93.659	Foster Care and Adoption Cluster
93.667	Social Service Block Grant
93.778	Medical Assistance Program
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000
Auditee qualified as low-risk auditee?	____ yes _X_ no

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	____ yes	_X_ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses	_X_ yes	___ none reported
Noncompliance material to State awards	____ yes	_X_ no

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	_X_ yes	___ no

Section I - Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name
Foster Care and Adoption Cluster
Social Service Block Grant
Medical Assistance Program
State Capital Infrastructure Fund 20152
State Capital Infrastructure Fund 20157
State Capital Infrastructure Fund 20158
Regional Economic Development Reserve 201510
Regional Economic Development Reserve 201511
Regional Economic Development Reserve 201512
PSAP Grant G2023A-04

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

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

Section II - Financial Statement Findings

Finding 2025-001 Reconciliation of Records

SIGNIFICANT DEFICENCY

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and ensure the timeliness of financial reporting.

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted timely to include cash, receivables, payables, and other balance sheet accounts.

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

Cause: Turnover in key finance positions caused delays in reconciling account information timely.

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes.

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

Finding 2025-002 Late Submission of Audit

SIGNIFICANT DEFICENCY

Criteria:	The audit report is expected to be submitted within six months from the fiscal year end per the contract with the Local Government Commission. Additional time was allowed for the current year as a result of a delay in federal audit guidance, which extended the due date to February 12th. As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner.
Condition:	The report was not finalized by the February 12th due date due to reconciliations not being completed timely and additional time was required to finalize the trial balance.
Effect:	External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about each unit of local government.
Cause:	The County was unable to provide the information necessary to complete the audit timely.
Recommendation:	The County should allocate sufficient resources to ensure that all records are reconciled timely to allow time for the audit to be completed timely.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the NC Department of Health and Human Services
Program Name: Medical Assistance Program (Medicaid)
AL #: 93.778

Finding: 2025-003 **Inaccurate Information Entry**
SIGNIFICANT DEFICENCY
Internal Controls related to Medicaid Eligibility Determination Process

Criteria:	Federal regulations under 42 CFR § 435.956 require states to verify eligibility factors using electronic data sources where available, and to obtain documentation for unverifiable information. Additionally, the state's Medicaid manual (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual) mandates that all eligibility determinations include cross-verification of applicant-provided data against reliable external sources to ensure accuracy and prevent improper payments.
Condition:	There were a total of 15 errors found during our testing procedures: - There were 3 errors where income or household size was incorrectly calculated or inaccurate information was entered into the case file. - There was 7 error where resources were incorrectly calculated or were not properly documented in the case file. In 1 instance, a failure resulted in a recipient being deemed eligible for Medicaid benefits when they were not, due to resources exceeding the eligibility threshold. - There were 4 errors where required information needed for eligibility determinations were not requested or not requested timely at applications or redeterminations. - There were 1 errors where a redetermination of eligibility was not performed in accordance with program requirements.
Questioned Costs:	Due to the nature of the populations provided from which the samples were chosen, we are unable to calculate questioned costs for the above mentioned potential eligibility and noncompliance errors.
Context:	We examined 60 cases from of a total of 741,448 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	These control deficiencies and noncompliance increase the risk of improper Medicaid payments, potentially resulting in overpayments to ineligible beneficiaries or underpayments to those who qualify.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2024-003, 2024-004 and 2024-005. Note in FY 2025 Medicaid findings were combined into a single finding.

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

Cause:	The deficiencies and noncompliance reported above are caused from ineffective record keeping and case review processes due to insufficient training of staff, lack of oversight from management, and/or inadequate communication between departments resulting in inconsistencies in data sharing and delayed information exchanges.
Recommendation:	We recommend that management enhance internal controls by: (1) Providing comprehensive training to staff on the program's eligibility requirements and procedures outlined in the State's Medicaid manuals; (2) Ensuring that there is a formal internal review process and that it is adequately completed to identify and correct errors and monitor compliance; and (3) Communicating all program or policy changes clearly and timely across all departments who oversee eligibility determinations for federal funded programs.
Views of responsible officials and planned corrective actions:	The County agrees with the finding and is implementing actions to correct these issues, which are further discussed in the corrective action plan.

Section IV - State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid)
AL #: 93.778

SIGNIFICANT DEFICENCY/NONCOMPLIANCE (NOT MATERIAL): Finding 2025-003 also apply to State requirements and State Awards.

Cleveland County
NORTH CAROLINA

Corrective Action Plan
For the Year Ended June 30, 2025

Section II - Financial Statement Findings

Finding 2025-001 **Reconciliation of Records**

Name of Contact Person: Philip Steffen, Finance Director

Corrective Action: The County has implemented procedures to ensure reconciliation of records are done timely. In addition to assigning specific accounts to individuals best suited to reconciling them, the management staff will verify reconciliations are completed on time.

Proposed Completion Date: 5/1/2026

Finding 2025-002 **Late Submission of Audit**

Name of Contact Person: Philip Steffen, Finance Director

Corrective Action: In order to complete the audit on time for FY26, finance staff and auditors will create a detailed plan of which items are due at specific dates to ensure auditors have the information needed with enough time to complete the audit on time.

Proposed Completion Date: 6/30/2026

Section III - Federal Award Findings and Questioned Costs

Finding 2025-003 **Inaccurate Information Entry**

Name of Contact Person: Alice Wilson, Medicaid Program Administrator

Corrective Action: Refresher training will be provided to all Medicaid staff for areas of deficiency. Beginning 2/1/2026, all LTC/CAP/PACE applications wil be reviewed by a supervisor prior to disposition. All adult Medicaid caseworkers will keep a pending recertification log and/or applicaction log that will be updated and emailed to supervision weekly. Caseworkers will continue to use the checklist created and implemented in October 2025. Beginning 2/1/2026 all extensions for Adult Medicaid recertifications will be staffed with the Program Manager prior to any action keyed. Beginning 2/1/2026, a designated supervisor or lead worker will complete targeted second party reviews for Family Medicaid specifically to ensure household composition is correct.

Proposed Completion Date: Refresher training will be completed by 1/31/2026. Targeted second party reviews, pending logs, staffing for case extensions will begin 2/1/2026.

Section IV - State Award Findings and Questioned Costs

Corrective Action Plan for Finding 2025-003 also apply to State Award Findings.

Cleveland County, North Carolina
Summary Schedule of Prior Year Aaudit Findings
For the Year Ended June 30, 2025

Finding: 2024-001
Status: Corrected in FY 2025.

Finding: 2024-002
Status: Corrected in FY 2025.

Finding: 2024-003
Status: Repeat as finding 2025-003. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-004
Status: Repeat as finding 2025-003. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-005
Status: Repeat as finding 2025-003. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-006
Status: Corrected in FY 2025.

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
U.S. Dept. of Agriculture					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
SNAP Cluster					
COVID-19 State Administrative Matching Grants					
for the Supplemental Nutrition Assistance Program	10.561		$ -	$ -	$ -
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561		1,378,686	116,977	-
Total Supplemental Nutrition Assistance Program			1,378,686	116,977	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children	10.557		680,078	-	-
Total U.S. Department of Agriculture			2,058,764	116,977	-
U.S. Dept. of Justice					
Passed-through N.C. Dept. of Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program	16.738		25,933	-	-
Total U.S. Dept. of Justice			25,933	-	-
U.S. Dept. of Treasury					
Direct program					
Coronavirus State and Local Fiscal Recovery Fund	21.027		639,942	-	-
Passed-through N.C. Department of Natural and Cultural Resources					
SFRF Nonrecurring Aid to Libraries	21.027		6,649	-	-
Total U.S. Dept. of Treasury			646,591	-	-
U.S. National Endowment for the Arts					
Passed-through N.C. Department of Natural and Cultural Resources					
Library Services and Technology Act Program	45.310		40,395	-	-
Total U.S. National Endowment for the Arts			40,395	-	-
U.S. Dept. of Health & Human Services					
Passed-through N.C. Dept. of Health and Human Services					
Temporary Assistance for Needy Families (TANF)					
Division of Social Services:					
TANF - Work First	93.558		1,660,540	-	-
Division of Public Health					
TANF - Work First	93.558		16,569	-	-
Total Temporary Assistance for Needy Families (TANF)			1,677,109	-	-
Family Preservation	93.556		56,163	-	-
Foster Care and Adoption Cluster (Note 4 and 5)					
Foster Care - Title IV-E	93.658		1,114,113	100,977	-
Foster Care - Title IV-E - Benefit Payments	93.658		498,763	173,474	-
Adoption Assistance	93.659		93,304	-	-
Total Foster Care and Adoption Cluster			1,706,180	274,451	-
Child Support Enforcement	93.563		1,334,737	-	-

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Low-Income Home Energy Assistance:					
Weatherization Assistance and Heating and Air Repair	93.568		110,471	-	-
Total Low-Income Home Energy Assistance			110,471	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
- Permanency Planning - Families for Kids	93.645		13,821	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		28,785	7,196	-
Benefit Payments	93.674		18,168	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			46,953	7,196	-
Social Service Block Grant - Other Service and Training	93.667		434,072	-	-
Division of Social Services:					
Social Service Block Grant					
State In Home Service Fund	93.667		30,387	-	-
State Adult Day Care	93.667		68,791	15,295	-
Total Social Service Block Grant			533,250	15,295	-
Administration for Children and Families					
Passed-through the N.C. Dept. of Health and Human Services					
Subsidized Child Care					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Fund-Administration	93.596		235,453	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program	93.778		4,256,461	351,209	-
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767		339,537	108,901	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		34,822	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-
Family Planning Services	93.217		80,173	-	-
Immunization Cooperative Agreements	93.268		26,002	-	-
COVID-19 Immunization Cooperative Agreements	93.268		7,885	-	-
Total Immunization Cooperative Agreements			33,887	-	-

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		1,500	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		19,500	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		385	-	-
HIV Prevention Activities - Health Department Based	93.940		28,000	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		178,611	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		30,741	-	-
Maternal and Child Health Services Block Grant	93.994		99,557	16,234	-
Total U.S. Dept. of Health and Human Services			10,817,461	773,286	-
U. S. Department of Homeland Security					
Passed-through N.C. Dept. of Public Safety:					
Division of Emergency Management:					
Disaster Grants - Public Assistance	97.036		3,854,825		
Emergency Management Performance	97.042		35,000	-	-
Total U. S. Department of Homeland Security			3,889,825	-	-
Total Federal Awards			$ 17,478,969	$ 890,263	$ -
State Awards:					
N.C. Dept. of Administration					
Veterans Service			$ -	$ 20,562	$ -
Total N.C. Dept. of Administration			-	20,562	-
N.C. Dept. of Cultural and Natural Resources					
Division of State Library					
State Aid to Public Libraries			-	177,016	-
Total N.C. Dept. of Cultural and Natural Resources			-	177,016	-
N.C. Department of Agriculture					
Soil Conservation State Match			-	33,600	-
Total N.C. Department of Agriculture			-	33,600	-
N.C. Department of Environmental Quality					
Division of Waste Management					
Electronic Management Program			-	16,410	-
Scrap Tire Grant			-	2,124	-
Total N.C. Dept. Environmental Quality			-	18,534	-

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
N.C. Dept. of Health and Human Services					
Division of Social Services					
Administration					
Smart Start			-	16,147	-
State Child Welfare - State Protective Services			-	114,152	-
Emergency PLMT FC			-	7,280	-
Direct Benefit Payments					
State Foster Home			-	197,295	-
State Foster Home Fund (SFHF) Maximization			-	243,512	-
Foster Care at Risk Maximization			-	3,514	-
Extended Foster Care Maximization Non IV-E programs			-	135,839	-
Foster Care AT RISK			-	2,862	-
Foster Care Kinship			-	120,592	-
State-Family Foster Max			-	18,186	-
Total Division of Social Service			-	859,379	-
Division of Public Health					
Adolescent Pregnancy Prevention Program			-	96,651	-
Breast and Cervical Cancer Control			-	4,275	-
Child Fatality Case Reporting			-	1,754	-
Child Health			-	10,112	-
Communicable Disease Pandemic Recovery-SFRF			-	67,431	-
DPH Aid-to-Counties			-	149,701	-
Family Planning - State			-	54,132	-
Food and Lodging Fees			-	10,328	-
General Communicable Disease Control			-	5,465	-
Healthy Community Activities			-	3,785	-
High Risk Maternity Clinics			-	5,387	
Hurricane Helene Essential Function Support			-	22,314	-
Nurse Family Partnership			-	421,027	-
School Nurse Funding Initiative			-	200,000	-
State Fiscal Recovery Funds			-	65,490	-
TB Control			-	21,097	-
Total Division of Public Health			-	1,138,949	-
Total N. C. Department of Health and Human Services			-	1,998,328	-
N.C. Dept. of Public Instruction					
Public School Building Capital Fund					
Lottery Proceeds			-	2,946	2,946
Repair and Renovation Lottery Fund			-	422,370	-
Total Public School Building Capital Fund			-	425,316	2,946
Total N.C. Dept. of Public Instruction			-	425,316	2,946
N.C. Dept. of Transportation					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP Rural General Public Program		DOT-16CL 362282.13.1	-	141,316	-
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL 36220.10.13.1	-	97,125	-
ROAP WorkFirst Transitional/ Employment		DOT-16CL 36236.11.12.1	-	26,976	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	265,417	-
Total NC. Dept of Transportation			-	265,417	-
N.C. Dept. of Commerce					
Building Reuse Program			-	75,000	75,000
Total of N.C. Dept. of Commerce			-	75,000	75,000

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
N.C. Dept. of Public Safety					
Juvenile Crime Prevention Programs					
JCPC Administration			-	15,519	-
Juvenile Medication/Family Centered Treatment/YDI After School Program			-	324,541	324,541
Total Juvenile Crime Prevention Programs			-	340,060	324,541
Total N. C. Department of Public Safety			-	340,060	324,541
N.C. Office of State Budget and Management					
NC Register of Deeds Grant			-	2,714	-
State Budget Allocation		20155	-	28,988	-
State Budget Allocation		20154	-	111,163	-
Total State Budget Allocation			-	140,151	-
State Capital Infrastructure Fund		20152	-	35,553,972	-
State Capital Infrastructure Fund		20157	-	6,000,000	-
State Capital Infrastructure Fund		20158		26,445,040	
Total State Capital Infrastructure Fund			-	67,999,012	-
Regional Economic Development Reserve		201510	-	1,745,468	-
Regional Economic Development Reserve		201511	-	1,080,401	-
Regional Economic Development Reserve		201512	-	1,000,000	
Regional Economic Development Reserve		201513	-	250,000	-
Regional Economic Development Reserve		201514	-	6,659	-
Regional Economic Development Reserve		201517	-	261,037	-
Regional Economic Development Reserve		201518	-	477,522	-
Total Regional Economic Development Reserve			-	4,821,087	-
Total N.C. Office of State Budget and Management			-	72,962,964	-
N.C. Dept. of Information Technology					
N.C. 911 Board					
PSAP Grant		G2023A-04	-	3,432,053	-
PSAP Grant		PR2024-67	-	30,247	-
Total N.C. Dept. of Information Technology			-	3,462,300	-
N.C. Wildlife Resources Commission					
Foothills Public Shooting Complex (Grant#10)				25,000	
Total N.C. Wildlife Resources Commission			-	25,000	-
Total State Awards			-	79,804,097	402,487
Other Financial Assistance:					
N.C. Dept. of Justice					
Opioid Settlement Fund (Note 6)			-	327,420	-
Total Federal and State Awards			$ 17,478,969	$ 81,021,780	$ 402,487

Cleveland County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Cleveland County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Cleveland County, it is not intended to and does not present the financial position, changes in net position or cash flows of Cleveland County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

Program Title	AL No.	Federal	State
Temporary Assistance for Needy Families	93.558	510,187	
AFDC Payments and Penalties	93.560	(320)	(88)
Refugee Assistance Payment	93.566	2,136	
IV-E Adopt & Vendor	93.659	1,013,224	263,540
Medical Assistance Program	93.778		
Child Welfare Services Adoption			163,126
State / County Special Assistance program			698,631

Note 6: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.