

**COUNTY OF CLEVELAND, NORTH CAROLINA**  
**AGENDA FOR THE REGULAR COMMISSION MEETING**

**March 19, 2024**

**6:00 PM**

**County Commissioners Chambers**

- 
- **Call to Order and Determination of a Quorum** - Commission Chair
  - **Pledge of Allegiance and Invocation** (Please stand for the Pledge of Allegiance and remain standing for the Invocation)
  - **Recognition of Elected Officials**
  - **Recognition of Veterans**
  - **Recognition of Law Enforcement**
  - **Recognition of County Department Heads**

**1. MOTION TO ADOPT THE PROPOSED AGENDA**

*(Only emergency items shall be added to the agenda. Upon approval of the Commission Chair and County Commission, the item will be added.)*

**2. PUBLIC COMMENT**

*Individuals who wish to address the Board during the public comment period shall register with the Clerk to the Board providing their true name and address on the sign-up sheet. Each individual wishing to address the Board shall only register themselves and will not be permitted to enter the name of any other individual, as the sign-up sheet is a public record available for inspection. The sign-up sheet will be available fifty (50) minutes prior to the start of each meeting. The sign-up sheet will be collected ten (10) minutes prior to the start of each meeting by the Clerk to the Board. Individuals who have not entered their true name and address on the sign-up sheet within the designated time period will not be permitted to address the Board, unless the Chair, in the Chair's sole discretion, permits.*

*Citizen speakers will be acknowledged in the order in which they signed up to speak and will address all comments to the Board as a whole and not one individual commissioner. Speakers will address the Board from the speaker's podium at the front of the room and will begin their remarks by stating their name and address. Discussions between Speakers and*

*Any written materials, petitions, photographs and/or other documents may be delivered to the Clerk to the Board. The County is not permitted to accept any external data storage devices (thumb drives, flash drives, memory cards or similar device). In accordance with the Board's adopted Rules of Procedure, Commissioners shall reserve responses, if any, for the Commissioner comment period on the agenda.*

### **3. CONSENT AGENDA**

A.	<u><b>Tax Administration</b></u>	February 2024 Collection Report
B.	<u><b>Tax Administration</b></u>	February 2024 Abatements and Supplements
C.	<u><b>Tax Administration</b></u>	Pending Refunds and Releases
D.	<u><b>Tax Administration</b></u>	Late Applications for Exemption / Exclusion / Deferral
E.	<u><b>Finance Department</b></u>	Budget Transfer Summary
F.	<u><b>Travel &amp; Tourism</b></u>	Budget Amendment (BNA#043)
G.	<u><b>Social Services</b></u>	Budget Amendment (BNA#044)
H.	<u><b>Animal Services</b></u>	Budget Amendment (BNA#045)
I.	<u><b>Cooperative Extension</b></u>	Budget Amendment (BNA#046)
J.	<u><b>Sheriff's Office</b></u>	Budget Amendment (BNA#047)
K.	<u><b>Health</b></u>	Budget Amendment (BNA#048)

	<b><u>Department</u></b>	
L.	<b><u>Health Department</u></b>	Budget Amendment (BNA#049)
M.	<b><u>Health Department</u></b>	Budget Amendment (BNA#050)
N.	<b><u>Finance Department</u></b>	Budget Amendment (BNA#051)
O.	<b><u>Emergency Medical Services</u></b>	Budget Amendment (BNA#052)
P.	<b><u>Sheriff's Office</u></b>	Removal of Service Weapons
Q.	<b><u>Planning Department</u></b>	Request to Set a Public Hearing on Tuesday, April 2, 2024 for Case 24-06, Request to Rezone a 0.5-acre Portion of Parcel 66377 from Residential (R) to Neighborhood Business - Conditional Use (NB-CU) for a Farm Food/Grocery Store
R.	<b><u>Foothills Shooting Complex</u></b>	Grant
S.	<b><u>E-911 Communications</u></b>	E-911 NCDOT Applications
T.	<b><u>Volunteer Fire Departments</u></b>	Volunteer Fire Department Grant

## **PUBLIC HEARINGS**

*Individuals who wish to address the Board during the public hearing shall register with the Clerk to the Board providing their true name and address on the sign-up sheet. Each individual wishing to address the Board shall only register themselves and will not be permitted to enter the name of any other individual, as the sign-up sheet is a public record available for inspection. The sign-up sheet will be available fifty (50) minutes prior to the start of each meeting. The sign-up sheet will be collected ten (10) minutes prior to the start of each meeting by the Clerk to the Board. Individuals who have not entered their true name and address on the sign-up sheet within the designated time period will not be permitted to address the Board, unless the Chair, in the Chair's sole discretion, permits.*

*Citizen speakers will be acknowledged in the order in which they signed up to speak and will address all comments to the Board as a whole and not one individual Commissioner. Speakers will address the Board from the speaker's podium at the front of the room and will begin their remarks by stating their true name and address. Discussions between speakers and members of the audience will not be allowed. A public hearing is not intended to require the Board to answer any impromptu questions. Speakers are expected to be civil in*

*their language and presentation.*

*All comments from the speaker shall be directly related to the subject of the public hearing. Each speaker is allotted five (5) minutes to address the Board. A speaker is not permitted to share, reserve or relinquish any remaining time allocated to them to another speaker. Any written materials, petitions, photographs and/or other documents may be delivered to the Clerk to the Board. The County is not permitted to accept any external data storage devices (thumb drives, flash drives, memory cards or similar device). In accordance with the Board's adopted Rules of Procedure, Commissioners shall reserve responses, if any, for the Commissioner comment period on the agenda.*

4. Amendments to Chapter 12 of the Unified Development Ordinance:
  - Case 23-07: Text Amendment to Section 12-124 - Adding Rural Residential Zoning District
  - Case 23-19: Text Amendment to Section 12-124 – Modifying Rural Agriculture Zoning District
  - Case 23-08: Text Amendment to Section 12-21 and 12-124 – Private Storage Building
  - Case 23-09: Text Amendment to Section 12-137 – Rural Home Occupation

Chris Martin, Planning Director

### **REGULAR AGENDA**

5. Gardner-Webb University  
Dr. Williams Downs, University President
6. Audit Presentation  
Thompson, Price, Scott, Adams
7. Cleveland County Fairgrounds Construction Bid Award  
Jason Falls, Business Development Director

### **BOARD APPOINTMENTS**

8. Board of Adjustment  
Phyllis Nowlen, Clerk to the Board
9. Historic Preservation Committee  
Phyllis Nowlen, Clerk to the Board

### **RECESS TO RECONVENE**

The next meeting of the Cleveland County Board of Commissioners will be held on Thursday, March 21, 2024, at 9:30am in the Commissioners' Chambers.

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Public Comment**

---

**Department:**

**Agenda Title:**

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Tax Collector' Monthly Report

---

**Department:** Tax Administration

**Agenda Title:** February 2024 Collection Report

**Agenda Summary:**

**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> StaffReport_Collections_February.docx	Staff Report
<input type="checkbox"/> Monthend_Real_Feb2024.pdf	February Real Estate Collections
<input type="checkbox"/> Monthend_Gap_Feb2024.pdf	Febryary Gap Collections
<input type="checkbox"/> Percentage_2023_2024.pdf	February Percentage

## STAFF REPORT

To: Board of County Commissioners

Date: Monday, March 4, 2024

Via: David Cotton, County Manager

From: Necolé Richard, Tax Collector

Subject: Tax Collector's Monthly Report

### Summary Statement:

- Attached is the Tax Collector's Settlement for the month of February 2024. The percentage of collections is on track with years before. I hope to keep it moving toward our goal of more than 98%. Our advertisement will be in the Shelby Star the week of March 18<sup>th</sup> through March 22<sup>nd</sup>. We will begin mass bank attachments the following week as way of forced collections.

### Review:

- Pursuant to N.C.G.S. 105-350.7, stating a duty of the tax collector shall be to submit to the governing body at each of its regular meetings a report of the amount she has collected on each year's taxes with which she is charged, the amount remaining uncollected, and the steps she is taking to encourage or enforce payment of uncollected taxes, attached is the settlement accounting for the disposition of current and delinquent taxes for the month of February 2024.

### Attachment:

- (1) February Real Estate Collections
- (2) February Gap Collections
- (3) February Percentage

**TOTAL TAXES COLLECTED FEBRUARY 2024**

YEAR	AMOUNT-REAL	AMOUNT-GAP	COMBINED AMT
DEF REV	\$0.00	\$0.00	\$0.00
2023	\$2,027,201.11	\$11,881.11	\$2,039,082.22
2022	\$66,233.49	\$1,306.89	\$67,540.38
2021	\$25,192.01	\$689.88	\$25,881.89
2020	\$11,541.53	\$577.78	\$12,119.31
2019	\$4,568.70	\$0.00	\$4,568.70
2018	\$4,608.07	\$0.00	\$4,608.07
2017	\$3,926.81	\$0.00	\$3,926.81
2016	\$8,554.81	\$0.00	\$8,554.81
2015	\$3,070.66	\$0.00	\$3,070.66
2014	\$1,917.70	\$0.00	\$1,917.70
2013	\$0.00	\$0.00	\$0.00
			<u>\$2,171,270.55</u>

TOTALS	\$2,156,814.89	\$14,455.66	\$2,171,270.55
DISCOUNT	\$1.74		\$1.74
INTEREST	\$99,789.60	\$1,043.53	\$100,833.13
TOLERANCE	(\$10.31)	\$0.00	(\$10.31)
ADVERTISING	\$528.00		
GARNISHMENT	\$5,765.96	GAP BILL FEES	DEFERRED GAP
NSF	\$26.67	\$1,259.97	\$12,274.22
LEGAL FEES	\$4,035.33		
TOTALS	\$2,266,951.88	\$16,759.16	
MISC FEE	\$0.00		GRAND TOTAL
TAXES COLL	\$2,266,951.88		\$2,283,711.04
DEF	\$12,795.23		\$13,860.05
DISC	(\$30.11)		\$12,274.22
TOL	\$0.29		\$2,309,845.31
INT	\$1,094.64		

**TOTAL TAXES UNCOLLECTED FEBRUARY 2024**

	AMOUNT-REAL	AMOUNT-GAP	COMBINED AMT
2023	\$3,817,463.16	\$159,407.26	\$3,976,870.42
2022	\$1,182,085.60	\$100,513.17	\$1,282,598.77
2021	\$426,084.65	\$67,167.10	\$493,251.75
2020	\$345,272.99	\$33,911.65	\$379,184.64
2019	\$493,019.29	\$0.00	\$493,019.29
2018	\$251,383.74	\$0.00	\$251,383.74
2017	\$141,820.52	\$0.00	\$141,820.52
2016	\$98,648.00	\$0.00	\$98,648.00
2015	\$94,365.84	\$0.00	\$94,365.84
2014	\$105,494.28	\$0.00	\$105,494.28
2013	\$0.00	\$0.00	\$0.00
	<u>\$6,955,638.07</u>	<u>\$360,999.18</u>	<u>\$7,316,637.25</u>

DEF REV

TOTAL UNCOLLECTED	\$29,432.94	\$174,555.10	\$203,988.04
	\$6,985,071.01	\$535,554.28	\$7,520,625.29

REAL-PERSONAL  
COUNTY GENERAL

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$1,122,766.09		
2022	\$35,761.78		
2021	\$13,807.14		
2020	\$5,654.57		
2019	\$2,357.75		
2018	\$2,329.48		
2017	\$2,079.69		
2016	\$2,076.97		
2015	\$1,986.64		
2014	\$1,258.15		
2013			

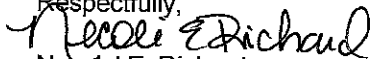
SUB TOTAL	\$1,190,078.26
DISCOUNT	\$1.20
INTEREST	\$57,300.94
ADVERTISING	\$528.00
GARNISHMENT	\$5,765.96
NSF	\$26.67
LEGAL FEES	\$4,035.33
TOLERANCE	(\$6.09)
TOTAL	\$1,257,730.27
MISC REFUND	
	\$1,257,730.27

ACCOUNT NOS.

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>		<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	<u>02/28/24</u>				
2023	\$53,999,879.57	\$56,027,385.57		96.38%	\$2,027,506.00
2022	\$54,402,061.75	\$55,012,521.98		98.89%	\$610,460.23
2021	\$53,013,813.63	\$53,236,687.40		99.58%	\$222,873.77
2020	\$50,201,964.70	\$50,378,350.99		99.65%	\$176,386.29
2019	\$49,367,293.76	\$49,603,364.54		99.52%	\$236,070.78
2018	\$46,540,061.62	\$46,670,848.46		99.72%	\$130,786.84
2017	\$44,105,060.00	\$44,180,577.05		99.83%	\$75,517.05
2016	\$43,699,224.27	\$43,750,072.02		99.88%	\$50,847.75
2015	\$42,979,534.27	\$43,028,655.40		99.89%	\$49,121.13
2014	\$42,119,120.06	\$42,171,415.57		99.88%	\$52,295.51
2013	\$41,161,830.09	\$41,161,830.09		100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>	
TAX	\$7,599.80	\$9,239.07	\$24,456.29	37.78%	\$15,217.22
DISC	(\$14.79)	\$8,339.05			
TOL	\$0.14	\$753.90	INT		

Respectfully,



Necole E. Richard

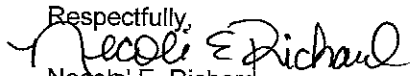
Tax Collector

**REAL-PERSONAL**  
**CLEVELAND COUNTY SOLID WASTE**

<u>YEAR</u>	<u>FEES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$107,957.44		
2022	\$5,121.21		
2021	\$1,351.69		
2020	\$963.66		
2019	\$262.95		
2018	\$341.89		
2017	\$378.46		
2016	\$4,987.20		
2015	\$142.60		
2014	\$62.00		
2013			
SUB TOTAL	\$121,569.10		<u>ACCOUNT NOS.</u>
DISCOUNT			
INTEREST			
TOLERANCE			
TOTAL	\$121,569.10		

<u>YEAR</u>	<u>FEES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	<u>02/28/24</u>			
2023	\$2,020,877.70	\$2,263,170.62	89.29%	\$242,292.92
2022	\$2,165,751.75	\$2,236,168.39	96.85%	\$70,416.64
2021	\$2,155,609.67	\$2,198,815.63	98.04%	\$43,205.96
2020	\$2,003,538.20	\$2,029,097.24	98.74%	\$25,559.04
2019	\$2,005,923.15	\$2,027,218.12	98.95%	\$21,294.97
2018	\$1,893,490.32	\$1,910,807.00	99.09%	\$17,316.68
2017	\$1,903,980.54	\$1,924,838.14	98.92%	\$20,857.60
2016	\$1,712,801.71	\$1,728,548.93	99.09%	\$15,747.22
2015	\$1,733,187.85	\$1,744,493.30	99.35%	\$11,305.45
2014	\$1,747,924.12	\$1,761,905.27	99.21%	\$13,981.15
2013	\$1,756,203.87	\$1,756,203.87	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED	
TAX	\$50.00	\$50.00	\$435.74	11.47%	\$385.74
DISC	\$50.00				
TOL					
		INT			

Respectfully,  
  
 Necole E. Richard  
 Tax Collector

VENDOR **3170** REAL-PERSONAL  
CLEVELAND COUNTY SCHOOLS

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$287,124.33		
2022	\$9,145.21		
2021	\$3,530.80		
2020	\$1,488.00		
2019	\$620.59		
2018	\$613.08		
2017	\$547.34		
2016	\$546.62		
2015	\$522.84		
2014	\$331.11		
2013			
SUB TOTAL	\$304,469.92		<u>ACCOUNT NOS.</u>
DISCOUNT	\$0.31		
INTEREST	\$14,758.38		
TOLERANCE	(\$1.40)		
TOTAL	\$319,227.21		020.600.5.524.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$13,808,534.63	\$14,327,128.34	96.38%	\$518,593.71
2022	\$13,914,008.66	\$14,070,277.41	98.89%	\$156,268.75
2021	\$13,562,909.78	\$13,619,923.95	99.58%	\$57,014.17
2020	\$13,211,072.06	\$13,257,489.54	99.65%	\$46,417.48
2019	\$12,991,421.18	\$13,053,545.15	99.52%	\$62,123.97
2018	\$12,247,412.49	\$12,281,829.80	99.72%	\$34,417.31
2017	\$11,606,622.57	\$11,626,495.71	99.83%	\$19,873.14
2016	\$11,499,824.60	\$11,513,205.88	99.88%	\$13,381.28
2015	\$11,310,432.08	\$11,323,359.43	99.89%	\$12,927.35
2014	\$11,084,008.62	\$11,097,771.23	99.88%	\$13,762.61
2013	\$10,832,090.91	\$10,832,090.91	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED	
TAX	\$1,952.69	\$2,376.37	\$6,274.96	0.00%	\$3,898.59
DISC	(\$3.82)	\$2,144.21			
TOL	\$0.03	\$195.31	INT		

Respectfully,



Necole E. Richard  
Tax Collector

REAL-PERSONAL  
COUNTY FIRE

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$94,610.62		
2022	\$2,847.20		
2021	\$1,011.26		
2020	\$334.78		
2019	\$130.44		
2018	\$180.53		
2017	\$184.84		
2016	\$76.82		
2015	\$141.36		
2014	\$98.42		
2013			

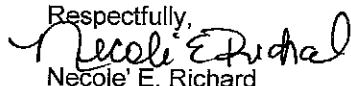
SUB TOTAL	\$99,616.27
DISCOUNT	\$0.19
INTEREST	\$4,224.11
TOLERANCE	(\$0.54)
TOTAL	\$103,840.03

ACCOUNT NOS.

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	<u>02/28/24</u>			
2023	\$3,464,598.27	\$3,617,679.64	95.77%	\$153,081.37
2022	\$3,489,369.79	\$3,534,236.92	98.73%	\$44,867.13
2021	\$3,462,473.30	\$3,482,378.22	99.43%	\$19,904.92
2020	\$3,001,622.13	\$3,013,039.21	99.62%	\$11,417.08
2019	\$2,916,652.28	\$2,925,205.22	99.71%	\$8,552.94
2018	\$2,887,577.42	\$2,895,052.15	99.74%	\$7,474.73
2017	\$2,824,541.93	\$2,830,148.16	99.80%	\$5,606.23
2016	\$1,468,766.66	\$1,471,196.02	99.83%	\$2,429.36
2015	\$1,456,544.10	\$1,458,162.16	99.89%	\$1,618.06
2014	\$1,448,988.43	\$1,450,405.83	99.90%	\$1,417.40
2013	\$1,486,081.41	\$1,486,081.41	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>	
TAX	\$765.05	\$1,010.21	\$1,455.68	69.40%	\$445.47
DISC	(\$0.13)	\$882.95			
TOL	\$118.03	INT			

Respectfully,



Necole E. Richard

Tax Collector

VENDOR 5110

REAL-PERSONAL  
FALLSTON FIRE

YEAR TAXES COLLECTED MONTH OF FEBRUARY  
DEF REV 2024

2023  
2022  
2021  
2020  
2019  
2018  
2017  
2016  
2015  
2014  
2013

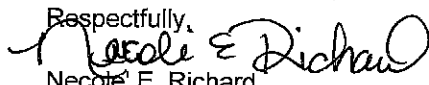
ACCOUNT NOS.

SUB TOTAL \$0.00  
DISCOUNT  
INTEREST  
TOLERANCE  
TOTAL \$0.00

074.000.2.240.00

YEAR	TAXES COLLECTED THRU 02/28/24	LEVY	COLLECTED	COLLECTED
2023	\$0.00	\$0.00	0.00%	\$0.00
2022	\$28.51	\$28.51	100.00%	\$0.00
2021	\$18.90	\$19.14	98.75%	\$0.24
2020	\$76.90	\$76.90	100.00%	\$0.00
2019	\$91.77	\$91.77	100.00%	\$0.00
2018	\$614.00	\$614.00	100.00%	\$0.00
2017	\$1,405.34	\$1,416.38	99.22%	\$11.04
2016	\$131,332.14	\$131,497.47	99.87%	\$165.33
2015	\$139,410.72	\$139,643.52	99.83%	\$232.80
2014	\$133,624.37	\$133,802.52	99.87%	\$178.15
2013	\$131,135.80	\$131,135.80	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	COLLECTED	COLLECTED
TAX \$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00
DISC \$0.00 \$0.00				
TOL \$0.00 \$0.00				
	INT			

Respectfully,  
  
Necole E. Richard  
Tax Collector

VENDOR 7990

REAL-PERSONAL  
LATTIMORE FIRE  
#7 VFD

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$7,958.00		
2022	\$690.00		
2021	\$487.36		
2020	\$102.37		
2019	\$114.01		
2018	\$93.73		
2017	\$93.73		
2016	\$53.56		
2015	\$7.01		
2014			
2013			
SUB TOTAL			
	\$9,599.77		
DISCOUNT			
INTEREST	\$651.34		
TOLERANCE	\$0.08		
TOTAL	\$10,251.19		
			<u>ACCOUNT NOS.</u>
			075.000.2.240.00

<u>TAXES COLLECTED THRU</u>				
<u>YEAR</u>	<u>02/28/24</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
2023	\$299,554.37	\$320,368.34	93.50%	\$20,813.97
2022	\$313,323.23	\$315,793.59	99.22%	\$2,470.36
2021	\$300,938.14	\$302,273.40	99.56%	\$1,335.26
2020	\$263,239.61	\$263,928.81	99.74%	\$689.20
2019	\$263,914.85	\$264,361.86	99.83%	\$447.01
2018	\$254,663.31	\$254,973.94	99.88%	\$310.63
2017	\$245,621.79	\$245,874.41	99.90%	\$252.62
2016	\$273,838.95	\$273,935.95	99.96%	\$97.00
2015	\$264,962.91	\$265,052.11	99.97%	\$89.20
2014	\$268,481.99	\$268,584.86	99.96%	\$102.87
2013	\$206,020.94	\$206,020.94	100.00%	\$0.00

2024 DEF REV COLL		TAX	LEVY	%COLLECTED	UNCOLLECTED
TAX	\$0.75	\$0.75	\$392.22	0.19%	\$391.47
DISC	\$0.00	\$0.85			
TOL	\$0.10				
		INT			

Respectfully,



Necole E. Richard  
Tax Collector

**REAL-PERSONAL**  
**RIPPY FIRE**

VENDOR 11870

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$14,409.57		
2022	\$428.27		
2021	\$81.79		
2020	\$43.86		
2019	\$43.33		
2018	\$4.28		
2017	\$0.47		
2016	\$9.00		
2015	\$6.86		
2014			
2013			


SUB TOTAL \$15,027.43  
DISCOUNT  
INTEREST \$574.95  
TOLERANCE \$0.03  
TOTAL \$15,602.41

ACCOUNT NOS.

076.000.2.240.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$336,519.44	\$354,637.63	94.89%	\$18,118.19
2022	\$350,183.09	\$353,905.30	98.95%	\$3,722.21
2021	\$344,488.89	\$345,835.08	99.61%	\$1,346.19
2020	\$305,888.16	\$306,598.05	99.77%	\$709.89
2019	\$306,354.73	\$306,927.38	99.81%	\$572.65
2018	\$300,709.26	\$303,651.46	99.03%	\$2,942.20
2017	\$296,641.24	\$299,706.32	98.98%	\$3,065.08
2016	\$170,648.12	\$170,922.23	99.84%	\$274.11
2015	\$179,599.81	\$179,880.70	99.84%	\$280.89
2014	\$175,093.89	\$175,275.21	99.90%	\$181.32
2013	\$173,740.66	\$173,740.66	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX \$1.68	\$14.70	\$110.85	13.26%	\$96.15
DISC	\$1.96			
TOL	\$0.28	INT		

Respectfully,  
  
Necole E. Richard  
Tax Collector

VENDOR 12560

REAL-PERSONAL  
CITY OF SHELBY

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$170,489.40		
2022	\$8,607.87		
2021	\$3,345.43		
2020	\$2,144.77		
2019	\$291.17		
2018	\$443.57		
2017	\$43.10		
2016	\$42.96		
2015	\$75.65		
2014	\$75.95		
2013			

SUB TOTAL	\$185,559.87
DISCOUNT	
INTEREST	\$13,026.31
TOLERANCE	(\$0.73)
SUBTOTAL	\$198,585.45
2% COLL FEE	(\$3,971.71)
TOTAL	\$194,613.74

<u>ACCOUNT NOS.</u>
077.000.2.240.00
010.413.4.540.00
10.000.1.203.00
WIRE TRANSFER

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$12,556,870.08	\$13,070,795.48	96.07%	\$513,925.40
2022	\$12,769,050.60	\$12,980,964.34	98.37%	\$211,913.74
2021	\$12,632,889.60	\$12,679,861.86	99.63%	\$46,972.26
2020	\$12,028,493.57	\$12,094,056.93	99.46%	\$65,563.36
2019	\$11,481,935.49	\$11,631,179.57	98.72%	\$149,244.08
2018	\$9,752,633.22	\$9,802,016.56	99.50%	\$49,383.34
2017	\$9,310,047.75	\$9,319,558.56	99.90%	\$9,510.81
2016	\$8,006,378.39	\$8,015,103.11	99.89%	\$8,724.72
2015	\$7,418,213.64	\$7,431,810.61	99.82%	\$13,596.97
2014	\$7,213,025.20	\$7,227,070.58	99.81%	\$14,045.38
2013	\$7,041,744.61	\$7,041,744.61	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED	
TAX	\$165.22	\$165.22	\$8,992.54	1.84%	\$8,827.32
DISC	(\$0.83)	\$164.51			
TOL	\$0.12	\$0.00	INT		

Respectfully,

  
Nicole E. Richard  
Tax Collector

VENDOR 12560

**REAL-PERSONAL**  
**CITY OF SHELBY**  
DISTRICT 25

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$8,055.69		
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			
SUB TOTAL	\$8,055.69		<u>ACCOUNT NOS.</u>
DISCOUNT			
INTEREST	\$222.30		
TOLERANCE	(\$0.46)		077.000.2.240.00
SUBTOTAL	\$8,277.53		010.413.4.540.00
2% COLL FEE	(\$165.55)		10.000.1.203.00
TOTAL	\$8,111.98		WIRE TRANSFER

<u>TAXES COLLECTED THRU</u>				
<u>YEAR</u>	<u>02/28/24</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
2023	\$337,047.09	\$370,151.04	91.06%	\$33,103.95
2022	\$365,504.89	\$382,734.11	95.50%	\$17,229.22
2021	\$367,436.89	\$367,869.27	99.88%	\$432.38
2020	\$358,947.03	\$360,064.03	99.69%	\$1,117.00
2019	\$351,456.38	\$351,872.23	99.88%	\$415.85
2018	\$339,999.68	\$340,376.82	99.89%	\$377.14
2017	\$321,359.64	\$321,938.62	99.82%	\$578.98
2016	\$319,452.04	\$320,709.54	99.61%	\$1,257.50
2015	\$316,006.52	\$316,703.16	99.78%	\$696.64
2014	\$314,530.34	\$314,898.50	99.88%	\$368.16
2013	\$315,471.31	\$315,471.31	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,  
  
 Necole E. Richard  
 Tax Collector

REAL-PERSONAL  
TOWN OF BOILING SPRINGS

VENDOR 1411

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$19,067.47		
2022	\$42.98		
2021	\$33.71		
2020	\$27.23		
2019			
2018			
2017			
2016			
2015	\$41.80		
2014			
2013			

SUB TOTAL	\$19,213.19	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$546.11	
TOLERANCE	(\$0.32)	
SUBTOTAL	\$19,758.98	078.000.2.240.00
2% COLL FEE	(\$395.18)	010.413.4.540.00
TOTAL	\$19,363.80	

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>		<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	<u>02/28/24</u>				
2023	\$1,089,022.39	\$1,121,135.63	97.14%	\$32,113.24	
2022	\$1,074,012.76	\$1,078,321.79	99.60%	\$4,309.03	
2021	\$1,076,003.37	\$1,078,778.18	99.74%	\$2,774.81	
2020	\$995,060.15	\$996,485.90	99.86%	\$1,425.75	
2019	\$996,470.34	\$997,021.08	99.94%	\$550.74	
2018	\$950,962.60	\$951,146.36	99.98%	\$183.76	
2017	\$919,210.24	\$919,458.25	99.97%	\$248.01	
2016	\$822,198.18	\$822,394.90	99.98%	\$196.72	
2015	\$807,897.96	\$808,449.91	99.93%	\$551.95	
2014	\$790,367.76	\$790,935.69	99.93%	\$567.93	
2013	\$708,919.84	\$708,919.84	100.00%	\$0.00	

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX \$261.06	\$261.06	\$261.06	0.00%	\$0.00
DISC (\$1.31)	\$259.75			
TOL		INT		

Respectfully,



Necole E. Richard

Tax Collector

VENDOR 6230

REAL-PERSONAL  
TOWN OF GROVER

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$3,831.59		
2022	\$75.46		
2021	\$81.92		
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$3,988.97
DISCOUNT	
INTEREST	\$116.88
TOLERANCE	
SUBTOTAL	\$4,105.85
2% COLL FEE	(\$82.12)
TOTAL	\$4,023.73

ACCOUNT NOS.

079.000.2.240.00  
010.413.4.540.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$175,688.15	\$185,106.34	94.91%	\$9,418.19
2022	\$180,094.43	\$182,097.09	98.90%	\$2,002.66
2021	\$181,099.96	\$182,091.72	99.46%	\$991.76
2020	\$138,894.61	\$138,940.53	99.97%	\$45.92
2019	\$135,520.11	\$135,566.03	99.97%	\$45.92
2018	\$120,135.51	\$120,177.50	99.97%	\$41.99
2017	\$117,886.61	\$117,935.42	99.96%	\$48.81
2016	\$118,134.77	\$118,153.55	99.98%	\$18.78
2015	\$121,096.35	\$121,125.85	99.98%	\$29.50
2014	\$120,897.54	\$120,971.20	99.94%	\$73.66
2013	\$118,077.63	\$118,077.63	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

REAL-PERSONAL  
CITY OF KINGS MOUNTAIN

VENDOR 7770

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$150,158.61		
2022	\$1,182.21		
2021	\$174.25		
2020	\$106.75		
2019	\$139.17		
2018	\$23.65		
2017	\$160.48		
2016	\$331.00		
2015	\$30.63		
2014	\$25.75		
2013			

SUB TOTAL	\$152,332.50
DISCOUNT	
INTEREST	\$5,053.82
TOLERANCE	(\$0.66)
SUBTOTAL	\$157,385.66
2% COLL FEE	(\$3,147.71)
TOTAL	\$154,237.95

ACCOUNT NOS.

080.000.2.240.00  
010.413.4.540.00  
10.000.1.203.00  
WIRE TRANSFER

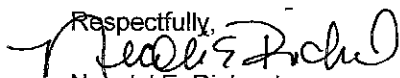
<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$8,265,799.26	\$8,434,004.08	98.01%	\$168,204.82
2022	\$7,507,330.56	\$7,539,644.95	99.57%	\$32,314.39
2021	\$6,777,624.96	\$6,797,250.13	99.71%	\$19,625.17
2020	\$6,729,542.37	\$6,740,808.04	99.83%	\$11,265.67
2019	\$6,787,789.28	\$6,794,154.01	99.91%	\$6,364.73
2018	\$6,590,329.81	\$6,594,054.86	99.94%	\$3,725.05
2017	\$5,244,255.19	\$5,247,741.28	99.93%	\$3,486.09
2016	\$4,663,394.95	\$4,667,417.83	99.91%	\$4,022.88
2015	\$3,869,794.95	\$3,872,452.45	99.93%	\$2,657.50
2014	\$3,669,562.43	\$3,676,873.52	99.80%	\$7,311.09
2013	\$3,146,687.33	\$3,146,687.33	100.00%	\$0.00

2014-22 CITY MUN	\$0.00		\$683.45
2023 CITY MUN	\$37,752.03	\$38,909.58	\$1,157.55

Shown separately for information only. These amounts are incorporated in the totals above.

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$1,823.54	\$1,823.54	\$1,823.54	0.00%
DISC	(\$9.22)	\$1,814.32		\$0.00
TOL				
		INT		

Respectfully,


Nesole E. Richard  
Tax Collector

VENDOR 8010 REAL-PERSONAL  
TOWN OF LATTIMORE

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$885.74		
2022	\$10.49		
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$896.23	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$27.17	
TOLERANCE		
SUBTOTAL	\$923.40	081.000.2.240.00
2% COLL FEE	(\$18.47)	010.413.4.540.00
TOTAL	\$904.93	

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$39,829.39	\$40,657.24	97.96%	\$827.85
2022	\$39,967.99	\$40,304.96	99.16%	\$336.97
2021	\$40,154.41	\$40,177.61	99.94%	\$23.20
2020	\$33,087.97	\$33,110.97	99.93%	\$23.00
2019	\$33,012.63	\$33,046.64	99.90%	\$34.01
2018	\$32,494.01	\$32,516.04	99.93%	\$22.03
2017	\$30,952.48	\$31,010.85	99.81%	\$58.37
2016	\$31,561.52	\$31,583.55	99.93%	\$22.03
2015	\$33,201.44	\$33,208.85	99.98%	\$7.41
2014	\$33,877.20	\$33,884.61	99.98%	\$7.41
2013	\$27,774.44	\$27,774.44	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

REAL-PERSONAL

VENDOR 14350

CLEVELAND CO. SANITARY DISTRICT  
CLEVELAND COUNTY WATER

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
<u>DEF REV</u>			<u>2024</u>
2023	\$24,553.30		
2022	\$866.75		
2021	\$358.77		
2020	\$109.96		
2019	\$65.79		
2018	\$63.68		
2017	\$63.78		
2016	\$55.76		
2015	\$62.11		
2014	\$39.37		
2013			

SUB TOTAL	\$26,239.27
DISCOUNT	\$0.04
INTEREST	\$1,228.63
TOLERANCE	(\$0.10)
SUBTOTAL	\$27,467.84
2% COLL FEE	(\$549.36)
TOTAL	\$26,918.48

ACCOUNT NOS.

082.000.2.240.00  
010.413.4.540.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>		<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	<u>02/28/24</u>				
2023	\$965,982.15	\$1,011,027.90	95.54%	\$45,045.75	
2022	\$972,936.79	\$989,139.79	98.36%	\$16,203.00	
2021	\$976,263.61	\$980,977.35	99.52%	\$4,713.74	
2020	\$867,443.41	\$870,024.93	99.70%	\$2,581.52	
2019	\$823,220.02	\$829,177.86	99.28%	\$5,957.84	
2018	\$752,456.13	\$755,937.31	99.54%	\$3,481.18	
2017	\$735,112.62	\$737,040.56	99.74%	\$1,927.94	
2016	\$731,602.82	\$732,678.05	99.85%	\$1,075.23	
2015	\$730,007.91	\$730,749.78	99.90%	\$741.87	
2014	\$715,319.55	\$715,959.54	99.91%	\$639.99	
2013	\$714,832.83	\$714,832.83	100.00%	\$0.00	

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX \$175.44	\$218.97	\$378.57	57.84%	\$159.60
DISC (\$0.01)	\$202.45			
TOL \$27.02		INT		

Respectfully,


Necole E. Richard  
Tax Collector

VENDOR **7865** REAL-PERSONAL  
TOWN OF KINGSTOWN

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$5,947.34		
2022	\$1,243.72		
2021	\$920.35		
2020	\$561.57		
2019	\$538.18		
2018	\$514.18		
2017	\$374.92		
2016	\$374.92		
2015	\$53.16		
2014	\$26.95		
2013			


SUB TOTAL	\$10,555.29
DISCOUNT	
INTEREST	\$1,728.56
TOLERANCE	(\$0.03)
SUBTOTAL	\$12,283.82
2% COLL FEE	(\$245.68)
TOTAL	\$12,038.14

ACCOUNT NOS.

083.000.2.240.00  
010.413.4.540.00  
10.000.1.203.00  
WIRE TRANSFER

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$76,327.08	\$93,940.47	81.25%	\$17,613.39
2022	\$87,081.29	\$91,026.13	95.67%	\$3,944.84
2021	\$86,369.93	\$89,015.54	97.03%	\$2,645.61
2020	\$71,579.24	\$72,423.95	98.83%	\$844.71
2019	\$71,209.35	\$71,761.54	99.23%	\$552.19
2018	\$71,053.35	\$71,430.30	99.47%	\$376.95
2017	\$51,631.34	\$51,928.14	99.43%	\$296.80
2016	\$52,079.30	\$52,117.89	99.93%	\$38.59
2015	\$67,583.61	\$67,620.03	99.95%	\$36.42
2014	\$68,215.05	\$68,254.96	99.94%	\$39.91
2013	\$68,876.31	\$68,876.31	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL	\$0.00	INT		

Respectfully,  
  
Necole E. Richard  
Tax Collector

VENDOR 5120

REAL-PERSONAL  
TOWN OF FALLSTON

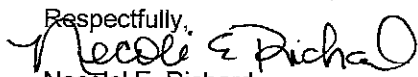
<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$372.31		
2022	\$2.88		
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$375.19	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$10.93	
TOLERANCE	(\$0.02)	
SUBTOTAL	\$386.10	084.000.2.240.00
2% COLL FEE	(\$7.72)	010.413.4.540.00
TOTAL	\$378.38	

TAXES COLLECTED THRU				
YEAR	02/28/24	LEVY	% COLLECTED	UNCOLLECTED
2023	\$22,296.88	\$24,296.41	91.77%	\$1,999.53
2022	\$23,463.89	\$24,029.32	97.65%	\$565.43
2021	\$22,395.54	\$22,684.06	98.73%	\$288.52
2020	\$18,787.92	\$19,064.30	98.55%	\$276.38
2019	\$18,862.67	\$18,880.39	99.91%	\$17.72
2018	\$18,926.09	\$18,932.85	99.96%	\$6.76
2017	\$18,500.18	\$18,509.14	99.95%	\$8.96
2016	\$18,528.21	\$18,533.75	99.97%	\$5.54
2015	\$20,213.87	\$20,316.31	99.50%	\$102.44
2014	\$18,704.76	\$18,794.58	99.52%	\$89.82
2013	\$18,679.04	\$18,679.04	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED	
TAX	\$0.00	\$38.76	\$38.76	0.00%	\$0.00
DISC	\$0.00				
TOL	\$0.00	INT			

Respectfully,



Necole' E. Richard  
Tax Collector

**REAL-PERSONAL**  
**TOWN OF EARL**

VENDOR **4640**

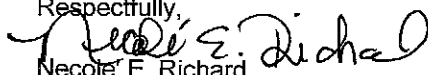
<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$1,467.01		
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$1,467.01	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$42.29	
TOLERANCE		
SUBTOTAL	\$1,509.30	085.000.2.240.00
2% COLL FEE	(\$30.19)	010.413.4.540.00
TOTAL	\$1,479.11	

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$20,318.82	\$21,576.27	94.17%	\$1,257.45
2022	\$20,201.90	\$20,315.37	99.44%	\$113.47
2021	\$19,958.13	\$20,091.71	99.34%	\$133.58
2020	\$16,925.99	\$16,973.40	99.72%	\$47.41
2019	\$16,867.83	\$16,891.52	99.86%	\$23.69
2018	\$16,509.63	\$16,537.94	99.83%	\$28.31
2017	\$15,193.64	\$15,216.00	99.85%	\$22.36
2016	\$14,769.23	\$14,780.51	99.92%	\$11.28
2015	\$14,706.47	\$14,728.00	99.85%	\$21.53
2014	\$14,932.18	\$14,953.71	99.86%	\$21.53
2013	\$14,738.04	\$14,738.04	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$26.77	\$38.15	0.00%	\$11.38
DISC	\$0.00			
TOL		INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

VENDOR 11240

REAL-PERSONAL  
TOWN OF POLKVILLE

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$698.95		
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$698.95
DISCOUNT	
INTEREST	\$19.16
TOLERANCE	
SUBTOTAL	\$718.11
2% COLL FEE	(\$14.36)
TOTAL	\$703.75

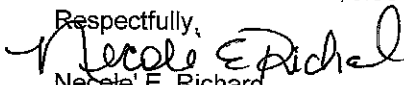
ACCOUNT NOS.

086.000.2.240.00  
010.413.4.540.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$15,088.99	\$15,833.73	95.30%	\$744.74
2022	\$15,604.50	\$15,636.26	99.80%	\$31.76
2021	\$15,318.91	\$15,332.47	99.91%	\$13.56
2020	\$12,592.81	\$12,616.07	99.82%	\$23.26
2019	\$12,477.28	\$12,479.74	99.98%	\$2.46
2018	\$12,299.76	\$12,302.07	99.98%	\$2.31
2017	\$12,049.94	\$12,052.25	99.98%	\$2.31
2016	\$11,806.76	\$11,813.19	99.95%	\$6.43
2015	\$12,055.19	\$12,061.74	99.95%	\$6.55
2014	\$11,598.09	\$11,604.64	99.94%	\$6.55
2013	\$11,756.43	\$11,756.43	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL	\$0.00	INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

REAL-PERSONAL  
TOWN OF LAWDALE

VENDOR 8060

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$2,355.19		
2022	\$113.73		
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

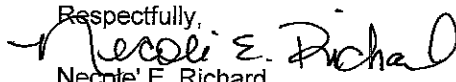
SUB TOTAL	\$2,468.92
DISCOUNT	
INTEREST	\$94.30
TOLERANCE	
SUBTOTAL	\$2,563.22
2% COLL FEE	(\$51.26)
TOTAL	\$2,511.96

<u>ACCOUNT NOS.</u>
087.000.2.240.00
010.413.4.540.00

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$66,266.30	\$72,422.82	91.50%	\$6,156.52
2022	\$69,481.19	\$72,468.22	95.88%	\$2,987.03
2021	\$70,174.24	\$71,436.46	98.23%	\$1,262.22
2020	\$63,973.62	\$64,658.36	98.94%	\$684.74
2019	\$64,618.71	\$65,230.89	99.06%	\$612.18
2018	\$43,224.91	\$43,592.04	99.16%	\$367.13
2017	\$43,066.38	\$43,433.51	99.15%	\$367.13
2016	\$42,235.72	\$42,482.11	99.42%	\$246.39
2015	\$45,765.42	\$46,009.12	99.47%	\$243.70
2014	\$44,460.28	\$44,697.65	99.47%	\$237.37
2013	\$44,700.87	\$44,700.87	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

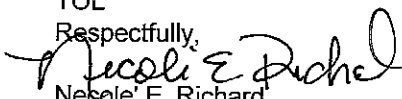
VENDOR 2330 REAL-PERSONAL  
TOWN OF CASAR

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$275.70		
2022	\$5.74		
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$281.44	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$8.19	
TOLERANCE		
SUBTOTAL	\$289.63	088.000.2.240.00
2% COLL FEE	(\$5.79)	010.413.4.540.00
TOTAL	\$283.84	

<u>YEAR</u>	<u>TAXES COLLECTED THRU</u>	<u>LEVY</u>	<u>% COLLECTED</u>	<u>UNCOLLECTED</u>
	02/28/24			
2023	\$6,811.36	\$7,172.30	94.97%	\$360.94
2022	\$6,991.43	\$7,177.42	97.41%	\$185.99
2021	\$7,039.36	\$7,075.11	99.49%	\$35.75
2020	\$6,163.07	\$6,169.99	99.89%	\$6.92
2019	\$5,869.93	\$5,883.70	99.77%	\$13.77
2018	\$5,683.41	\$5,683.96	99.99%	\$0.55
2017	\$5,757.74	\$5,758.29	99.99%	\$0.55
2016	\$5,683.20	\$5,683.32	100.00%	\$0.12
2015	\$5,553.43	\$5,555.64	99.96%	\$2.21
2014	\$5,581.71	\$5,583.97	99.96%	\$2.26
2013	\$5,577.02	\$5,577.02	100.00%	\$0.00

<u>2024 DEF REV COLL</u>	<u>TAX</u>	<u>LEVY</u>	<u>%COLLECTED</u>	<u>UNCOLLECTED</u>
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,  
  
 Nesole E. Richard  
 Tax Collector


VENDOR 14630 REAL-PERSONAL  
TOWN OF WACO

YEAR	TAXES COLLECTED	MONTH OF	FEBRUARY
DEF REV			2024
2023	\$1,323.76		
2022	\$77.53		
2021			
2020	\$3.65		
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$1,404.94	<u>ACCOUNT NOS.</u>
DISCOUNT		
INTEREST	\$62.88	
TOLERANCE		
SUBTOTAL	\$1,467.82	089.000.2.240.00
2% COLL FEE	(\$29.36)	010.413.4.540.00
TOTAL	\$1,438.46	

YEAR	TAXES COLLECTED THRU	LEVY	% COLLECTED	UNCOLLECTED
	02/28/24			
2023	\$31,214.34	\$34,054.36	91.66%	\$2,840.02
2022	\$33,161.04	\$33,874.44	97.89%	\$713.40
2021	\$32,338.37	\$32,478.70	99.57%	\$140.33
2020	\$25,693.25	\$25,790.86	99.62%	\$97.61
2019	\$25,471.62	\$25,517.05	99.82%	\$45.43
2018	\$24,714.76	\$24,761.93	99.81%	\$47.17
2017	\$24,774.25	\$24,832.06	99.77%	\$57.81
2016	\$24,291.47	\$24,371.21	99.67%	\$79.74
2015	\$23,857.19	\$23,953.46	99.60%	\$96.27
2014	\$28,910.85	\$29,075.06	99.44%	\$164.21
2013	\$19,983.62	\$19,983.62	100.00%	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED
TAX	\$0.00	\$0.00	0.00%	\$0.00
DISC	\$0.00			
TOL		INT		

Respectfully,  
  
 Necole E. Richard  
 Tax Collector

REAL-PERSONAL  
TOWN OF PATTERSON SPRINGS

VENDOR 10910

YEAR	TAXES COLLECTED	MONTH OF	FEBRUARY
DEF REV			2024
2023	\$1,064.42		
2022			
2021			
2020			
2019			
2018			
2017			
2016			
2015			
2014			
2013			

SUB TOTAL	\$1,064.42
DISCOUNT	
INTEREST	\$26.78
TOLERANCE	(\$0.06)
TOTAL	\$1,091.14
2% COLL FEE	(\$21.82)
TOTAL	\$1,069.32


ACCOUNT NOS.

091.000.2.240.00  
010.413.4.540.00

YEAR	TAXES COLLECTED THRU 02/28/24	LEVY	% COLLECTED	UNCOLLECTED
2023	\$35,680.22	\$37,040.35	96.33%	\$1,360.13
2022	\$39,012.72	\$39,309.35	99.25%	\$296.63
2021	\$36,004.57	\$36,089.13	99.77%	\$84.56
2020	\$31,373.53	\$31,414.05	99.87%	\$40.52
2019	\$31,346.31	\$31,401.35	99.82%	\$55.04
2018	\$30,558.21	\$30,586.51	99.91%	\$28.30
2017	\$30,059.63	\$30,082.46	99.92%	\$22.83
2016	\$0.00	\$0.00	#DIV/0!	\$0.00
2015	\$0.00	\$0.00	#DIV/0!	\$0.00
2014	\$0.00	\$0.00	#DIV/0!	\$0.00
2013	\$0.00	\$0.00	#DIV/0!	\$0.00

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED
TAX	\$0.00	\$0.00	\$0.00	#DIV/0!
DISC	\$0.00	\$0.00		\$0.00
TOL	\$0.00			
		INT		

Respectfully,

  
Necole E. Richard  
Tax Collector

VENDOR 1180

REAL-PERSONAL  
TOWN OF BELWOOD

<u>YEAR</u>	<u>TAXES COLLECTED</u>	<u>MONTH OF</u>	<u>FEBRUARY</u>
DEF REV			2024
2023	\$1,828.58		
2022	\$10.46		
2021	\$7.54		
2020	\$0.36		
2019	\$5.32		
2018			
2017			
2016			
2015			
2014			
2013			


ACCOUNT NOS.

SUB TOTAL	\$1,852.26	
DISCOUNT		
INTEREST	\$65.57	
TOLERANCE	(\$0.01)	
TOTAL	\$1,917.82	092.000.2.240.00
2% COLL FEE	(\$38.36)	010.413.4.540.00
TOTAL	\$1,879.46	

YEAR	TAXES COLLECTED THRU		LEVY	% COLLECTED	UNCOLLECTED
	02/28/24				
2023	\$30,295.25	\$32,380.33	93.56%	\$2,085.08	
2022	\$30,928.59	\$31,661.31	97.69%	\$732.72	
2021	\$29,830.70	\$30,097.39	99.11%	\$266.69	
2020	\$25,912.78	\$25,963.02	99.81%	\$50.24	
2019	\$24,536.24	\$24,557.56	99.91%	\$21.32	
2018	\$23,059.91	\$23,123.29	99.73%	\$63.38	
2017	\$0.00	\$0.00	#DIV/0!	\$0.00	
2016	\$0.00	\$0.00	#DIV/0!	\$0.00	
2015	\$0.00	\$0.00	#DIV/0!	\$0.00	
2014	\$0.00	\$0.00	#DIV/0!	\$0.00	
2013	\$0.00	\$0.00	#DIV/0!	\$0.00	

2024 DEF REV COLL	TAX	LEVY	%COLLECTED	UNCOLLECTED
TAX \$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00
DISC	\$0.00			
TOL				
		INT		

Respectfully,

  
 Necole E. Richard  
 Tax Collector

**GAP BILLS TOTAL TAXES COLLECTED FEBRUARY 2024**

DEF REV	\$0.00
2023	\$11,881.11
2022	\$1,306.89
2021	\$689.88
2020	\$577.78
2019	\$0.00
2018	\$0.00
2017	\$0.00
2016	\$0.00
2015	\$0.00
2014	\$0.00
2013	\$0.00
<b>TOTAL</b>	<b>\$14,455.66</b>
<b>FEES</b>	<b>\$1,259.97</b>
<b>INTEREST</b>	<b>\$1,043.53</b>
<b>TOLERANCE</b>	<b>\$0.00</b>
<b>TOTAL</b>	<b>\$16,759.16</b>
 DEF REV	 \$12,273.83
TOLERANCE	\$0.39
INTEREST	\$0.00
<b>TOTAL DEF</b>	<b>\$12,274.22</b>
<b>GRAND TOTAL</b>	<b>\$29,033.38</b>

**TOTAL TAXES UNCOLLECTED FEBRUARY 2024**

2023	\$159,407.26
2022	\$100,513.17
2021	\$67,167.10
2020	\$33,911.65
2019	\$0.00
2018	\$0.00
2017	\$0.00
2016	\$0.00
2015	\$0.00
2014	\$0.00
2013	\$0.00
 <b>TOTAL</b>	 <b>\$360,999.18</b>
 DEF REV	 \$174,555.10
<b>TOTAL</b>	<b>\$535,554.28</b>

Percentage		Real Property			
Revenue	Unit: 010				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
July	0.64%	1.22%	1.90%	2.29%	1.77%
August	53.68%	58.88%	52.70%	51.81%	48.74%
September	51.74%	57.08%	57.95%	56.63%	59.56%
October	54.15%	59.60%	60.75%	59.44%	57.29%
November	56.85%	62.43%	63.75%	57.87%	59.09%
December	75.34%	76.89%	76.38%	77.04%	75.56%
January	94.37%	94.21%	94.36%	94.54%	93.94%
February	96.38%	96.45%	96.34%	96.46%	95.84%
March		97.36%	97.64%	97.66%	96.80%
April		97.67%	98.13%	98.10%	97.10%
May		97.98%	98.33%	98.30%	97.48%
June		98.00%	98.58%	98.57%	97.77%

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### February 2024 Abatements and Supplements

---

**Department:** Tax Administration

**Agenda Title:** February 2024 Abatements and Supplements

**Agenda Summary:**

**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> abate_supp_report_phyliss_feb_2024.pdf	Feb 2024 Abate and Suppl

# ABATEMENTS & SUPPLEMENTS

MONTH OF

FEBRUARY 2023-2024

DISTRICT	FUND		2024	2023
<u>COUNTY GENERAL</u>	<u>10</u>	ABATEMENTS		(3,003.86)
		SUPPLEMENTS	17,390.40	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS	(676.00)	(196.84)
<u>CONSOLIDATED SCHOOL</u>	<u>20</u>	ABATEMENTS		(768.10)
		SUPPLEMENTS	4,460.82	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS	(172.85)	(50.33)
<u>COUNTY FIRE</u>	<u>28</u>	ABATEMENTS		(340.41)
		SUPPLEMENTS	943.15	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS	(107.75)	(31.46)
<u>COUNTY SCHOOLS</u>	<u>71</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<u>SHELBY SCHOOLS</u>	<u>72</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<u>KINGS MTN SCHOOLS</u>	<u>73</u>	ABATEMENTS		
		SUPPLEMENTS		

		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<b><u>FALLSTON FIRE</u></b>	<b><u>74</u></b>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<b><u>LATTIMORE FIRE</u></b>	<b><u>75</u></b>	ABATEMENTS		
		SUPPLEMENTS	392.22	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<b><u>RIPPY FIRE</u></b>	<b><u>76</u></b>	ABATEMENTS		(4.94)
		SUPPLEMENTS	97.83	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
<b>TOTAL ABATEMENTS</b>	<b>10-76</b>		0.00	(4,117.31)
<b>TOTAL SUPPLEMENTS</b>	<b>10-76</b>		23,284.42	0.00
<b>TOTAL HB ABATEMENTS</b>	<b>10-76</b>		0.00	0.00
<b>TOTAL HB SUPPLEMENTS</b>	<b>10-76</b>		0.00	0.00
<b>TOTAL GAP ABATEMENTS</b>	<b>10-76</b>		0.00	0.00
<b>TOTAL GAP SUPPLEMENTS</b>	<b>10-76</b>		(956.60)	(278.63)
<b><u>CITY OF SHELBY</u></b>	<b><u>77</u></b>	ABATEMENTS		(796.91)
		SUPPLEMENTS	7,532.92	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS	(1.66)	
<b>TOTAL ABATEMENTS</b>	<b>77</b>		0.00	(796.91)
<b>TOTAL SUPPLEMENTS</b>	<b>77</b>		7,531.26	0.00

<b><u>TOWN OF BOILING SPRGS</u></b>	<b><u>78</u></b>	ABATEMENTS		
		SUPPLEMENTS	<b>261.06</b>	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	78		<b>0.00</b>	<b>0.00</b>
TOTAL SUPPLEMENTS	78		<b>261.06</b>	<b>0.00</b>
<b><u>TOWN OF GROVER</u></b>	<b><u>79</u></b>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	79		<b>0.00</b>	<b>0.00</b>
TOTAL SUPPLEMENTS	79		<b>0.00</b>	<b>0.00</b>
<b><u>CITY OF KINGS MOUNTAIN</u></b>	<b><u>80</u></b>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	80		<b>0.00</b>	<b>0.00</b>
TOTAL SUPPLEMENTS	80		<b>0.00</b>	<b>0.00</b>
<b><u>TOWN OF LATTIMORE</u></b>	<b><u>81</u></b>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	81		<b>0.00</b>	<b>0.00</b>
TOTAL SUPPLEMENTS	81		<b>0.00</b>	<b>0.00</b>
<b><u>UPPER CLEVE WATER DIST</u></b>	<b><u>82</u></b>	ABATEMENTS		<b>(78.94)</b>
		SUPPLEMENTS	<b>273.92</b>	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS	<b>(12.93)</b>	<b>(7.19)</b>

TOTAL ABATEMENTS	82		0.00	(78.94)
TOTAL SUPPLEMENTS	82		260.99	(7.19)
<u>TOWN OF KINGSTOWN</u>	<u>83</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	83		0.00	0.00
TOTAL SUPPLEMENTS	83		0.00	0.00
<u>TOWN OF FALLSTON</u>	<u>84</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	84		0.00	0.00
TOTAL SUPPLEMENTS	84		0.00	0.00
<u>TOWN OF EARL</u>	<u>85</u>	ABATEMENTS		
		SUPPLEMENTS	11.38	
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	85		0.00	0.00
TOTAL SUPPLEMENTS	85		11.38	0.00
<u>TOWN OF POLKVILLE</u>	<u>86</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	86		0.00	0.00
TOTAL SUPPLEMENTS	86		0.00	0.00
<u>TOWN OF LAWNSDALE</u>	<u>87</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		

		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	87		0.00	0.00
TOTAL SUPPLEMENTS	87		0.00	0.00
<u>TOWN OF CASAR</u>	<u>88</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	88		0.00	0.00
TOTAL SUPPLEMENTS	88		0.00	0.00
<u>TOWN OF WACO</u>	<u>89</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	89		0.00	0.00
TOTAL SUPPLEMENTS	89		0.00	0.00
<u>TOWN OF PATTERSON SPRGS</u>	<u>91</u>	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	91		0.00	0.00
TOTAL SUPPLEMENTS	91		0.00	0.00
TOWN OF BELWOOD	92	ABATEMENTS		
		SUPPLEMENTS		
		HB ABATEMENTS		
		HB SUPPLEMENTS		
		GAP ABATEMENTS		
		GAP SUPPLEMENTS		
TOTAL ABATEMENTS	92		0.00	0.00
TOTAL SUPPLEMENTS	92		0.00	0.00

<b><u>S/W COLLECTIONS</u></b>	<b><u>54</u></b>	<b>ABATEMENTS</b>		<b>(200.92)</b>
		<b>SUPPLEMENTS</b>	<b>230.37</b>	
		<b>HB ABATEMENTS</b>		
		<b>HB SUPPLEMENTS</b>		
		<b>GAP ABATEMENTS</b>		
		<b>GAP SUPPLEMENTS</b>		
<b>TOTAL ABATEMENTS</b>	<b>54</b>		<b>0.00</b>	<b>(200.92)</b>
<b>TOTAL SUPPLEMENTS</b>	<b>54</b>		<b>230.37</b>	<b>0.00</b>
<b>TOTAL REG ABATEMENTS</b>	<b>10-92</b>		<b>0.00</b>	<b>(5,194.08)</b>
<b>TOTAL REG SUPPLEMENTS</b>	<b>10-92</b>		<b>31,594.07</b>	<b>0.00</b>
<b>TOTAL HB ABATEMENTS</b>	<b>10-92</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL HB SUPPLEMENTS</b>	<b>10-92</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL GAP ABATEMENTS</b>	<b>10-92</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL GAP SUPPLEMENTS</b>	<b>10-92</b>		<b>(971.19)</b>	<b>(285.82)</b>
<b>PAGE TOTALS</b>	<b>10-92</b>	<b>ABATEMENTS</b>	<b>0.00</b>	<b>(5,194.08)</b>
<b>PAGE TOTALS</b>	<b>10-92</b>	<b>SUPPLEMENTS</b>	<b>30,622.88</b>	<b>(285.82)</b>
<b>MONTHLY GRAND TOTAL</b>		<b>ABATEMENTS</b>	<b>(11,203.20)</b>	
<b>MONTHLY GRAND TOTAL</b>		<b>SUPPLEMENTS</b>	<b>30,319.36</b>	

**SHERRY LAVENDER**

**TAX ASSESSOR**

## PROPERTY AND HB20

[illegible]

(606.50)	(593.20)	(546.40)	(546.40)	(546.40)	(546.40)	(521.02)	(523.09)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(10.10)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(269.38)							
(7.60)							
(269.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(7.60)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(6.42)	(15.31)	(13.53)	(13.53)	(13.53)	(13.53)	(13.53)	(13.59)

(6.42)	(15.31)	(13.53)	(13.53)	(13.53)	(13.53)	(13.53)	(13.59)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(120.55)	(78.03)	(73.61)	(73.61)	(69.44)	(69.44)	(62.00)	(62.00)
(120.55)	(78.03)	(73.61)	(73.61)	(69.44)	(69.44)	(62.00)	(62.00)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1,002.85)	(686.54)	(633.54)	(633.54)	(629.37)	(629.37)	(596.55)	(598.68)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(17.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1,002.85)	(686.54)	(633.54)	(633.54)	(629.37)	(629.37)	(596.55)	(598.68)
(17.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[illegible]

(523.09)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[illegible]

(13.59)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(62.00)							
(62.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(598.68)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(598.68)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Pending Refunds and Releases

---

**Department:** Tax Administration  
**Agenda Title:** Pending Refunds and Releases  
**Agenda Summary:**  
**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Pending_Refunds_and_Releases_03-19-24_Agenda.pdf	Pending Refunds and Releases

### **PENDING REFUNDS / RELEASES (RECOMMENDED FOR APPROVAL)**

**March 19, 2024**

The following requests have been reviewed by the County Assessor and found to be in order. They are hereby submitted for approval by the Cleveland County Board of Commissioners per G.S. 105-381. Supporting documentation is on file in the County Assessor's Office.

NAME	YEAR	RECEIPT	REASON	ORIGINAL ASSESSED VALUE	ORIGINAL TAX PAID	REQUESTED RELEASE/REFUND VALUE	DISTRICT	EFF TAX RATE	RELEASE	REFUND
Cook Christopher Lee	2023	4986106	Clerical Error	\$ 183,578	\$1,532.12	\$ 6,216	51	0.7950		\$49.42
Cook Christopher Lee	2022	4886007	Clerical Error	\$ 183,578	\$1,532.12	\$ 6,216	51	0.7950		\$49.42
Cook Christopher Lee	2021	4783097	Clerical Error	\$ 183,578	\$1,529.79	\$ 6,216	51	0.7950		\$49.42
Cook Christopher Lee	2020	4679128	Clerical Error	\$ 150,045	\$1,315.24	\$ 4,372	51	0.8275		\$36.18
Cook Christopher Lee	2019	4497931	Clerical Error	\$ 150,045	\$1,315.24	\$ 4,372	51	0.8275		\$36.18
								<b>Total</b>	<b>\$0.00</b>	<b>\$220.61</b>

### PENDING REFUNDS / RELEASES (RECOMMENDED FOR DENIAL)

The following requests have been reviewed by the County Assessor. The stated request does not constitute a valid defense to the release or refund of the tax imposed or any part thereof, as provided in G.S. 105-381. Supporting documentation is on file in the County Assessor's Office.

NAME	YEAR	RECEIPT	REASON	ORIGINAL ASSESSED VALUE	ORIGINAL TAX PAID	REQUESTED RELEASE/REFUND VALUE	DISTRICT	EFF TAX RATE	RELEASE	REFUND
								TOTAL	\$0.00	\$0.00

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Late Applications for Exemption / Exclusion / Deferral**

---

**Department:** Tax Administration

**Agenda Title:** Late Applications for Exemption / Exclusion / Deferral

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

	File Name	Description
<input type="checkbox"/>	Late_Applications.pdf	Late Applications

## STAFF REPORT

To: County Commissioners Meeting Date: March 19, 2024  
Via: David Cotton, County Manager  
From: Sherry Lavender, Tax Administrator  
Subject: Late Applications for Exemption / Exclusion / Deferral

Summary Statement: Approve or deny late applications.

Review: Per N.C.G.S. 105-282.1 every owner of property claiming exemption or exclusion from property taxes under the provisions of this Subchapter has the burden of establishing that the property is entitled to it.

Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the statutory deadlines may be approved by the Department of Revenue, the board of equalization and review, the board of county commissioners, or the governing body of a municipality, as appropriate.

This matter is submitted for consideration as a Consent Agenda item at the County Commissioner's Board meeting scheduled for March 19, 2024.

Fiscal Impact: Estimated \$ 936.33

Recommendation: Approve all applications. All properties qualify for the exclusion or exemption requested other than being untimely filed with the Assessor's Office.

Attachment:  
(1) Roster of Applicants



2024 Late Applications					3/19/2024
				Estimated	Estimated
				Value to be	Fiscal Impact
Owner Name	Parcel/Account	Physical Location	Type	Exempt/Deferred	(County Tax Only)
Bethelhem Temple Holiness Church	5216	off Temple Drive	religious	\$ 12,512	\$ 68.50
Bethelhem Temple Holiness Church	5169	115-2 Temple Dr	religious	\$ 12,750	\$ 69.81
Howell Dorothy	44306	201 S Washington St# 4051	historic property	\$ 73,223	\$ 400.90
Coleman B Hayne	5898	Randall Rd	present use deferment	\$ 72,535	\$ 397.13
					\$ -
					\$ -
					\$ -
<b>Staff Recommendation:</b>	Approve applications. All properties qualify for the exclusion or exemption requested other than the late submission of the application.				
			<b>Total</b>	<b>\$ 171,020</b>	<b>\$ 936.33</b>

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Budget Transfer Summary

---

**Department:** Finance Department  
**Agenda Title:** Budget Transfer Summary  
**Agenda Summary:**  
**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 3.19.24_Comm_Mtg_Budget_Summary.pdf	Budget Transfer Summary

County of Cleveland, North Carolina  
Manager's Budget Summary  
Presented at the March 19, 2024 Board Meeting  
Time Period Covered : 1/29/2024 thru 3/4/2024  
For Fiscal Year Ending June 30, 2024

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT #	DEPT TO NAME	DEPT #	DEPT FROM NAME	EXPLANATION	BUDGET AMOUNT
1864	D	1/29/2024	054.474	SW Manned Sites			Move funds to cover contracted services	\$ 880.00
1865	D	1/29/2024	012.550	Primary Care			Move funds to cover construction of awning @ CCHD	\$ 415,065.00
1866	D	1/29/2024	011.506	DSS Admin			Move funds to cover equipment repairs	\$ 2,240.00
1867	D	2/1/2024	012.532	TB/STD/CD			Move funds to appropriate expense lines	\$ 96,359.00
1867	D	2/1/2024	012.550	Primary Care			Move funds to cover awards/appreciation	\$ 40,000.00
1868	D	2/5/2024	010.450	Building Inspections			Move funds to cover dept supplies	\$ 900.00
1869	D	2/5/2024	486.245	Cap Projs-CI Co Fair			Move funds to cover capital equip and maint contracts	\$ 128,722.00
1870	D	2/6/2024	010.444	Detention Ctr			Move Vivitrol Grant funding to appropriate accts	\$ 223,434.00
1871	D	2/7/2024	010.441	Sheriff	010.998	Contingency	Transfer funds to cover part of vehicle purch	\$ 20,000.00
1872	D	2/7/2024	012.540	WIC			Move funds to cover travel/training	\$ 5,500.00
1873	L	2/8/2024	060.651	Property/Liability	010.998	Contingency	Transfer funds to cover professional services (legal)	\$ 223,621.00
1874	D	2/8/2024	010.439	US DOJ Grant			Move funds to cover motor fuels	\$ 3,500.00
1875	D	2/8/2024	010.542	Animal Services			Move funds to cover license/permits/certs, garbage exp and professional servs	\$ 10,550.00
1876	D	2/8/2024	010.443	State Forfeiture			Move funds to cover gym equipment purchase	\$ 3,174.00
1877	D	2/12/2024	012.530	Health Admin			Move funds to cover equipment lease	\$ 3,006.00
1878	D	2/13/2024	010.449	Electronic Maint			Move funds to cover motor fuels / repairs on equip	\$ 5,000.00
1879	D	2/13/2024	010.440	SRO			Move funds to cover capital equipment	\$ 4,800.00
1880	D	2/14/2024	010.418	Board of Elections			Move funds to cover license/permits/certs	\$ 53.00
1881	D	2/14/2024	010.444	Detention Ctr			Move funds to cover insur/legal settlement	\$ 200.00
1882	D	2/14/2024	010.446	EMS			Move funds to cover penalty exp	\$ 100.00
1883	D	2/14/2024	010.611	Library			Move funds to cover awards/appreciation	\$ 131.00
1884	D	2/14/2024	065.981	Health Plan			Move funds to cover case management / ss/medicare taxes	\$ 208.00
1885	D	2/14/2024	010.415	Tax Admin			Move funds to cover repairs on equip and dues/subscriptions	\$ 4,350.00
1886	D	2/14/2024	010.416	Legal			Move funds to cover advertising	\$ 4,000.00
1887	D	2/15/2024	010.446	EMS			Move funds to cover special team supplies	\$ 10,000.00
1888	D	2/14/2024	010.498	Soil & Water			Move funds to cover dues/subscriptions	\$ 900.00
1889	D	2/16/2024	010.413	State Forfeiture			Move funds to cover capital equipment	\$ 4,500.00
1890	D	2/16/2024	026.454	E911			Move funds to cover license/permit/certs	\$ 1,000.00

**Manager's Budget Summary**  
**Presented at the March 19, 2024 Board Meeting**  
**Time Period Covered : 1/29/2024 thru 3/4/2024**  
**For Fiscal Year Ending June 30, 2024**

**BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL**

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT #	DEPT TO NAME	DEPT #	DEPT FROM NAME	EXPLANATION	BUDGET AMOUNT
1891	D	2/16/2024	027.434	ARPA			Move funds to cover capital equipment	\$ 1,590,183.00
1892	D	2/14/2024	010.411	Commissioners			Move funds to cover awards/appreciation	\$ 2,500.00
1893	L	2/2/2024	014.417	Courts	010.998	Contingency	Transfer funds to cover juvenile detention fees	\$ 195,000.00
1894	L	2/16/2024	010.611	Library	010.412	Manager's Office	Transfer funds to assist with Library Week Exp	\$ 250.00
1895	D	2/21/2024	024.424	Opioid Settlement			Move funds to cover advertising and event exps	\$ 10,000.00
1896	D	2/23/2024	012.550	Primary Care			Move funds to cover controlled property exp	\$ 1,726.00
1897	L	2/26/2024	010.448	Communications	010.998	Contingency	Transfer funds to cover professional services	\$ 12,240.00
1898	D	2/27/2024	010.411	Commissioners			Transfer funds to cover awards/appreciations	\$ 3,000.00
1899	D	2/29/2024	010.413	Finance			Move funds to cover bank charges	\$ 300.00
1900	D	2/29/2024	010.449	Electronic Maint			Move funds to cover repairs on equipment	\$ 2,500.00
1901	D	3/4/2024	060.651	Property/Liability			Move funds to cover ins claims - general & in house	\$ 15,318.00
1902	D	3/4/2024	012.530	Health Admin			Move funds to cover repairs on equipment	\$ 1,000.00
1902	D	3/4/2024	012.544	Dental Clinic			Move funds to cover controlled property exp	\$ 732.00
1902	D	3/4/2024	012.550	Primary Care			Move funds to cover postage	\$ 500.00
1902	D	3/4/2024	013.660	Employee Health			Move funds to cover departmental supplies	\$ 2,000.00
1903	D	3/4/2024	012.539	Family Planning			Move funds to cover contracted services	\$ 500.00

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Travel & Tourism: Budget Amendment (BNA#043)**

---

**Department:** Travel & Tourism

**Agenda Title:** Budget Amendment (BNA#043)

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name	Description
<input type="checkbox"/> BNA043_3.19.24.pdf	Travel & Tourism Budget Amendment BNA#043

## BUDGET NEW - ORDINANCE AMENDMENT


BNA # 043SUBMITTED TO BOARD OF COUNTY COMMISSIONERS  
FOR CONSIDERATION AT MEETING TO BE HELD ON:March 19, 2024


SIGNATURES:

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: Travel & TourismDATE: 2/5/2024

  
Finance Officer

  
Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
010.422.4.510.60		Travel & Tourism	Travel & Tourism Events-Vend	\$ 8,069.00	
010.422.5.510.00		Travel & Tourism	Travel & Tourism Events	\$ 8,069.00	

Explanation of Revisions: Budget revenues over original budget amount to cover LM Festival Expenses

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY  
COMMISSIONERS' MEETING ON \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Phyllis Nowlen, Clerk to the BoardRETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Brittain@clevelandcountync.gov](mailto:Tonya.Brittain@clevelandcountync.gov)

cc: Personnel Batch # \_\_\_\_\_  
cc: Purchasing Date: \_\_\_\_\_  
By: \_\_\_\_\_

CLEVELAND COUNTY  
Revenue-Expenditures By Department  
Report dates 07/01/2023 - thru - 06/30/2024

Account Number	Account Description	Budget Adjusted 06/30/2024	Debits 06/01/2024 06/30/2024	Credits 06/01/2024 06/30/2024	Year to Date 07/01/2023 06/30/2024	Encumbered & Requested As of 06/30/2024	Budget Available 06/30/2024	Percent Remain
010-422-4-350-22	STATE GOVT GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-4-409-00	LOCAL REVENUES	30,000.00	0.00	0.00	-30,625.00	0.00	-625.00	-2.08
010-422-4-510-60	TRAVEL & TOURSIM	5,000.00	0.00	0.00	-17,994.43	0.00	-12,994.43	-259.89
010-422-4-510-61	TRAVEL & TOURISM	25,000.00	0.00	0.00	-20,075.00	0.00	4,925.00	19.70
010-422-4-991-00	FUND BALANCE APP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRAVEL & TOURISM		60,000.00	0.00	0.00	-68,694.43	0.00	-8,694.43	-14.49
010-422-5-121-00	SALARIES/WAGES-R	68,946.00	0.00	0.00	38,486.32	0.00	30,459.68	44.18
010-422-5-122-00	SALARIES/WAGES-P	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-131-00	SOCIAL SECURITY	4,275.00	0.00	0.00	2,081.57	0.00	2,193.43	51.31
010-422-5-132-00	RETIREMENT	8,860.00	0.00	0.00	4,896.43	0.00	3,963.57	44.74
010-422-5-133-00	HOSPITAL INSURAN	13,200.00	0.00	0.00	7,700.00	0.00	5,500.00	41.67
010-422-5-134-00	DENTAL INSURANCE	180.00	0.00	0.00	105.00	0.00	75.00	41.67
010-422-5-135-00	EMPLOYER 401K	4,137.00	0.00	0.00	2,279.25	0.00	1,857.75	44.91
010-422-5-136-00	MEDICARE TAXES	1,000.00	0.00	0.00	486.85	0.00	513.15	51.32
010-422-5-210-00	DEPARTMENTAL SUP	650.00	0.00	0.00	496.79	0.00	153.21	23.57
010-422-5-310-00	TRAVEL/TRAINING	6,500.00	0.00	0.00	1,460.40	0.00	5,039.60	77.53
010-422-5-321-00	TELECOMMUNICATIO	600.00	0.00	0.00	282.14	18.91	298.95	49.83
010-422-5-322-00	POSTAGE	350.00	0.00	0.00	4.54	0.00	345.46	98.70
010-422-5-370-00	ADVERTISING/PROM	37,650.00	0.00	0.00	30,652.30	0.00	6,997.70	18.59
010-422-5-420-00	CONTRACTED SERVI	108,500.00	0.00	0.00	87,094.02	4,000.00	17,405.98	16.04
010-422-5-421-00	MAINT CONTRACTS-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-422-00	CONTRACTED LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-442-00	PENALTY EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-460-00	DUES/SUBSCRIPTIO	6,139.00	0.00	0.00	4,891.84	0.00	1,247.16	20.32
010-422-5-461-00	LICENSE/PERMIT/C	50.00	0.00	0.00	0.00	0.00	50.00	100.00
010-422-5-490-00	PROFESSIONAL SER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-510-00	TRAVEL & TOURISM	37,000.00	0.00	0.00	35,821.05	0.00	1,178.95	3.19
010-422-5-581-00	AWARDS/APPRECIAT	500.00	0.00	0.00	0.00	0.00	500.00	100.00
010-422-5-700-00	GRANTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
010-422-5-910-00	CAPITAL EQUIPMEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRA		298,537.00	0.00	0.00	216,738.50	4,018.91	77,779.59	26.05
Tota		37.00	0.00	0.00	148,044.07	4,018.91	-86,474.02	19.27

4.510.61 25,000.00+  
4.510.60 5,000.00+  
30,000.000

4.510.60 17,994.43-  
4.510.61 20,075.00-  
8,069.43\*

Avail To Budget

0.\*

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Social Services: Budget Amendment (BNA#044)**

---

**Department:** Social Services

**Agenda Title:** Budget Amendment (BNA#044)

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA044_3.19.24.pdf	Social Services Public Assistance Budget Amendment BNA#044

## BNA #

044

March 19, 2024

1-24-54

Finance Director  
Rebecca Johnson

Department Manager

[illegible]

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON

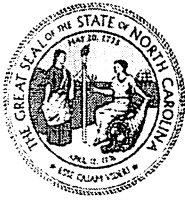
(Date)

---

Phyllis Nowlen, Clerk to the Board

**RETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Sigmon@clevelandcounty.com](mailto:Tonya.Sigmon@clevelandcounty.com)**

cc: Personnel      Batch # \_\_\_\_\_  
cc: Purchasing      Date: \_\_\_\_\_  
By: \_\_\_\_\_



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

SUSAN G. OSBORNE • Deputy Secretary for Opportunity and Well-Being

January 31, 2024

**DEAR COUNTY DIRECTORS OF SOCIAL SERVICES**

**ATTENTION: DIRECTORS, CHILD WELFARE PROGRAM MANAGERS, CHILD WELFARE SUPERVISORS  
AND FISCAL STAFF**

**SUBJECT: EMERGENCY PLACEMENT FUND**

**REQUIRED ACTION:** ☐ Information Only ☐ Time Sensitive ☒ Immediate

The Division of Social Services (DSS) recognizes the current situation with locating the required residential treatment placement for children in DSS custody with complex behavioral health needs. As LMEs continue to build the network of providers to meet this need, NC DSS has allocated \$2,291,667 in SFY 2023-2024 and \$5,500,000 in SFY 2024-2025 of the behavioral health investment in the 2023 budget and created a pilot program called DSS Emergency Placement Fund.

These funds are intended to temporarily assist county departments of social services in addressing identified placement needs for children in the custody of the agencies who are awaiting a Medicaid leveled treatment placement. While children await the location of the placement, these funds can be used to prevent them from staying in a DSS office.

The Emergency Placement Fund is to be used to temporarily provide and arrange for essential needs of the individual to establish or maintain a placement. The youth must be opened for 109 Foster Care Case Management Services on a DSS-5027 or in the Child Welfare Information System in order for client specific costs to be claimed for purposes of use #2 or #3 below.

NC DSS has identified the following promising practices which can be supported with these funds:

1. Maintain a crisis placement through a contract that pays a retainer to an identified placement provider who will accept a temporary emergency placement until the appropriate behavioral health treatment placement is located.
2. Pay a short-term temporary enhanced rate to an identified placement provider who is currently or will provide care and supervision to youth who have behaviors that require an exceptional level of supervision. For children who are awaiting a Medicaid leveled treatment placement, these funds can be used to pay a placement that will aid in meeting the child's immediate needs. The amount above the board rate will be reimbursed by submitting the DSS-1571 Part II.
3. Other local solutions that prevent a child in DSS custody from spending a night in the DSS office while waiting on the appropriate treatment placement as approved by NC DSS. The NC DSS

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES**

LOCATION: 820 S. Boylan Avenue, McBryde Building, Raleigh, NC 27603

MAILING ADDRESS: 2401 Mail Service Center, Raleigh, NC 27699-2401

www.ncdhhs.gov • TEL: 919-855-6335 • FAX: 919-334-1018

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Approved Alternative Option form must be emailed to [emergency\\_placement\\_fund@dhhs.nc.gov](mailto:emergency_placement_fund@dhhs.nc.gov).  
Determination will be made and emailed within 2 business days.

To ensure sufficient funding for all counties including small counties, for SFY 2024-2025, all counties will receive a base amount of \$20,000 and the remainder of the funds will be allocated based on each county's percentage of the foster care census. For SFY 2023-2024, all counties will be allocated a pro-rated portion equivalent to five months of the full year allocation. These amounts are listed on the attached spreadsheet.

The Emergency Placement Fund is available for use beginning February 1, 2024, with reimbursement beginning in March. No prior approval is needed by your agency to utilize this funding for purposes of use #1 or #2, only for option #3. For option #2, the additional amount paid above the board rate from these funds must be reported on the DSS-1571 Part II and counties should maintain documentation of costs claimed for audit purposes.

Any unused allocation for SFY 2023-2024 (as of June 2024 reimbursement) will be reallocated. Utilization of funds will be monitored, and your agency may be contacted to determine if allocated funds will be expended by May 31, 2025. If there are remaining funds in SFY 2024-2025, they may be reallocated to counties in need of additional funds.

If you have questions or need additional information, please send inquiries to [emergency\\_placement\\_fund@dhhs.nc.gov](mailto:emergency_placement_fund@dhhs.nc.gov).

Sincerely,



Adrian Daye, MSW  
Deputy Director for Child Welfare Practice  
Division of Social Services, Child Welfare  
North Carolina Department of Health and Human Services

Cc:

Lisa Tucker Cauley, Senior Director for Child, Family, and Adult Services  
Katie Swanson, Deputy Director for County Operations  
Carla McNeill, Section Chief for Permanency  
Kimaree Sanders, Section Chief for Licensing and Regulatory  
Kathy Stone, Section Chief for Safety and Prevention  
Peter West, Section Chief for County Operations  
Erin Dickmeyer, Child Welfare Financial Officer  
Kim Goodwin, Chief Division Budget Officer

Attachments: Emergency Placement Funds Allocation Table  
NC DSS Approved Alternative Option Form

CWS-08-2024

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES**

LOCATION: 820 S. Boylan Avenue, McBryde Building, Raleigh, NC 27603

MAILING ADDRESS: 2401 Mail Service Center, Raleigh, NC 27699-2401

[www.ncdhhs.gov](http://www.ncdhhs.gov) • TEL: 919-855-6335 • FAX: 919-334-1018

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

## Emergency Placement Fund County Allocations

County	FY24	FY25
Alamance	\$ 24,008	\$ 57,620
Alexander	\$ 14,796	\$ 35,510
Alleghany	\$ 13,971	\$ 33,530
Anson	\$ 10,533	\$ 25,280
Ashe	\$ 13,283	\$ 31,880
Avery	\$ 12,458	\$ 29,900
Beaufort	\$ 25,658	\$ 61,580
Bertie	\$ 10,808	\$ 25,940
Bladen	\$ 15,071	\$ 36,170
Brunswick	\$ 27,721	\$ 66,530
Buncombe	\$ 55,771	\$ 133,851
Burke	\$ 36,796	\$ 88,310
Cabarrus	\$ 32,808	\$ 78,740
Caldwell	\$ 27,996	\$ 67,190
Camden	\$ 9,296	\$ 22,310
Carteret	\$ 17,683	\$ 42,440
Caswell	\$ 10,533	\$ 25,280
Catawba	\$ 31,021	\$ 74,450
Chatham	\$ 20,296	\$ 48,710
Cherokee	\$ 16,721	\$ 40,130
Chowan	\$ 11,633	\$ 27,920
Clay	\$ 12,321	\$ 29,570
Cleveland	\$ 37,208	\$ 89,300
Columbus	\$ 25,108	\$ 60,260
Craven	\$ 24,696	\$ 59,270
Cumberland	\$ 73,921	\$ 177,411
Currituck	\$ 10,396	\$ 24,950
Dare	\$ 12,596	\$ 30,230
Davidson	\$ 29,646	\$ 71,150
Davie	\$ 14,658	\$ 35,180
Duplin	\$ 11,221	\$ 26,930
Durham	\$ 45,734	\$ 109,761
Edgecombe	\$ 13,696	\$ 32,870
Forsyth	\$ 41,746	\$ 100,190
Franklin	\$ 17,546	\$ 42,110
Gaston	\$ 64,434	\$ 154,641
Gates	\$ 8,333	\$ 20,000
Graham	\$ 11,496	\$ 27,590
Granville	\$ 12,733	\$ 30,560
Greene	\$ 12,871	\$ 30,890
Guilford	\$ 81,209	\$ 194,901
Halifax	\$ 10,808	\$ 25,940
Harnett	\$ 40,646	\$ 97,550

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Animal Services: Budget Amendment (BNA#045)**

---

**Department:** Animal Services

**Agenda Title:** Budget Amendment (BNA#045)

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA045_3.19.24.pdf	Animal Services Budget Amendment BNA#045

BNA # 045

**March 19, 2024**

Thell

**Finance Officer**

Booth

**Department Manager**

DATE: 2/7/2024

Explanation of Revisions: Budget a portion of donations received to cover costs of dog food purchased to give out to those in need

**Phyllis Nowlen, Clerk to the Board**

cc: Personnel      Batch # \_\_\_\_\_  
cc: Purchasing      Date: \_\_\_\_\_  
By: \_\_\_\_\_

**CLEVELAND COUNTY, NORTH CAROLINA  
ANIMAL CONTROL DONATIONS RECONILIATION**

General Donations  
010.542.5.790.00 / 010.542.4.810.00

	F/Y 18/19	F/Y 19/20	FY 20/21	FY21/22	FY22/23	FY 23/24	Totals
<b>Section II - Revenues</b>							
Donations	\$ 13,250.54	\$ 7,876.17	\$ 9,429.00	\$ 10,813.69	\$ 5,291.62	\$ 5,193.26	\$ 88,244.18
<b>Total Revenue</b>	<b>\$ 13,250.54</b>	<b>\$ 7,876.17</b>	<b>\$ 9,429.00</b>	<b>\$ 10,813.69</b>	<b>\$ 5,291.62</b>	<b>\$ 5,193.26</b>	<b>\$ 88,244.18</b>
<b>Section III - Expenses</b>							
Donations	\$ 7,911.80	\$ 2,016.07	\$ 5,090.00	\$ 8,561.94	\$ -	\$ 979.60	\$ 50,385.81
<b>Total Expenses</b>	<b>\$ 7,911.80</b>	<b>\$ 2,016.07</b>	<b>\$ 5,090.00</b>	<b>\$ 8,561.94</b>	<b>\$ -</b>	<b>\$ 979.60</b>	<b>\$ 50,385.81</b>
<b>Section IV - Rev/Exp Difference</b>	<b>\$ 5,338.74</b>	<b>\$ 5,860.10</b>	<b>\$ 4,339.00</b>	<b>\$ 2,251.75</b>	<b>\$ 5,291.62</b>	<b>\$ 4,213.66</b>	<b>\$ 37,858.37</b> tb 2/7/24

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Cooperative Extension: Budget Amendment (BNA#046)**

---

**Department:** Cooperative Extension

**Agenda Title:** Budget Amendment (BNA#046)

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name	Description
<input type="checkbox"/> BNA_046.pdf	BNA 046

## BUDGET NEW - ORDINANCE AMENDMENT

BNA # 046SUBMITTED TO BOARD OF COUNTY COMMISSIONERS  
FOR CONSIDERATION AT MEETING TO BE HELD ON:March 19, 2024

SIGNATURES:

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: Cooperative ExtensionDATE: 2/14/24

Finance Officer



Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
010.495.4.810.99		Cooperative Extension	Dairy Steer Proj-Contribution	\$ 9,730.00	
010.495.5.790.99		Cooperative Extension	Dairy Steer Proj-Contribution	\$ 9,730.00	

Explanation of Revisions: Budget donations received for Youth Dairy Steer project program.THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY  
COMMISSIONERS' MEETING ON \_\_\_\_\_

(Date)

Phyllis Nowlen, Clerk to the BoardRETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Brittain@clevelandcountync.gov](mailto:Tonya.Brittain@clevelandcountync.gov)cc: Personnel  
cc: PurchasingBatch # \_\_\_\_\_  
Date: \_\_\_\_\_  
By: \_\_\_\_\_

## CLEVELAND COUNTY

KF3112

DUPLICATE CASH RECEIPT

11:57:44 14 FEB 2024

-----  
Receipt Number 50301 Deposit Number -  
Date 02/02/2024  
Payer CO-OP  
Description 2/1 CO-OP  
Type Memo  
Cash Account 010-000-1-130-01  
Amount 9,716.28  
-----

=====

010-000-2-211-00	AMOUNT DUE TO/FM OTHERS	L	986.28
010-495-4-810-99	DAIRY STEER PROJ-CONTRIBU	R	3,230.00
010-495-4-510-96	SUMMER FUN ACTIVITES	R	100.00
010-495-4-810-00	CONTRIBUTIONS/DONATIONS	R	400.00
010-495-4-510-97	CORN GROWERS ASSOC ACTIVY	R	5,000.00

TOTAL RECEIPTS

-----  
9,716.28  
-----

KF3112                      DUPLICATE CASH RECEIPT                      15:38:20 22 FEB 2024

-----

Deposit Number -

R	100.00
R	6,500.00

810.99

6,600.00

CLEVELAND COUNTY, NORTH CAROLINA

CO-OP EXT DONATIONS RECONCILIATION

COOP Youth Dairy Steer Project  
010.495.5.790.99 / 010.495.4.810.99

	FY 19/20	FY 20/21	FY 21/22	FY22/23	FY23/24	Totals
<b>Section II - Revenues</b>						
Donations	\$ 2,700.00	\$ 1,200.00	\$ -	\$ -	\$ 9,730.00	\$ 22,587.19
<b>Total Revenue</b>	<b>\$ 2,700.00</b>	<b>\$ 1,200.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,730.00</b>	<b>\$ 22,587.19</b>
<b>Section III - Expenses</b>						
Donations	\$ 3,067.16	\$ 1,546.55	\$ (100.00)	\$ -	\$ 9,774.43	\$ 21,514.25
<b>Total Expenses</b>	<b>\$ 3,067.16</b>	<b>\$ 1,546.55</b>	<b>\$ (100.00)</b>	<b>\$ -</b>	<b>\$ 9,774.43</b>	<b>\$ 21,514.25</b>
<b>Section IV - Rev/Exp Difference</b>	<b>\$ (367.16)</b>	<b>\$ (346.55)</b>	<b>\$ 100.00</b>	<b>\$ -</b>	<b>\$ (44.43)</b>	<b>\$ 1,072.94</b>

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Sheriff's Office: Budget Amendment (BNA#047)**

---

**Department:** Sheriff's Office

**Agenda Title:** Budget Amendment (BNA#047)

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name	Description
<input type="checkbox"/> BNA047_3.19.24.pdf	Law Enforcement Grants Budget Amendment BNA#047

BNA # 047

**March 19, 2024**

July 5<sup>th</sup>

Finance Officer  
*Shirley Bruce*

FROM: BUDGET OFFICER  
THRU: FINANCE OFFICE  
FOR DEPT: Sheriff's Office  
DATE: 2/13/2024

[illegible]

Explanation of Revisions	<u>Budget funds received from National Association of VOCA Assistance Administrators/Office for Victims of Crime for 2024 National Crime Victims' Rights Week (NCVRW) April 21- April 27. Funds will be used to promote and enhance community awareness.</u>
--------------------------	--

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON \_\_\_\_\_  
(Date)

---

**Phyllis Nowlen, Clerk to the Board**

**RETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Brittain@clevelandcountync.gov](mailto:Tonya.Brittain@clevelandcountync.gov)**

cc: Personnel      Batch # \_\_\_\_\_  
cc: Purchasing      Date: \_\_\_\_\_  
By: \_\_\_\_\_

**Sybil Walker**

---

**From:** Emily Sisk  
**Sent:** Tuesday, February 13, 2024 3:50 PM  
**To:** Sybil Walker  
**Cc:** Mark Craig  
**Subject:** FW: 2024 NCVRW CAP Grant Applications  
**Attachments:** FINAL2\_Federal Budget Form\_CCSO\_2023-24.xlsx; NAVAA\_CCSO Submission\_2024 NCVRW.pdf  
  
**Importance:** High

Sybil,

Please see below. The County has been notified that it will receive a \$5,000 grant to support the National Crime Victims' Rights Week activities for 2024! As soon as they send additional info, I'll pass it on to everyone.

I have also attached the budget and application form initially submitted.

Thank you!

Emily Sisk

**Emily Sisk**

Director of Grants

704.669.4130

Emily.Sisk@clevelandcountync.gov

[www.clevelandcountync.gov](http://www.clevelandcountync.gov)

**From:** rhonda@navaa.org <rhonda@navaa.org>

**Sent:** Tuesday, February 13, 2024 3:22 PM

**To:** rhonda@navaa.org

**Cc:** jaime@navaa.org

**Subject:** 2024 NCVRW CAP Grant Applications

**Importance:** High

Hello 24NCVRW CAP Grant Applicants:

CONGRATULATIONS! If you are receiving this email, you were approved for your presented project. Please watch your email for official notice, documentation, and required items.

Thank you and I will be reaching out to you soon with those documents and additional details.

*Virtual office hours are 9:00 CT to 4:00 CT Mon-Fri and by appointment.*

**Rhonda Dean**

Project Manager

National Association of VOCA Assistance Administrators (NAVAA)

<http://navaa.org/>

Phone/Text: 515-414-0805

National Association of VOCA Assistance Administrators

**NATIONAL CRIME  
VICTIMS' RIGHTS WEEK**

**April 21-27, 2024**

**HOW WOULD  
YOU HELP?**

**Options, services  
and hope for  
crime survivors.**

<https://ovc.ojp.gov/ncvrw2024/overview> for MORE information

<b>SECTION 3: FEDERAL FUNDS BUDGET</b>			
<b>Only include items to be federally-funded.</b> Itemize every allowable budget item below for the activities described in Section 2. Be as detailed as possible, including quantities and unit cost of items as appropriate.			
<b>Item Description</b>	<b>Quantity</b>	<b>Cost Per Unit</b>	<b>Total Cost Per Item</b>
Venue Rental (Bobby Bell Pavilion-5 hours total @ \$40/hr, plus City staff support (two people for a total of \$35/hr in addition to venue rental))	5	\$ 75.00	\$ 375.00
Stage Rental	1	\$ 40.00	\$ 40.00
Survivor Story Boards	6	\$ 96.00	\$ 576.00
Retractable Informational Banner	1	\$ 400.00	\$ 400.00
Handouts/Brochures (Printed Materials)	500	\$ 0.35	\$ 175.00
Art Session Vouchers	10	\$ 85.00	\$ 850.00
Billboard Rental (2 weeks, Jumbo)	2	\$ 855.00	\$ 1,710.00
Car Decals/Magnets	1	\$ 350.00	\$ 350.00
Yard Signs	25	\$ 12.00	\$ 300.00
Vinyl Banners (4'x8') (Library and Police Dept.)	2	\$ 112.00	\$ 224.00
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		\$ -	-
		<b>TOTAL DIRECT COSTS</b>	<b>\$ 5,000.00</b>
<b>INDIRECT COSTS: % RATE</b> ** Inclusion of an indirect cost rate certifies that the applicant either 1) has a Federally approved indirect cost rate (successful applicants will be required to submit a copy of a current, signed Federally approved indirect cost agreement) or 2) is eligible and elects to charge a 10% de minimis rate. See Applicant Guide.		0%	\$ -
<b>TOTAL PROJECT COSTS:</b> Total should not exceed amount requested in Section 1 (not to exceed \$5,000)			<b>\$ 5,000.00</b>



nBpdgqxa

# Options, Services, and Hope for Crime Survivors in Cleveland County

---

## Entrant details

Entrant name

Emily Sisk

---

## Entry details

---

### Section 1: Organizational Information

Enter Name of Applicant Agency Cleveland County Government (Cleveland County Sheriff's Office)

Street Address

PO Box 1210

City

Shelby

State/US Territory

North Carolina

Contact Salutation:

Officer

First Name of Primary Contact:

Mark

Last Name of Primary Contact:

Craig

Phone Number:

+17044763033

Total Amount Requested:

5000

Agency Website:

<https://www.sheriffclevelandcounty.com>

Type of Organization (select only one):

☒ Public/Governmental Agency

Enter applicant's EIN/Tax ID #

56-6000288

Enter applicant's UEI #

MXEZRW9DKR86

Is the agency/organization suspended or barred from receiving federal funding? ✓ No

Does the agency require internal confidentiality agreements or statements from employees or contractors that prohibit or otherwise restrict employees or contractors from reporting waste, fraud or abuse? ✓ No

Has the lead agency or any of the major project partners received previous NCVRW CAP funding? ✓ Yes

If yes, for which year(s): ✓ 2023

Briefly describe the applicants' experience providing/advocating crime victims' rights and services.

For more than a decade, Cleveland County's incarceration rate has been among the highest in North Carolina. As of 9/30/2023, over 600 people were incarcerated in Cleveland County, a county with a population of 100,000. This incarceration rate is more than double the state average. The impact of high crime is the numerous victims left to navigate the aftermath. The Cleveland County Sheriff's Office (CCSO) has a long history of partnering with the District Attorney's Office, healthcare, and other agencies to champion survivors' rights and provide vital services, information, hope, and support.

In 2019, as the county grappled with a rising crime rate, CCSO secured federal funding to establish a dedicated Victim Specialist position. This move demonstrated a steadfast commitment to addressing the needs of victims and survivors of violent and traumatic crimes. The Victim Specialist position has dramatically transformed the level and care of services to victims and survivors. They introduced a Language Line to cater to the growing non-English speaking population, initiated a language interpreter certification program, and developed specialized domestic violence packets for patrol officers to distribute when needed. Additionally, CCSO established a Resource Center to aid victims or survivors who may find themselves displaced or needing essentials like clothing, diapers, and toiletries. CCSO also piloted a therapy dog visitation schedule within the detention center and created an on-call option to respond to unanticipated traumatic events. In 2023, CCSO launched the first National Crime Victims' Rights Week awareness campaign thanks to a grant through this program.

Concisely describe how funds will be used to promote or enhance **the general public's awareness** of rights and services for victims of all types of crimes in conjunction with **National Crime Victims' Rights Week**. For each activity, specifically identify;

- 1) the targeted audience(s);
- 2) geographic area(s);
- 3) the **specific date(s)** when each activity will be implemented; and
- 4) the estimated attendance at each in-person event.

The 2024 theme is "How would you help? Options, services, and hope for crime survivors." CCSO and its partners have several activities to advance victim-centered environments and promote trauma-informed approaches to offer support, options for life-saving services, and hope. These efforts will support crime survivors today as well as enhance the general public's awareness of rights and services as they support crime survivors in the future.

Activity 1: Beginning April 1, 2024, art therapy sessions will be offered via vouchers to local agencies providing services and support to crime victims. This activity will involve art created by survivors displayed at the planned Thursday, April 25, Resource Fair and Special Ceremony. The target audience is crime victims and local support agencies in Cleveland County. Approximately 10 vouchers will be available to eligible crime survivors who demonstrate financial need; additional vouchers

will be available for a nominal fee.

Activity 1 Grant Funding Requested: \$850

Activity 2: Beginning on or around April 1, 2024, initiate a marketing blitz to include car decals/magnets, yard signs, and a billboard campaign announcing the Week's events and the Thursday, April 25, resource fair and ceremony. The target audience is commuters and pedestrians in Cleveland County. These resources will be displayed throughout April 2024.

Activity 2 Grant Funding Requested: \$2,360

Activity 3: Install up to six Survivor Story Boards (approximate size: 3 feet wide by 7 feet tall) in Cleveland County's seat of Shelby, around a popular outdoor gathering area in uptown. These Boards will be installed on or around April 21, 2024, and remain in place throughout the Week's events. Uptown business patrons, guests, and participants in the Week's events will have direct exposure.

Activity 3 Grant Funding Requested: \$576

Activity 4: Schedule Informational Sessions in neighborhoods throughout Cleveland County. From April 22-25, 2024, resource information sessions will be scheduled to help answer questions about services and options for crime victims. Locations may include the Lawndale library, the Kingstown town hall, the Gardner-Webb University campus, and the Kings Mountain Library. These locations are within walking distance of population centers, and most are in rural communities. The target audience is community residents. Four Sessions are anticipated with up to 2,500 people reached. Grant funds will cover the cost of printed materials and a retractable banner.

Activity 3 Grant Funding Requested: \$575

Activity 5: Thursday, April 25, 2024, promote and host a Resource Fair, Survivor Voices segment, Keynote Speaker, resource personnel, law enforcement, and a commemorative activity to conclude the evening's events. All activities on this date will be located under the Bobby Bell Pavilion in Uptown Shelby and be free and open to the public. Shelby is the county seat and largest city in Cleveland County. Promotional advertising (Activity 2) and the Informational Sessions (Activity 4) will build awareness about the Resource Fair and schedule of events. The estimated attendance and exposure for this one-day activity is 2,500 people. Grant funds will cover venue rental, platform/stage rental, and vinyl banners.

Activity 5 Grant Funding Requested: \$639

Please describe the positive impact this project/program will have on underserved/marginalized communities.

The Cleveland County Sheriff's Office (CCSO) plans to positively impact underserved communities through its approach to this year's theme for helping crime survivors during National Crime Victims' Rights Week (NCVRW).

CCSO recognizes the importance of "Options," which include community programs like art and pet therapy and survivor voices to promote healing within communities. CCSO will highlight these options in 2024 NCVRW events.

The second component, "Services," underscores the government-delivered services such as crime victims' assistance funding and health services. CCSO will emphasize these crucial services throughout the week-long events, ensuring that underserved and marginalized communities know how to access them.

Finally, "Hope for Crime Survivors" is fostered through compassion groups, advocacy partners, and various events and activities that bring together people who have shared experiences of trauma and coping. This aspect of CCSO's plan seeks to provide emotional support and a sense of community for survivors.

Importantly, CCSO is making deliberate efforts to reach underserved and marginalized communities in the service area, particularly in Shelby, where crime and poverty rates are higher, and access to transportation is challenging. Along with providing Informational Sessions throughout the County, CCSO plans to host the capstone event on Thursday, April 25, within walking distance for many residents, ensuring community members have access to these resources.

Furthermore, hosting the capstone event under the Bobby Bell Pavilion demonstrates a commitment to minimizing weather-related disruptions and maintaining an outdoor setting to reduce health-related concerns, making the event more accessible and inclusive for underserved and marginalized communities.

Write a three sentence abstract explaining your NCVRW project.

The Cleveland County Sheriff's Office is strategically organizing the 2024 NCVRW project to spotlight the key elements of options, services, and hope within our community, ensuring this valuable information reaches organizations and locations throughout the County. This proactive approach will empower crime survivors with knowledge about available support and foster a deeper community understanding of how to assist survivors through their journey.

What will the CAP funds be paying for specifically? Tell us in a list.

We are requesting \$5,000 to cover the following expenses:

- Venue and Stage Rental
- Survivor Story Boards
- Printed Materials (Retractable Banner, large Vinyl Banners, Handouts/Brochures)
- Art Session Vouchers
- Marketing (Billboard, Car Decals/Magnets, yard signs)

Upload the Federal Funds Budget Form: The budget form is available on the CAP page of the NAVAA website. Please upload the form once the form has been completed. The form should only include items to be federally funded. Itemize every allowable budget item for the activities described in Section 2. Be as detailed as possible, including quantities and unit cost of items as appropriate.

XLSX

[FINAL2 Federal Budget For... \(23 KiB download\)](#)

Use this space for explanations or calculations of federally-funded budget items.

Items are broken out by unit. Unit costs represent current rates as of November 2023.

Describe how the project will use the NCVRW theme, logo and colors.

Materials (billboard, foam storyboards, flyers, etc.) will include the NCVRW theme, logo, and colors. Cleveland County will include its geographically targeted title, "Options, Services, and Hope for Crime Survivors in Cleveland County."

List major project co-sponsors/collaborative organizations and each one's contribution *to this specific project* (do not discuss overall or general support to the agency or community victim services.)

Cleveland County Government-Organizers and leadership, installation of storyboards, tables, and chairs for resource fair participants, and other maintenance and support in preparation for and during the 2024 National Crime Victims' Rights Week.

Cleveland County Arts Council-Supporting the project with trauma-informed art therapy courses available, vouchers supplied for participants.

Cleveland County Domestic Violence Sexual Assault Resource Team-Resource Fair participant, a community organization comprised of law enforcement, mental health, healthcare, and representatives from community-based organizations. Assist with victim input for event planning and selecting participants for storyboards and testimonials.

Child Advocacy Center-Resource Fair participant

Abuse Prevention Council-Resource Fair participant

Salvation Army -Resource Fair participant

Guardian Ad Litem Program -Resource Fair participant

Department of Social Services-Resource Fair participant

Cleveland County Rescue Mission-Resource Fair participant

District Attorney's Office-Crime Victim Connection and Keynote/Guest Speaker(s)

Cleveland County Therapy Dog Owners-Resource Fair participant

City of Shelby, City of Kings Mountain, and Boiling Springs Police Departments-Collaboration for Informational Sessions, participation in Resource Fair/Capstone Event

Educational providers: Cleveland County Schools, Cleveland Community College, Gardner-Webb University

Victim/Survivor Involvement- Describe the involvement of victim/survivors in the project's planning and implementation, including specific population(s) for which activities are targeted.

The Cleveland County Domestic Violence Sexual Assault Resource Team will assist with identifying victims or survivors to help plan the week-long event, including art therapy sessions planned throughout April. In addition, this Team will select survivors for updated storyboards and testimonies for delivery during the Thursday, April 25, 2024, capstone event. This Team will also confirm the Keynote Speaker to speak at the Thursday event.

What is your organization's contingency plan should all in-person or public events be cancelled due to pandemic restrictions?

If a new local or nationwide emergency is declared, resulting in all in-person or public events being canceled, CCSO will attempt to maintain the same schedule as presented in this proposal but convert public events to web-based using available platforms (social media, video sites, virtual meetings, etc.). The storyboards should still be created and installed in high-foot-traffic locations, rotating throughout the County. Flyers will be distributed throughout the County highlighting available services through Resource Fair participants. The Keynote Speaker may be pre-recorded and aired at the appropriate time slot during the web-based Thursday event.

---

## Section 5: Certification

Printed Name of Authorized Representative	Kerri Melton
Title	Assistant County Manager
Date	11/16/2023

<b>Electronic Signature</b>	✓
-----------------------------	---

In accordance with federal law by entering the printed name, title and date and by marking this box with an "X," the Authorized Representative certifies this document to be true, accurate and complete to the same degree as a handwritten signature.

---

Log in to [navaa.awardsplatform.com](https://navaa.awardsplatform.com) to see complete entry attachments.

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Health Department: Budget Amendment (BNA#048)**

---

**Department:** Health Department

**Agenda Title:** Budget Amendment (BNA#048)

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA048_3.19.24.pdf	Health Dept COVID Budget Amendment BNA#048

BNA # 048

FROM: BUDGET OFFICER  
THRU: FINANCE OFFICE  
FOR DEPT: HEALTH  
DATE: February 28, 2024

[illegible]

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON \_\_\_\_\_  
(Date)

cc: Personnel      Batch # \_\_\_\_\_  
cc: Purchasing      Date: \_\_\_\_\_  
By: \_\_\_\_\_

# Division of Public Health

## Agreement Addendum

### FY 23-24

Page 1 of 5

Cleveland County Health Department

**Local Health Department Legal Name**

719 Bridge Access Program for  
COVID-19 Vaccines

**Activity Number and Description**

01/01/2024 – 05/31/2024

**Service Period**

02/01/2024 – 06/30/2024

**Payment Period**

☒ Original Agreement Addendum

☐ Agreement Addendum Revision # \_\_\_\_\_

Epidemiology / Immunization

**DPH Section / Branch Name**

Ayodeji Ayankoya, 919-418-8591,  
ayodeji.ayankoya@dhhs.nc.gov

**DPH Program Contact**

(name, phone number, and email)

**DPH Program Signature**

**Date**

(only required for a negotiable Agreement Addendum)

#### I. **Background:**

On April 18, 2023, the U.S. Department of Health and Human Services (HHS) announced the HHS Bridge Access Program for COVID-19 Vaccines and Treatments. This program provides funding to help maintain access to COVID-19 vaccines for uninsured and underinsured adults through existing public health infrastructure, HRSA-supported health centers (i.e., Health Centers), and participating pharmacies.

While private and public health insurance plans, including Medicare and Medicaid, will cover COVID-19 vaccinations without cost-sharing, approximately 25-30 million uninsured adults will lose access to affordable COVID-19 vaccinations in fall 2023. Funding has been provided by Centers for Disease Control and Prevention (CDC) to implement a Bridge Access Program to prevent a sudden loss of coverage for uninsured and underinsured adults through December 2024. The CDC's Bridge Access Program provides COVID-19 vaccines at no cost for adults 19 years and older without health insurance and adults whose health insurance does not provide zero-cost coverage for COVID-19 vaccines.

#### II. **Purpose:**

This Agreement Addendum provides operational support to the Local Health Department to improve COVID-19 vaccine access for uninsured and underinsured adults through the CDC Bridge Access Program.

*Tiffany Hansen*

Health Director Signature (use blue ink or verifiable digital signature)

12/15/2023

Date

LHD to complete:

[For DPH to contact in case  
follow-up information is needed.]

LHD program contact name: Holly Thornburg

Phone and email address: 980-484-5111; Holly.Thornburg@clevelandcountync.gov

Signature on this page signifies you have read and accepted all pages of this document.

Template rev. July 2022

DPH-Aid-To-Counties

For Fiscal Year: 23/24

Budgetary Estimate Number : 0

Activity 719	AA	133401 2B0HHBR 20G0093006	Total Allocated	Proposed Total	New Total
Service Period		01/01-05/31			
Payment Period		02/01-06/30			
01 Alamance	* 0	118,003	\$0.00	118,003	118,003
D1 Albemarle	* 0	276,251	\$0.00	276,251	276,251
02 Alexander	* 0	47,529	\$0.00	47,529	47,529
04 Anson	* 0	38,864	\$0.00	38,864	38,864
D2 Appalachian	* 0	122,368	\$0.00	122,368	122,368
07 Beaufort	* 0	50,995	\$0.00	50,995	50,995
09 Bladen	* 0	44,063	\$0.00	44,063	44,063
10 Brunswick	* 0	85,076	\$0.00	85,076	85,076
11 Buncombe	* 0	165,949	\$0.00	165,949	165,949
12 Burke	* 0	81,033	\$0.00	81,033	81,033
13 Cabarrus	* 0	147,464	\$0.00	147,464	147,464
14 Caldwell	* 0	74,679	\$0.00	74,679	74,679
16 Carteret	* 0	63,703	\$0.00	63,703	63,703
17 Caswell	* 0	38,864	\$0.00	38,864	38,864
18 Catawba	* 0	117,425	\$0.00	117,425	117,425
19 Chatham	* 0	68,324	\$0.00	68,324	68,324
20 Cherokee	* 0	48,106	\$0.00	48,106	48,106
22 Clay	* 0	33,665	\$0.00	33,665	33,665
23 Cleveland	* 0	81,033	\$0.00	81,033	81,033
24 Columbus	* 0	58,504	\$0.00	58,504	58,504
25 Craven	* 0	56,194	\$0.00	56,194	56,194
26 Cumberland	* 0	176,347	\$0.00	176,347	176,347
28 Dare	* 0	46,373	\$0.00	46,373	46,373
29 Davidson	* 0	120,891	\$0.00	120,891	120,891
30 Davie	* 0	53,883	\$0.00	53,883	53,883
31 Duplin	* 0	64,858	\$0.00	64,858	64,858
32 Durham	* 0	222,559	\$0.00	222,559	222,559
33 Edgecombe	* 0	56,194	\$0.00	56,194	56,194
D7 Foothills	* 0	116,431	\$0.00	116,431	116,431
34 Forsyth	* 0	231,802	\$0.00	231,802	231,802
35 Franklin	* 0	60,815	\$0.00	60,815	60,815
36 Gaston	* 0	139,954	\$0.00	139,954	139,954
38 Graham	* 0	30,199	\$0.00	30,199	30,199
D3 Gran-Vance	* 0	109,499	\$0.00	109,499	109,499
40 Greene	* 0	45,796	\$0.00	45,796	45,796
41 Guilford	* 0	265,306	\$0.00	265,306	265,306
42 Halifax	* 0	50,417	\$0.00	50,417	50,417
43 Harnett	* 0	96,052	\$0.00	96,052	96,052
44 Haywood	* 0	64,858	\$0.00	64,858	64,858
45 Henderson	* 0	93,741	\$0.00	93,741	93,741
47 Hoke	* 0	58,504	\$0.00	58,504	58,504
48 Hyde	* 0	27,888	\$0.00	27,888	27,888
49 Iredell	* 0	107,028	\$0.00	107,028	107,028
50 Jackson	* 0	57,927	\$0.00	57,927	57,927

51 Johnston	*	0	139,954	\$0.00	139,954	139,954
52 Jones	*	0	30,199	\$0.00	30,199	30,199
53 Lee	*	0	60,815	\$0.00	60,815	60,815
54 Lenoir	*	0	55,616	\$0.00	55,616	55,616
55 Lincoln	*	0	71,213	\$0.00	71,213	71,213
56 Macon	*	0	53,883	\$0.00	53,883	53,883
57 Madison	*	0	38,864	\$0.00	38,864	38,864
D4 M-T-W	*	0	95,218	\$0.00	95,218	95,218
60 Mecklenburg	*	0	625,765	\$0.00	625,765	625,765
62 Montgomery	*	0	36,553	\$0.00	36,553	36,553
63 Moore	*	0	69,480	\$0.00	69,480	69,480
64 Nash	*	0	85,654	\$0.00	85,654	85,654
65 New Hanover	*	0	142,842	\$0.00	142,842	142,842
66 Northampton	*	0	34,243	\$0.00	34,243	34,243
67 Onslow	*	0	133,022	\$0.00	133,022	133,022
68 Orange	*	0	75,256	\$0.00	75,256	75,256
69 Pamlico	*	0	32,510	\$0.00	32,510	32,510
71 Pender	*	0	53,883	\$0.00	53,883	53,883
73 Person	*	0	48,684	\$0.00	48,684	48,684
74 Pitt	*	0	109,338	\$0.00	109,338	109,338
75 Polk	*	0	36,553	\$0.00	36,553	36,553
76 Randolph	*	0	116,848	\$0.00	116,848	116,848
77 Richmond	*	0	52,728	\$0.00	52,728	52,728
78 Robeson	*	0	108,761	\$0.00	108,761	108,761
79 Rockingham	*	0	68,324	\$0.00	68,324	68,324
80 Rowan	*	0	127,823	\$0.00	127,823	127,823
82 Sampson	*	0	72,946	\$0.00	72,946	72,946
83 Scotland	*	0	46,951	\$0.00	46,951	46,951
84 Stanly	*	0	50,995	\$0.00	50,995	50,995
85 Stokes	*	0	46,373	\$0.00	46,373	46,373
86 Surry	*	0	72,368	\$0.00	72,368	72,368
87 Swain	*	0	34,243	\$0.00	34,243	34,243
D6 Toe River	*	0	66,174	\$0.00	66,174	66,174
88 Transylvania	*	0	44,063	\$0.00	44,063	44,063
90 Union	*	0	122,624	\$0.00	122,624	122,624
92 Wake	*	0	451,312	\$0.00	451,312	451,312
93 Warren	*	0	34,820	\$0.00	34,820	34,820
96 Wayne	*	0	102,406	\$0.00	102,406	102,406
97 Wilkes	*	0	68,902	\$0.00	68,902	68,902
98 Wilson	*	0	103,562	\$0.00	103,562	103,562
99 Yadkin	*	0	50,417	\$0.00	50,417	50,417
00 Yancey	*	0	34,243	\$0.00	34,243	34,243
Totals			8,021,842	0	8,021,842	8,021,842

Sign and Date - DPH Program Administrator

*Deji Ayankoya* 12/7/2023

Sign and Date - DPH Budget Office - ATC Coordinator

*Sam Muffin* 12/7/2023

Sign and Date - DPH Section Chief

*Mac Kemer* 12/7/2023

Sign and Date - DPH Budget Officer

*S. Kemer* 12/7/2023

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Health Department: Budget Amendment (BNA#049)**

---

**Department:** Health Department

**Agenda Title:** Budget Amendment (BNA#049)

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA049_3.19.24.pdf	Health Dept-CODAP Budget Amendment BNA#049

## BUDGET ORDINANCE AMENDMENT

BNA #

049

TO BE SUBMITTED TO BOARD MEETING

FOR CONSIDERATION AT MEETING TO BE HELD ON

March 19, 2024

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: HEALTH

DATE: February 28, 2024

SIGNATURES:

  
 Finance Director  
  
 Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
012.548.4.540.95	N/A	CODAP	CONTRACTED REVENUE	\$ 8,500	
012.548.5.310.95	N/A	CODAP	TRAVEL/TRAINING	\$ 2,575	
012.548.5.311.95	N/A	CODAP	EDUCATION/CERT/TRAIN	\$ 2,470	
012.548.5.370.95	N/A	CODAP	ADVERTISING/PROMOTIONS	\$ 575	
012.548.5.581.95	NA	CODAP	AWARDS/APPRECIATION	\$ 2,880	

Explanation of Revisions: Cleveland County Health Department has been awarded an additional \$8,500.00 Substance Abuse Block Grant from Partners Behavioral Health. These funds will be used to support youth substance abuse prevention activities.

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON

(Date)

Phyllis Nowlen, Clerk to the Board

cc: Personnel  
cc: Purchasing

Batch # \_\_\_\_\_  
Date: \_\_\_\_\_  
By: \_\_\_\_\_

## Attachment A

### REIMBURSEMENT SCHEDULE FOR SERVICES

#### Cleveland County Health Department

Services listed in this Attachment are to be provided to Enrollees in the Catchment area. The services being purchased with this Contract are listed below and include only those services that have been approved by Partners for named provider. Current Medicaid rates as posted on the NC DHHS Website, NC Division of Health Benefits (DHB) will be used for reimbursement of billed services as a guide; however, State Funded rate are negotiated with Partners directly.

The DHB website address for fees <https://medicaid.ncdhhs.gov/providers/fee-schedules>.

As rates change, written notification will be provided via Communication Bulletins and website postings. Contracts will not be amended for rate changes.

**Total maximum amount to be reimbursed for UCR and Non-UCR for this fiscal year is**  
**\$148,877.00 + \$8,500.00 = \$157,377.00**

**Non-Unit Cost Reimbursed (Non-UCR) Services funded by State and Federal Funds will be billed to LME via electronic invoice with expenditures and backup as applicable and noted below. Some Federal funded programs and grants have specific expenditure requirements, which will be listed below. The total amount reimbursable for the Non-UCR services listed in the immediate grid below for FY23-24 is \$148,877.00 + \$8,500.00 = \$157,377.00**

See below grid for allocations:

Service Category	Non-UCR Funding Source	Amount	Documentation Requirements (as applicable and listed)
SA Prevention	Federal	62,000.00 + 8,500.00 = 70,500.00	Invoice
Allocation 24-PA-14 07/01/2023 - 03/14/2024	Federal	68,732.00	Invoice
Allocation 24-PA-44 09/01/2023 – 06/30/2024	Federal	18,145.00	Invoice

### Federal Grant Allocation:

- Provider demonstrates evidenced the individual meets designated target population
- Provider demonstrates evidence of TB screening as application
- Designated population are given priority in accordance with Federal block grant.

Community Health Block Grant Funds. Your agency agrees to comply with sections of Title V of the Public Health Services Act (42 U.S.C. 300X-1 et seq.) Section 1913 notes these funds are to be used for adults and children with severe mental illnesses (the LME may specify certain target pops that are to be used) in outpatient services. Service must be billed through the IPRS system and will require

Partners Health Management and Cleveland County Health Department State

completion of CDW data. Your agency may also be audited periodically on consumer specific services by the NC Division of Mental Health/Developmental Disabilities/substance Abuse Section and your staff will comply with all request and attend the audits as scheduled.

SA Prevention: See 45 C.F.R. 96.121 Definition of SA (Substance Abuse) Primary Prevention Program, 96.124 (a) & (b) Prevention Set-Aside, 96.125(a) Primary Prevention, 96.125(b) Primary Prevention (Strategies). SAPTBG Compliance Report-Submit a semi-annual SAPTBG Compliance report by the 15th of the month following the end of the semi-annual period to the LME Contract Department for the section pertaining to the SA Prevention Grant. Reports are to be accurate and complete.

### Substance Abuse Prevention and Treatment Block Grant (SAPTBG)

- Provide SYNAR activities in accordance with Block Grant requirement
- Provide information dissemination; education; alternative strategies; problem identification and referral; community-based processing; and environmental strategies in accordance with block grant requirement
- Provide and evidenced-based universal selective or indicated SA prevention program
- Provide services to the universal, selective, and indicated population in accordance to grant requirements.

All contracted providers that receive Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds shall comply with section 96.127(a), Requirements Regarding Tuberculosis. Each contracted provider is to establish internal policies assuring TB screening for individuals with a substance use disorder and individuals identified as high risk for TB which shall include:

- Screening of all admitted consumers for communicable diseases including TB
- Consumers whose screenings indicate high risk will be referred to the local health departments for additional testing and treatment as applicable.
- Results are to be maintained in the consumer's record
- Linkage to case management and/or care coordination services as applicable

Partners BHM will monitor compliance and offer technical assistance with this requirement at least annually.

### Allocation 24-PA-14:

Partners Behavioral Health is allocated **\$68,732** in Substance Use Prevention, Treatment and Recovery Services Block Grant (SUPTRS) funds for Covid 19 Relief Funds on a one-time basis to the Cleveland County Health Department. Eligible expenditures must be incurred during the period of **July 1, 2023, to March 14, 2024**, to the following organizations:

Each funded grantee is expected to:

- Implement an action plan with a focus on primary substance use prevention and COVID-19 related stressors strategies; including but not limited to, youth education, parent education, cannabis education, environmental strategies (social access to alcohol, youth environmental strategies and cannabis, advocacy efforts, expansion of

Partners Health Management and Cleveland County Health Department      State

coalitions/collaboratives), creative or innovative approaches. Substance use disorder treatment and harm reduction approaches are not permitted under the terms of this funding.

- Implement a comprehensive data-informed and evidence-based approach that addresses identified substance use and COVID-19 related intervening variables.
- Participate in process and outcome evaluation activities to include but not limited to: ECCO, monthly, quarterly, and semi-annual reporting requirements.
- Participate in technical assistance and training related to the COVID-19 Relief grant.

The funding is for the following:

- Human resources: hire staff, contract personnel and/or consultants needed to ensure staffing capacity.
- Implementation of project initiatives supplies and materials, media/PSAs, personal protective equipment, meeting space rental and other necessary costs related to implementing DMH approved project initiatives.
- Professional Development: expenses related to local, statewide, and national meetings/conference attendance (hotel, mileage, flights, etc.).
- Travel: mileage related to local travel for staff/contract personnel.
- Facilities and Equipment: office space rental, utilities, communications, and equipment.
- Overhead of up to 10% for agency fiscal, HR and other agency related expenses is allowable as long as expenses are not already included in approved COVID-19 Relief budget.

#### Allocation 24-PA-44:

Eligible expenditures must be incurred during the period of September 1, 2023 through June 30, 2024.

The funding is for the following:

#### Cleveland County Health Department \$18,145

**Program Enhancements for Youth and Parent Education, Community-based Processes, and Environmental Strategies:**

- Purchase and/or development of resources to support youth and parent education programs.
- Talk It Up Lock It Up © and alcohol safe storage devices.
- Communication Campaign support and expansion including but not limited to targeted media efforts.

#### **Workforce Development, Recruitment, and Retention:**

- Trainings and/or conference events that will occur prior to September 25, 2025.
- Staff mileage for prevention efforts between September 1, 2023 - September 30, 2025.

#### **Office Supplies and Technology Upgrades:**

- The purchase of office supplies, technology and equipment enhancements that support the implementation of primary prevention services.

Block Grant Additional Funds - \$8,500 to be expended by June 30, 2024			Totals
Account	Amount	Description	
Travel/Training (310)	\$1,300	Addiction Professionals NC Conference - Nautica	
	\$1,275	Catch My Breath Train the Trainer - Nautica, Bailey and Carmen; \$425 each x 3 = \$1275	Travel: \$2575
Education Supplies	\$600	Fatal Vision Goggles - \$169 per set x 3 sets plus shipping	
	\$500	Too Smart to Start Elementary School coloring books	
	\$1,370	How vaping effects your body brochure - \$250; Vaping Marijuana: Know the Risks - \$120; Vaping and Ecigarettes: 8 things all parents should know - \$250; How Marijuana effects Your Body and Brain - \$250; Alcohol Facts for Kids - \$250; 21 Reasons not to give alcohol to teens - \$250;	Education Supplies: \$2470
Advertising (370)	\$200	Lock Box rackcard	
	\$375	SA prevention handouts - parents and teens; 5 handouts @\$75/handout = \$375	Advertising: \$575
Giveaways (581)	\$2,880	Deterra medication disposal kits	Giveaways: \$2880
	\$8,500		\$8,500

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Health Department: Budget Amendment (BNA#050)**

---

**Department:** Health Department

**Agenda Title:** Budget Amendment (BNA#050)

**Agenda Summary:**

**Proposed Action:**

---

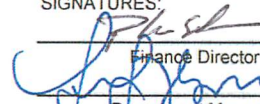

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA050_3.19.24.pdf	Health Dept-CODAP Budget Amendment BNA#050

## BUDGET ORDINANCE AMENDMENT

BNA # 050TO BE SUBMITTED TO BOARD MEETING \_\_\_\_\_  
FOR CONSIDERATION AT MEETING TO BE HELD ON March 19, 2024FROM: BUDGET OFFICER  
THRU: FINANCE OFFICE  
FOR DEPT: HEALTH  
DATE: February 28, 2024

SIGNATURES:

  
Finance Director  
  
Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
012.548.4.410.00	N/A	CODAP	LOCAL/OTHER REVENUES	\$ 40,000	
012.548.5.230.01	N/A	CODAP	PRESCRIPTION DRUGS	\$ 12,000	
012.548.5.370.00	N/A	CODAP	ADVERTISING/PROMOTIONS	\$ 28,000	

Explanation of Revisions: Cleveland County Health Department has been awarded a Neonatal Abstinence Syndrome(NAS) grant from Kintegra in the amount of \$40,000 to provide services and support aimed at reducing the incidence and impact of NAS. These funds will be utilized to increase access to Naloxone as well as educating the community about opioid abuse disorder and connect residents with resources that are available. We are requesting these funds be budgeted in our CODAP (548) department.

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY  
COMMISSIONERS' MEETING ON \_\_\_\_\_

(Date)

\_\_\_\_\_  
Phyllis Nowlen, Clerk to the Boardcc: Personnel Batch # \_\_\_\_\_  
cc: Purchasing Date: \_\_\_\_\_  
By: \_\_\_\_\_



KeyStone Financials

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Finance Department: Budget Amendment (BNA#051)**

---

**Department:** Finance Department

**Agenda Title:** Budget Amendment (BNA#051)

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA051_3.19.24.pdf	Capital Projects-Justice Center/EOC(911) Budget Amendment BNA#051

BUDGET NEW - ORDINANCE AMENDMENT

BNA # 051

SUBMITTED TO BOARD OF COUNTY COMMISSIONERS  
FOR CONSIDERATION AT MEETING TO BE HELD ON:

March 19, 2024

SIGNATURES:

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: Cap Proj-Justice Center/EOC/911

DATE: 2/12/2024

  
Finance Officer

Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
493.250.4.350.00		Cap Proj-Justice Center	State Government Grants	\$ 38,000,000.00	
493.250.5.991.00		Cap Proj-Justice Center	Construction in Progress	\$ 38,000,000.00	
497.253.4.350.00		Cap Proj-E911 Center	State Government Grants	\$ 2,000,000.00	
497.253.5.991.00		Cap Proj-E911 Center	Construction in Progress	\$ 2,000,000.00	

Explanation of Revisions: Budget funds from The NC General Assembly through the state budget. These funds are for the Justice Center/EOC/ facilities. This was part of House Bill 259 approved Sept 20, 2023. SOW for these projects have been approved and the funding allocation per project has been approved by State via Contract #20158

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY

COMMISSIONERS' MEETING ON

(Date)

Phyllis Nowlen, Clerk to the Board

RETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Brittain@clevelandcountync.gov](mailto:Tonya.Brittain@clevelandcountync.gov)

cc: Personnel Batch # \_\_\_\_\_  
cc: Purchasing Date: \_\_\_\_\_  
By: \_\_\_\_\_

## North Carolina Office of State Budget and Management

Contract # 20158

This Agreement is hereby entered into by and between the NC Office of State Budget and Management (the "AGENCY") and Cleveland County  
(the "RECIPIENT") (referred to collectively as the "Parties").

### 1. EFFECTIVE TERM:

The RECIPIENT's performance period for this agreement shall be effective starting July 1, 2023, through June 30, 2029. The PARTIES' duties of record-keeping, monitoring, reporting, and auditing continue thereafter as provided below.

### 2. RECIPIENT'S DUTIES:

The RECIPIENT is authorized by this agreement to use funds for purposes referenced in the Current Operations Appropriations Act, Session Law (S.L.) 2023-134. The RECIPIENT's scope of work is a complete and concise scope of goods or services supported by this agreement and consistent with language in S.L. 2023-134. (See Appendix A).

The RECIPIENT agrees to use the funds in the amounts allocated for the budget cost items set forth in the RECIPIENT's Budget. RECIPIENT may reallocate and/or redistribute among budgeted items up to 10% in overall budget costs without the express written permission of the AGENCY.

The RECIPIENT understands and acknowledges that total funding level available under this agreement will not exceed \$40,000,000.00.

The RECIPIENT acknowledges they have provided the following additional documentation:

- a. Internal Revenue Service W-9 form (includes address, Tax ID) DBC
- b. Electronic Payment Form & Supporting Document DBC
- c. Scope of Work – Appendix A DBC
- d. Policy addressing conflicts of interest DBC
- e. Sworn Statement of no overdue tax debts DBC

The RECIPIENT understands and acknowledges required compliance with all statutory provisions outlined in G.S. 143C-6-22 Use of State funds by non-State entities, 9 N.C.A.C. Subchapter 3M and the requirements found in S.L. 2023-134, Section 5.3; and 40.7.

The RECIPIENT shall ensure:

- a. Funds are used for nonsectarian, nonreligious purposes only.
- b. No more than \$140,000 in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization.

- c. Interest earnings on funds shall be used for the same purposes for which the grant was made.
- d. Submission of quarterly reports on financial and performance progress. This shall include financial and performance progress of the RECIPIENT and all SUB-RECIPIENTS.
- e. Compliance with 9 N.C.A.C. Subchapter 3M.0205.

Pursuant to G.S 143C-6-8, the RECIPIENT understands and agrees that funding shall be subject to the availability of appropriated funds. However, in the event of agreement termination due to lack of adequate appropriated funds, the AGENCY will ensure that it will pay for services and goods acquired and obligated on or before the notice of agreement termination.

### **3. AGENCY'S DUTIES & PAYMENT PROVISIONS:**

The AGENCY shall ensure that funds allocated and disbursed pursuant to Session Law 2023-134 comply with the intent and guidance found in these Session Laws and ensure compliance with related state statutes and financial management standards.

The AGENCY is subject to the following requirements:

- a. Upon execution of this contract and the RECIPIENT's submission of documents identified in Section 2 of this contract, the AGENCY shall pay the RECIPIENT the full amount as identified in the scope of work within 30 days.
- b. Develop RECIPIENT quarterly financial and performance reporting document that shall incorporate the requirements of 9 N.C.A.C. Subchapter 3M.0205 and require the RECIPIENT to:
  - i. Certify that funds received or held were used for the intended purpose.
  - ii. Provide an accounting for funds received, interest earned, funds expended.
  - iii. Provide activities, accomplishments, and performance measures.
  - iv. Provide a list of employees and the amount of State funds used for the employee's annual salary.
  - v. Provide supporting invoices, contracts, payroll information or other documents to support expenditures.
- c. Provide a secure method for submitting financial and performance reports.
- d. Conduct financial and performance monitoring until the contract is completed.
- e. Extend the term of this contract, if necessary, as funds will not revert until expended or the particular project has been completed for SCIF Grants.

### **4. FUNDS MANAGEMENT:**

The RECIPIENT agrees that funds paid through this contract shall be subject to the following:

- a. Accounted for in a separate fund and accounting structure within the RECIPIENT's central accounting and / or grant management system. This shall include accounting for interest earned on these funds.
- b. All accounts payable disbursements, check register disbursements and related transactions shall be managed in a detailed manner that supports fully transparent accounting of all financial transactions associated with this funding allocations described in Section 3 above.
- c. Expenditures for travel mileage, meals, lodging and other travel expenses incurred in the performance of this Contract shall be reasonable and supported by documentation. State rates should be used as guidelines. International travel shall not be eligible under this Contract.

d. If eligible, the RECIPIENT and all subrecipients shall:

- i. Request from the North Carolina Department of Revenue a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. 105-164.14; and
- ii. Exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their quarterly project status reports.

## 5. POST-GRANT AWARD DOCUMENTATION REQUIREMENTS:

The RECIPIENT agrees to submit the required quarterly report on or before the 10<sup>th</sup> day following the end of each quarter. The first report is due to the AGENCY during the quarter in which the funds have been received by the RECIPIENT. The AGENCY shall provide the format and method for reporting. All reports and supporting documents shall include the RECIPIENT and all SUB-RECIPIENT information and shall be submitted as prescribed by the AGENCY.

RECIPIENT and any SUB-RECIPIENTS agree that all program activity results information reported shall be subject to review and authentication as described in Paragraph 7 and RECIPIENT will provide access to work papers, receipts, invoices and reporting records, if requested by the AGENCY, as the AGENCY executes any monitoring or internal audit responsibilities.

RECIPIENTS and SUB-RECIPIENTS receiving \$500,000 or more shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book. The audit report must be provided to the AGENCY no later than nine months after the end of the RECIPIENTS fiscal year. This report shall be submitted as prescribed by the AGENCY. The cost of an audit conducted in conformance with the Yellow Book is an allowable cost for this grant.

## 6. AGREEMENT ADMINISTRATORS:

All notices permitted or required to be given by one Party to the other and all questions about the Agreement from one Party to the other shall be addressed and delivered to the other Party's Agreement Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Agreement Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Agreement Administrator by giving timely written notice to the other Party.

RECIPIENT and AGENCY Point of Contact	
RECIPIENT Contract Administrator	AGENCY Contract Administrator
Name: <u>David B. Cotton</u>	Cole Jordan
Email: <u>david.cotton@clevelandcountync.gov</u>	NC Office of State Budget and Management
	2 South Salisbury Street
	Raleigh, NC 27601
Direct Phone: <u>7044844800</u>	Direct Phone: 984-236-0633
Fiscal year end MONTH: <u>June</u>	Email: <a href="mailto:NCGrants@osbm.nc.gov">NCGrants@osbm.nc.gov</a>

## **7. MONITORING AND AUDITING:**

The RECIPIENT acknowledges and agrees that, from and after the date of execution of this Agreement and for five (5) years following its termination, the books, records, documents and facilities of the RECIPIENT are subject to being audited, inspected and monitored at any time by the AGENCY upon its request (whether in writing or otherwise). The RECIPIENT further agrees to provide AGENCY staff and staff of the Office of State Auditor with access to financial and accounting records to support internal audit, financial reporting and related requirements.

The RECIPIENT acknowledges and agrees that, regarding the grant funds, it will be subject to the audit and reporting requirements prescribed in G.S. 159-34, Local Government Finance Act – Annual Independent Audit, rules, and regulations. Such audit and reporting requirements may vary depending upon the amount and source of grant funding received by the RECIPIENT and are subject to change.

## **8. TAXES:**

The RECIPIENT shall be considered to be an independent RECIPIENT and as such shall be responsible for all taxes. The RECIPIENT agrees to provide the AGENCY with the RECIPIENT'S correct taxpayer identification number upon the execution of this Agreement. The RECIPIENT agrees that failure to provide the AGENCY with a correct taxpayer identification number authorizes the AGENCY to withhold any amount due and payable under this Agreement.

## **9. SITUS:**

This Agreement shall be governed by the laws of North Carolina and any claim for breach or enforcement of this Agreement shall be filed in State court in Wake County, North Carolina.

## **10. COMPLIANCE WITH LAW:**

The RECIPIENT shall remain an independent RECIPIENT and as such shall be wholly responsible for the scope of work to be performed under this Agreement and for the supervision of his employees and assistants. The RECIPIENT represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of or have any individual contractual relationship with the AGENCY. The RECIPIENT shall be responsible for compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of its business and work performance under this Agreement, including those of Federal, State, and local agencies having appropriate jurisdiction.

The Recipient acknowledges and agrees that, in its conduct under this Contract and in connection with any and all expenditures of grant funds made by it, it shall comply with the cost principles enunciated in the Code of Federal Regulations, 2 CFR, Part 200. The Recipient further acknowledges and agrees that, if it grants any of the grant funds awarded hereunder to one or more sub-recipients or sub-sub-recipients, the Recipient shall, by contract, ensure that said cost principles are made applicable to and binding upon any and all such sub-recipients, sub-sub-recipients, etc. in their handling, use and expenditure of the funds awarded to the Recipient hereunder.

11. TERMINATION OF AGREEMENT:

This agreement may be terminated by mutual consent upon sixty (60) days written notice to the other party, or as otherwise provided by law. As soon as reasonably possible following termination of this agreement, the amount of any residual unexpended funds shall be transferred to the AGENCY.

12. AMENDMENTS:

This Agreement may be amended in writing which documents approval of changes by both the AGENCY and the RECIPIENT.

13. AGREEMENT CLOSE-OUT PROCESS:

The RECIPIENT agrees to submit to the AGENCY a complete performance and expenditure status report (final quarterly report) within ninety (90) days after the completion of the project or final expenditure date, whichever is later. Unexpended funds should be promptly returned to the AGENCY at this time.

RECIPIENT will be deemed noncompliant if its final report is not submitted within the 90-day period stated above. Once the complete final performance and financial status report package has been received and evaluated by the AGENCY, the RECIPIENT will receive official notification of agreement close-out. The letter will inform the RECIPIENT that the AGENCY is officially closing the agreement and retaining all agreement files and related material for a period of five (5) years or until all audit exceptions have been resolved, whichever is longer.

14. AUTHORIZED SIGNATURE WARRANTY:

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement. **In Witness Whereof**, the RECIPIENT and the AGENCY have executed this Agreement in duplicate originals, with one original being retained by each party.

RECIPIENT NAME

DocuSigned by:

David B. Cotton

E62DBF632904494...

Signature

2/1/2024 | 7:41 AM EST

Date

David Cotton

Printed Name

County Manager

Title

NC OFFICE OF STATE BUDGET AND MANAGEMENT

DocuSigned by:  
*Kristin Walker*  
Signature

2/1/2024 | 11:28 AM EST  
Date

Kristin Walker  
Printed Name

State Budget Director  
Title

## Appendix A

### Scope of Work, Sub-Grants, and Annual Budget

As part of this grant agreement, you are required to provide a description of how you will spend the grant funds in compliance with the specific purpose as stated in the Appropriations Act ("Scope of Work"). You are also required to submit information related to any potential sub-grants and a budget for the grant funds. **Please attach additional sheets as necessary.**

<b>1. Organization:</b> Cleveland County	
<b>2. Grant ID:</b> 20158	
<b>3. Scope of Work Objectives, Results, Performance Measures:</b>	
<p>Recipient shall detail below how the organization will spend the grant funds in compliance with the specific purpose(s) as stated in the Appropriations Act. The description should include objectives to be achieved, expected results and performance measures. The description should also include anticipated timing of those objectives, expected results and any services provided.</p>	
<b>Objective(s):</b>  How do you plan to spend your grant funds? What project(s) do you want to accomplish?	Funds will provide resources to continue construction of the new Justice Center (Courthouse) and provide supplemental funding for the Emergency Operations Center (EOC) construction project. The 911 Center construction project is funded through a NC 911 Board-Public Safety Answering Points (PSAP) grant with very strict guidelines for grant fund use, leading Cleveland County to plan for the construction a standalone 911 Center building that is connected by a breezeway to a second newly constructed EOC building. Both projects should be completed by mid-to-late 2026.
<b>Expected Results:</b>  What do you hope will be accomplished through the projects supported by these grant funds?	To address construction cost overruns due to market volatility experienced (and anticipated) for both construction projects.
<b>Performance Measure(s):</b>  List the steps it will take to accomplish the project(s) supported by these grant funds.  If the project is programmatic, list the estimated measurements for project outcomes.	Continue construction on the Justice Center and initiate construction on the EOC building.

<b>4. Sub-grants:</b>			
a. Does the Recipient anticipate that it will sub-grant or pass down any funds to another organization?	Yes	No	<input checked="checked" type="checkbox"/>
If yes, answer the following:			
b. Name of Sub-recipient	c. Program Name	d. Amount to Sub-recipient	

**5. Budget:**

Below are general expenditure descriptions that can serve as a *guide* for preparing the organization's budget related to the grant award. Please provide a breakdown of estimated expenses for each category below or as an attachment.

The following budget is for the time period beginning ( TBD ) and ending ( TBD ).

EXPENDITURE DESCRIPTION	AMOUNT
<b>Employee Expenses</b> (ex. Salaries, hourly wages for grant project management /program related staffing).	<input type="text"/>
<b>Administration Expenses</b> (ex. utilities, telephone, data, lease related expenses)	<input type="text"/>
<b>Goods Expenses</b> (ex. supplies and equipment)	<input type="text"/>
<b>Contract and Services Expenses</b> (ex. Designers, Architects, Builders, Programmatic Service Providers)	40,000,000.00
<b>Other Expenses</b> (ex. related charges not assigned above and described by recipient in breakdown below)	<input type="text"/>
<b>Total Balance of the Project Fund</b> (Grant total amount)	<input type="text"/>

Provide a breakdown of estimated expenses for each category below or as an attachment.

\$38,000,000.00 Justice Center construction expenses

\$2,000,000.00 EOC building construction expenses

Please note, you will sign off on this appendix as part of executing the Grant Agreement (Contract).

<u>Kerri Melton</u>	<u>Assistant County Manager</u>
Printed Name	Title
<u>[Signature]</u>	<u>12/18/23</u>
Signature	Date

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Emergency Medical Services: Budget Amendment (BNA#052)

---

**Department:** Emergency Medical Services  
**Agenda Title:** Budget Amendment (BNA#052)  
**Agenda Summary:**  
**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA052_3.19.24.pdf	Public Safety Grants (EMS) Budget Amendment BNA#052

BNA # 052

March 19, 2024

SIGNATURES:

Finance Officer

Department Manager

[illegible]

Explanation of Revisions: Budget funds awarded from Wake Forest University Health Services to be used for search and rescue packs and MRE Meals. Grant is reimbursement based.

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON \_\_\_\_\_  
(Date)

Phyllis Nowlen, Clerk to the Board

**RETURN TO FINANCE OFFICE and Forward copy via email to [Tonya.Brittain@clevelandcountync.gov](mailto:Tonya.Brittain@clevelandcountync.gov)**

cc: Personnel      Batch # \_\_\_\_\_  
cc: Purchasing      Date: \_\_\_\_\_  
By: \_\_\_\_\_

**Research Subcontract**

No. 2123-45501-11000002161 ("Subcontract")

NC DHHS Asst. Secretary for Preparedness &amp; Response ("Prime Sponsor") Prime Contract No. 45605 ("Prime Contract")

This Subcontract is entered into between the Prime Contractor and Subcontractor named below for the performance of a portion of the Scope of Work originally awarded to the Prime Contractor. The parties agree to the following terms and conditions:

**Prime Contractor ("Contractor")**

Name: Wake Forest University Health Sciences

Address: Medical Center Blvd

Winston Salem, NC 27157

DUNS: 937727907

**Subcontractor ("Subcontractor")**

Name: Cleveland County Emergency Medical Services

Address:

DUNS:

Prime Contractor PI Name: James Clarke

Subcontractor PI Name: Sammy Davis

**Subcontract Period of Performance:**

Budget Period: From: 11/13/2023 Through: 6/28/2024

Total Project Period:

From: 11/13/2023 Through: 6/28/2024

**Contract Value:**

Funding This Action: \$5,596.47

Total Funding to Date: \$5,596.47

**Subcontract Type:** cost reimbursement

Anticipated Total Contract Value: \$5,596.47

Automatic Carryover: yes ☐ No ☒**Project Title:** Cleveland County EMS\_12012023

- Subcontractor's Work:** Subcontractor shall supply all personnel, equipment, and materials necessary to accomplish the tasks set forth in Attachment 4, "Subcontractor Statement of Work and Reporting Requirements," which is hereby made part of this Subcontract.
- Limitation on Costs:** Contractor is not liable for any cost in excess of the amount listed above as "Total Funding to Date" without prior written authorization from Prime Sponsor. Attachment 5, "Subcontractor's Budget," is hereby made part of this Subcontract.
- Payment:** Contractor shall reimburse Subcontractor not more often than monthly for allowable costs. All invoices shall be submitted using Subcontractor's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), Subcontract number, and certification as to the truth and accuracy of the invoice. *Invoices that do not reference Subcontract Number may be returned to Subcontractor.* Invoices and questions concerning invoice receipt or payments should be directed to the appropriate party's Financial Contact, as shown in Attachments 3A and 3B. A final invoice, marked "FINAL" must be submitted to Contractor's Financial Contact, as shown in Attachment 3A, NOT LATER THAN 60 days after Subcontract end date. CONTRACTOR shall make the final payment to Subcontractor upon completion of all required deliverables and reports as indicated in Attachments 4 and 5. Contractor reserves the right to reject an invoice.
- Incorporation of Prime Contract:** In the performance of Subcontractor's Work, all applicable terms and conditions of Attachment 6, "Prime Contract Terms and Conditions," are hereby made part of this Subcontract.
- Substantive Changes:** Substantive changes made to this Subcontract Agreement require the written approval of each party's Authorized Official as shown in Attachments 3A and 3B. The Contractor may issue non-substantive changes to the Period of Performance and budget (check one): ☒ Bilaterally, or ☐ Unilaterally. Unilateral modifications shall be considered valid 14 days after receipt unless otherwise indicated by Subcontractor.
- Entire Agreement:** This Subcontract constitutes the entire agreement between the Parties regarding the subject matter herein. Unless otherwise provided for in Attachment 2, any modification to this Subcontract shall be made in writing and must be signed by an authorized representative of each Party.

IN WITNESS WHEREOF, duly authorized representative of the Parties have entered into this Subcontract as of the date of the last signature set forth below:

**Contractor Signature****Subcontractor Signature**

DocuSigned by:

By: Michele Gordon 2/1/2024

Name: Michele Gordon

Date:

Title: Director of Research - Contracts

By: Sammy R. Davis

Name: Sammy R. Davis

Date: 02/01/2024

Title: Deputy EMS Director

SUB00002123

DS

AMW

## **Attachment 1**

### **Research Subcontract Certifications and Assurances**

By signing this Research Subcontract ("Subcontract Agreement"), the Authorized Official of Subcontractor certifies, to the best of his/her knowledge and belief, that:

#### **Certification Regarding Lobbying**

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Subcontractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Subcontractor shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," to the Pass-through Entity.
- 3) The Subcontractor shall require that the language of this certification be included in the award documents for all subcontracts at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subcontractors shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### **Debarment, Suspension, and Other Responsibility Matters**

Subcontractor certifies by signing this Subcontract Agreement that neither it nor any individual participating in this Subcontract Agreement is presently debarred, suspended, declared ineligible or voluntarily excluded from participation in this research Study by any federal department or agency.

#### **Audit and Access to Records**

Subcontractor certifies by signing this Subcontract Agreement that it complies with the Uniform Guidance, will provide notice of the completion of required audits and any adverse findings which impact this Subcontract Agreement as required by parts 200.501- 200.521, and will provide access to records as required by parts 200.336, 200.337, and 200.201 as applicable.

**Attachment 2**  
**Research Subcontract**  
**Special Terms and Conditions**

**General Terms and Conditions:**

1. **Funding.** This Subcontract Agreement is funded by the Prime Sponsor and as such the following regulations and guidelines govern this Subcontract Agreement:
  - a) Human Subjects Research Laws including federal state and local laws, rules, regulations and related guidelines of any applicable jurisdiction relating to the conduct of research involving human subjects, including but not limited to the U.S. Department of Health and Human Services regulations at 45 C.F.R. Part 46 (including the Common Rule), National Institutes of Health guidance, and the U.S Food and Drug Administration regulations at 21 C.F.R Parts 50 and 56
  - b) Subtitle D of Title VI of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, 124 Stat. 119 (2010), as amended (codified at 42 U.S.C. §§ 1320e – 1320e-2 and 299b-37; 26 U.S.C. §§ 501, 4375 – 4377, and 9511) (“Prime Sponsor’s Authorizing Law”).
2. **Independent Contractor.** The Subcontractor is engaged as an independent contractor. Nothing in the Subcontract is intended to, or shall be deemed to, constitute a partnership or joint venture between the parties. No party has the authority to bind any other party in contract or to incur any debts or obligations on behalf of any other party, and no party (including any employee or other representative of a party with responsibility for program matters) shall take any action that attempts or purports to bind any other party in contract or to incur any debts or obligations on behalf of any other party, without the affected party’s prior written approval.
3. **Human Subjects.** During the course of this project, should the use of experimental human subjects become involved, Subcontractor agrees to comply with the federal regulations governing the protection of human research subjects, 45 CFR Part 46. Copies of supporting and approved materials shall be sent to the Administrative Contact as identified in Attachment 3A. In the event that either party comes into contact with any subject’s medical records, such party shall comply with all foreign and U.S. federal and state laws and regulations applicable to them relating to the confidentiality and security of personal and medical data, including but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder, as they may be amended from time to time (“HIPAA”), and any other laws and/or regulations relating to the maintenance, use, transmission or other activity concerning patient records and confidentiality of personal and medical data.
4. **Lab Animals.** During the course of this project, should the use of laboratory animals become involved, Subcontractor agrees to comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544) as amended (P.L. 91-579, P.L. 94-279, and P.L. 99-198) 7 U.S.C. 2131 et. seq. and any subsequent or applicable amendment, addendum, or revision. Subcontractor will provide Contractor copies of their supporting and approved materials for use of laboratory animals under this agreement. Copies of supporting and approved materials shall be sent to the Administrative Contact as identified in Attachment 3A.
5. **Key Personnel.** If for any reason the Subcontractor Principal Investigator as indicated in Attachment 3B (or personnel considered essential for the work) is unavailable to direct the performance of the work under this Subcontract Agreement, Subcontractor shall notify Contractor. If the parties are unable to identify a mutually acceptable successor, this Subcontract Agreement may be terminated by either party as outlined in the Termination Section of this Agreement.

6. Publicity/Use of Name. Neither party may use the name, trademark, logo, symbol, or other image or trade name of the other party or its employees, students and agents in any advertisement, promotion, or other form of publicity or news release or that in any way implies endorsement without the prior written approval of an authorized representative of the party whose name is being used. Such approval will not be unreasonably withheld. Subcontractor will acknowledge the Prime Sponsor's and Contractor's support, including but not limited to financial support as may be required by academic journals, professional societies, funding agencies, and applicable regulations. Notwithstanding the above, Subcontractor shall have the right to use Contractor's name, the Study Title, the Period of Performance, and Funding Amount for internal reporting purposes and as required by law or sponsor guidelines.
7. Reporting. Technical progress reports on the project may be required by Contractor's Principal Investigator from time to time in order for the Prime Contractor to satisfy its reporting obligations to the Prime Sponsor.
8. Intellectual Property. The determination of rights in ownership and disposition of inventions, discoveries, or patents resulting from the performance of the Statement of Work ("Subject Inventions") and the administration of patents will be in accordance with 37 CFR 401 and the terms of this Subcontract. Subcontractor agrees to comply with regulations regarding inventions pursuant to 37 CFR Part 401. Disposition of any copyrights or any copyrightable material created by Subcontractor in performance of the Statement of Work will be determined by the policy of the Subcontractor. Any copyrighted materials are subject to a royalty-free non-exclusive and irrevocable license to the Contractor and Prime Sponsor to reproduce, publish or otherwise use the copyrighted material for noncommercial purposes and to authorize others to do so for noncommercial purposes. Subcontractor shall own the data it generates under this Subcontract. Subcontractor hereby grants to Contractor the right to receive copies of such data and to use data created as provided in the Statement of Work for the purpose of education and research or to the extent required to meet Contractor's obligations under its Prime Contract. Subcontractor acknowledges the rights of the Prime Sponsor to use such data.
9. Liability. To the extent permitted under applicable law, Subcontractor agrees to indemnify, defend, and hold Prime Sponsor and its directors, officers, employees, agents, and volunteers harmless with respect to any and all third-party claims, losses, damages, liabilities, judgments, or settlements, including reasonable attorney's fees, costs, and other expenses incurred by Prime Sponsor on account of any willful or negligent act or omission of the recipient (or any of its directors, officers, employees, investigators, agents, contractors, or affiliates), any breach of this Subcontract Agreement by Subcontractor, or any infringement or violation of a person's copyright or property rights by the Subcontractor. Subcontractor's obligation to indemnify, defend and hold harmless shall be limited to the extent that Subcontractor is afforded sovereign immunity under applicable federal, state, or local laws. In such cases where Subcontractor's obligation to indemnify may be limited due to the requirements of deferral, state, or local laws, Subcontractor shall be responsible for the ordinary negligent acts and omissions of Subcontractor's agents and employees causing harm to persons not a party to this Subcontract Agreement. However, nothing herein creates obligation to third parties, nor waives the Subcontractor's and its employees' right of immunities that exist as a matter of law as to any claims. With regards to liability between Contractor and Subcontractor, each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or directors, to the extent allowed by law. NEITHER CONTRACTOR NOR SUBCONTRACTOR SHALL BE LIABLE TO THE OTHER FOR SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES OR FOR LOST PROFITS.
10. Confidentiality. It is anticipated that in the performance of this Agreement, the parties may need to disclose information which is considered confidential. "Confidential Information" refers to information of any kind which is disclosed by one party, "the Disclosing Party", to the other party, "the Receiving Party", for purposes of conducting the Study which:
  - a) by appropriate marking, is identified as confidential and proprietary at the time of disclosure;

- b) if disclosed orally, is identified in a marked writing within thirty (30) days as being confidential; or
- c) parties will make reasonable efforts to mark Confidential Information as stated in (a) and (b) above.

The obligation of non-disclosure will not apply to any part of the information that:

- a) Is already known to Receiving Party prior to the effective date, as evidenced by Receiving Party's records;
- b) Becomes publicly known without the wrongful act or breach of this Agreement by Receiving Party;
- c) Has been or is disclosed to Receiving Party by a third party who was not, or is not, under any obligation of confidence or secrecy to Disclosing Party at the time third party discloses to Receiving Party, or has the legal right to do so;
- d) is developed independently by employees of Receiving Party who had no access to or knowledge of the Information, as evidenced by Receiving Party's records;
- e) is approved for release by written authorization of the Disclosing Party;
- f) is required to be disclosed by law or governmental regulation or to any governmental entity with jurisdiction, provided Receiving Party promptly notifies Disclosing Party, if reasonably practical or possible, in writing of such lawful disclosure

Subject to Publication Section, parties agree, for a period of three (3) years following the termination or expiration of this Subcontract Agreement, to use reasonable efforts, no less than the protection given their own confidential information, to use Confidential Information received in accordance with this Section.

11. Insurance. Subcontractor represents that it carries sufficient insurance coverage to comply with the requirements of federal, state and local laws as well as its obligations under this Subcontract, except to the extent of Governmental Immunity, which is not waived by the purchase of insurance.
12. Termination. Either party may terminate this Subcontract Agreement with thirty (30) business days written notice. This Study may be suspended or terminated in whole or in part immediately if the Subcontractor fails to comply with the terms and conditions of the award; or at any time for any reason by the Subcontractor or Contractor when, in their judgment or that of the Principal Investigator, Subcontractor Principal Investigator, the Contractor's IRB, the Subcontractor's IRB, Scientific Review Committee, if applicable, or the Awarding Agency, it is determined to be inappropriate, impractical, or inadvisable to continue. This study may be terminated or suspended immediately in whole or in part in the event that the Prime Sponsor reduces or terminates funding for the prime award.
13. Warranty. Neither party makes any warranty, express or implied, including, without limitation, any implied warranty of merchantability or any implied warranty of fitness for a particular purpose with respect to any research activity or article supplied by it or its Principal Investigator in connection with this Protocol, nor with respect to any patent, trademark, know-how, tangible research property, information or data provided to the other party hereunder, and each party hereby disclaims the same.
14. Assignment. Neither party may assign this Subcontract or any interest therein without the written consent of the other party.
15. Disputes. The parties shall attempt to resolve all disputes through informal means. Each party agrees that, prior to resorting to litigation to resolve any dispute, it will confer with the other party to determine whether other procedures that are less expensive or less time consuming can be adopted to resolve the dispute.
16. Force Majeure. If either party hereto shall be delayed or hindered in, or prevented from, the performance of any act required hereunder for any reason beyond such party's direct control, including but not limited to, strike, lockouts, labor troubles, riots, insurrections, war, acts of God, inclement weather, or other reason beyond the

party's control (a "Disability") then such party's performance shall be excused for the period of the Disability. Any Study timelines affected by a Disability shall be extended for a period equal to the delay and any affected Budget shall be adjusted to account for cost increases or decreases resulting from the Disability. The party affected by the Disability shall notify the other party of such Disability as provided for herein

17. Severability. If any provision of this Subcontract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not effect the other provisions of this Subcontract which can be given effect without the invalid provision, and to this end the provisions of this Subcontract are declared to be severable.
18. Integration. This Subcontract and Attachments contain the entire agreement between the parties, and no statements, promises, or inducements made by either party or agent of either party that are not contained in this written Subcontract shall be valid or binding; and this Subcontract may not be enlarged, modified, or altered except in writing signed by the parties.
19. Waiver. No waiver of any term or provision of this Subcontract whether by conduct or otherwise in any one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such term or provision, or of any other term or provision, of this Subcontract.
20. Amendments. Except as expressly set forth in this section, no subsequent amendment, modification or addition to this Subcontract will be binding upon the parties hereto unless reduced to writing and signed by the respective authorized representatives of Contractor and Subcontractor.
21. Counterparts. This Subcontract may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties agree that a party's signature on this Subcontract that is exchanged by portable document format (PDF) or facsimile shall have the effect of original signature of the party for all purposes.

**Attachment 3A**  
**Pass-Through Entity (PTE) Contacts**

Subaward Number:

2123-45501-1100000216

**PTE Information**

Entity Name: Wake Forest University Health Sciences

Legal Address: Medical Center Blvd  
Winston Salem, NC 27157

Website: wakehealth.edu

**PTE Contacts**

Central Email: subawards@wakehealth.edu

Principal Investigator Name: James Clarke

Email: James.Clarke@atriumhealth.org

Telephone Number: 704-512-6674

Administrative Contact Name: Antwan M. Williams

Email: antwill@wakehealth.edu

Telephone Number: 708-996-0969

COI Contact email (if different to above): tanderso@wakehealth.edu

Financial Contact Name: Sara Stanley, Associate Vice President &amp; Assistant Dean for Sponsored Programs

Email: postaward@wakehealth.edu

Telephone Number: 336-716-2382

Email invoices? ☒ Yes ☐ No Invoice email (if different):

Authorized Official Name: Sara Stanley, Associate Vice President &amp; Assistant Dean for Sponsored Programs

Email: postaward@wakehealth.edu

Telephone Number: 336-716-2382

**PI Address:**Medical Center Blvd  
Winston Salem, NC 27157**Administrative Address:**Office of Sponsored Programs  
Medical Center Blvd  
Winston Salem, NC 27157**Invoice Address:**ATRIUM HEALTH WFB OFFICE OF SPONSORED PROGRAMS  
PO BOX 604096  
Charlotte, NC 28260 -4096

**Attachment 3B****Research Subaward Agreement  
Subrecipient Contacts**

Subaward Number:

2123-45501-11000002161

**Subrecipient Information for FFATA reporting**

Entity's UEI/DUNS Name:

COUNTY OF CLEVELAND

EIN No.:

56-6000288

Institution Type:

County Government

UEI / DUNS:

TB6MNJMMHG85

Currently registered in SAM.gov:

☒ Yes ☐ No

Parent UEI / DUNS:

Exempt from reporting executive compensation: Yes ☐ No ☒

(if no, complete 3B pg2)

**Place of Performance Information for FFATA reporting**

Physical Address, City, State (if U.S.) and Country:

311 East Marion Street, Shelby, North Carolina, United States

**U.S. Entities only (insert information for Place of Performance):**

Congressional District:

10th

Zip Code+4:

28151-1210

[Zip Code Look-up](#)**Subrecipient Contacts**

Central Email:

Sammy.Davis@clevelandcountyems.com

Website:

[https://www.clevelandcounty.com/main/departments/emergency\\_medical\\_services\\_\(ems\).php](https://www.clevelandcounty.com/main/departments/emergency_medical_services_(ems).php)

Principal Investigator Name:

Sammy Davis

Email:

Sammy.Davis@clevelandcountyems.com

Telephone Number:

704-418-3256

Administrative Contact Name:

Thomas McNeilly

Email:

Tommy.McNeilly@clevelandcountyems.com

Telephone Number:

704-600-5072

Financial Contact Name:

Sherrie Geer

Email:

Sherrie.Geer@clevelandcountync.gov

Telephone Number:

704-484-4985

Invoice Email:

acct.rec@clevelandcounty.com

Authorized Official Name:

David Cotton

Email:

David.Cotton@clevelandcountync.gov

Telephone Number:

704-484-4800

**Legal Address:**County of Cleveland, NC  
311 E. Marion Street  
Shelby, NC 28150**Administrative Address:**Cleveland County EMS  
1333 Fallston Road  
Shelby, NC 28150**Payment Address:**Cleveland County EMS  
PO Box 1210  
Shelby, NC 28151

**Attachment 3B-2**  
**Highest Compensated Officers**

Subaward Number:

2123-45501-11000002161

**Subrecipient:**

Institution Name:

PI Name:

**Highest Compensated Officers**

The names and total compensation of the five most highly compensated officers of the entity(ies) must be listed if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1) Internal Revenue Code of 1986.

Officer 1 Name:

Officer 1 Compensation:

Officer 2 Name:

Officer 2 Compensation:

Officer 3 Name:

Officer 3 Compensation:

Officer 4 Name:

Officer 4 Compensation:

Officer 5 Name:

Officer 5 Compensation:

**Attachment 5**  
**Statement of Work, Cost Sharing, Indirects & Budget**

Subaward Number:

2123-45501-11000002161

**Statement of Work**

☒ Below ☐ Attached,  pages

If award is FFATA eligible and SOW exceeds 4000 characters, include a *Subrecipient Federal Award Project Description*

Purchase 30 cases of 12 heater MREs for support in disaster response for a total of \$3,423.00.  
And the purchase of 8 Coaxsher SR-1 Endeavor Search and Rescue Pack for a total of \$2,173.47

**Budget Information**

**Indirect Information** Indirect Cost Rate (IDC) Applied  %

Rate Type:

**Cost Sharing**

If Yes, include Amount: \$

**Budget Details**

☐ Below ☒ Attached,  pages

**Budget Totals**

Direct Costs \$

Indirect Costs \$

Total Costs \$

*All amounts are in United States Dollars*



## SR-1 Endeavor Search and Rescue Pack



Hip-belt Size:XL (39" plus), Color:Black

Unit: \$257.90

Quantity:

Total: \$2063.20

---

5% Off Five or...

-\$103.16

+ Promo Code

Discounts -\$103.16

Subtotal \$1960.04

Shipping \$0.00

Estimated Tax \$0.00

**Total \$1960.04**

MRE Star, LLC

6411 Parkland Drive, #102  
Sarasota, FL 34243-4027  
866-680-6737

## Quote

Date	Estimate #
3/5/2024	5374

Name / Address
Cleveland County EMS 1333 Fallston Road, Shelby, NC 28150

P.O. No.	Terms	Due Date
	Net 30	4/4/2024

Description	Qty	U/M	Rate	Total
M-018H - 12 Complete Meals per Case with Heaters  GOVERNMENT DISCOUNT APPLIED (Retail @ \$129.95 per case plus shipping)  Brand New Rations Military Spec Made in the USA USDA/FDA Certified FSSC22000 Certified HACCP Compliant  Average 1200 kcal per meal 12 complete meals per case  Each complete meal will contain:  1 - Entree (Minimum 6 varieties per case, 2 of each) 227g 1 - Starch (military crackers - 2 or tortillas - 3) 40+g 1 - Spread (peanut butter, jelly, or cheese) 24g 1 - Side Snack (nut and raisin mix, dried fruit mix, toasted corn nuts, air dried beef or toffee peanuts) 56g 1 - Dessert (sugar cookies, oatmeal cookies, shortbread cookie or other) 56g 1 - Isotonic Fruit flavored powdered Drink Mix 25g (5 varieties) 1 - Accessory Pack (spoon, napkin, salt, pepper, wet napkin, coffee, sugar, creamer, red pepper flakes, candy) 1 - FRH (flameless ration heater) 1 - Packaging Bag 1 - Master Case - holds 12 MREs  Standard Complete MRE 8oz Entree Varieties (not limited to):  Beef Stew with Potatoes and Vegetables	30	ea	110.00	3,300.00
			<b>Total</b>	

MRE Star, LLC  
6411 Parkland Drive, #102  
Sarasota, FL 34243-4027  
866-680-6737

Quote

Date	Estimate #
3/5/2024	5374

Name / Address
Cleveland County EMS 1333 Fallston Road, Shelby, NC 28150

P.O. No.	Terms	Due Date
	Net 30	4/4/2024

Description	Qty	U/M	Rate	Total
Tuscan Beef with Cannellini Beans and Vegetables				
Jalapeno Curry Beef with Potatoes				
Chicken Noodle Stew with Vegetables				
Chicken Rice with Vegetables				
Southwest Chicken with Vegetables				
Curry Chicken with Vegetables				
Pinto Beans with Ham				
Cheese Tortellini with Marinara Sauce				
Pasta with Marinara Sauce and Veggie Crumbles (Vegetarian)				
Chili with Beans and Veggie Crumbles (Vegetarian)				
Lentil Stew with Vegetables (Vegetarian)				
			Total	

MRE Star, LLC

6411 Parkland Drive, #102  
Sarasota, FL 34243-4027  
866-680-6737

## Quote

Date	Estimate #
3/5/2024	5374

Name / Address
Cleveland County EMS 1333 Fallston Road, Shelby, NC 28150

P.O. No.	Terms	Due Date
	Net 30	4/4/2024

Description	Qty	U/M	Rate	Total
Shipping / Freight  Cleveland County EMS 1333 Fallston Road, Shelby, NC 28150  Add \$100 if a liftgate truck is needed (no loading dock or forklift) Add \$100 if the facility is secured/gated	1	ea	148.36	148.36
			<b>Total</b>	\$3,448.36

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Removal of Service Weapons

---

**Department:** Sheriff's Office  
**Agenda Title:** Removal of Service Weapons  
**Agenda Summary:**  
**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Service_Weapon_Requests.pdf	Service Weapon Requests

# Office of the Sheriff

SHERIFF  
ALAN NORMAN




P.O. BOX 1508  
SHELBY, N.C. 28151-1508

704-484-4888  
FAX 704-484-4856

## MEMORANDUM:

TO: David Cotton, County Manager, and  
Cleveland County Board of Commissioners

FROM: Alan Norman, Sheriff of Cleveland County 

DATE: March 13, 2024

SUBJECT: Request to Remove Service Weapon from County Inventory  
And Issue to Retiring Lieutenant John McIntyre

The Cleveland County Sheriff's Office would like to present retiring Lieutenant John McIntyre with his departmental service weapon. Lt. McIntyre will retire effective July 1, 2024, after 30 years of full-time law enforcement service with the Cleveland County Sheriff's Office. As a token of appreciation for his service to the Cleveland County Sheriff's Office and the citizens of Cleveland County, we are requesting that his service weapon be removed from county inventory and issued to him.

Lt. McIntyre's service weapon that we request to be removed from county inventory is a *Glock 9mm, Model 17 with serial number **BDKT-764***. The county asset number is #201229.

Thank you for your assistance with this matter. Should you have questions, please call me at (704) 484-4817.

AN/lp

# Office of the Sheriff

SHERIFF  
ALAN NORMAN



P.O. BOX 1508  
SHELBY, N.C. 28151-1508  
704-484-4888  
FAX 704-484-4856

## MEMORANDUM:

TO: David Cotton, County Manager, and  
Cleveland County Board of Commissioners

FROM: Alan Norman, Sheriff of Cleveland County *al n*

DATE: March 13, 2024

SUBJECT: Request to Remove Service Weapon from County Inventory  
And Issue to Retiring Major Rodney Fitch

The Cleveland County Sheriff's Office would like to present retiring Major Rodney Fitch with his departmental service weapon. Major Fitch will retire effective April 1, 2024, after 30 years of full-time law enforcement service with the Cleveland County Sheriff's Office. As a token of appreciation for his service to the Cleveland County Sheriff's Office and the citizens of Cleveland County, we are requesting that his service weapon be removed from county inventory and issued to him.

Major Fitch's service weapon that we request to be removed from county inventory is a *Glock 9mm, Model 17 with serial number **BDKT-878***. The county asset number is #201190.

Thank you for your assistance with this matter. Should you have questions, please call me at (704) 484-4817.

AN/lp

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Request to Set a Public Hearing on Tuesday, April 2, 2024 for Case 24-06, Request to Rezone a 0.5-acre Portion of Parcel 66377 from Residential (R) to Neighborhood Business - Conditional Use (NB-CU) for a Farm Food/Grocery Store**

---

**Department:** Planning Department

**Agenda Title:** Request to Set a Public Hearing on Tuesday, April 2, 2024 for Case 24-06, Request to Rezone a 0.5-acre Portion of Parcel 66377 from Residential (R) to Neighborhood Business - Conditional Use (NB-CU) for a Farm Food/Grocery Store

**Agenda Summary:**

**Proposed Action:**

---

### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 24-06_Staff_Report_Set_Hearing.pdf	Staff Report
<input type="checkbox"/> Site_Plan_Version_2.pdf	Site Plan
<input type="checkbox"/> Case_24-06_Zoning_Map.pdf	Zoning Map
<input type="checkbox"/> Case_24-06_Land_Use_Map.pdf	Land Use Map
<input type="checkbox"/> Case_24-06_Aerial_Map.pdf	Aerial Map

## STAFF REPORT

To: Board of Commissioners  
Date: March 19, 2024  
From: Chris Martin, Planning Director  
Subject: Rezoning Case 24-06

**Summary Statement:** Travis Bumgardner is requesting to rezone a portion of parcel 66377, containing 0.5 acres, from Residential to Neighborhood Business – Conditional Use for the purpose of operating a farm food/grocery store. A site plan has been submitted displaying the proposed use of the property.

**Review:** This property, a 0.5-acre portion of Parcel 66377, lies along Washburn Road near the intersection of Washburn Switch Rd, northwest of Shelby, and is zoned Residential. The portion Mr. Hamrick is purchasing and requesting to rezone is currently vacant.

The surrounding zoning district is Residential along Washburn Rd with Heavy Industrial nearby along Washburn Switch Rd. Surrounding uses are mostly single-family dwellings, with industrial uses to the south and a solar facility to the east. The Land Use Plan designates this area as Primary Growth.

**Planning Board:** The Planning Board will review and comment at their March 26, 2024 meeting.

**Consistency Statement**

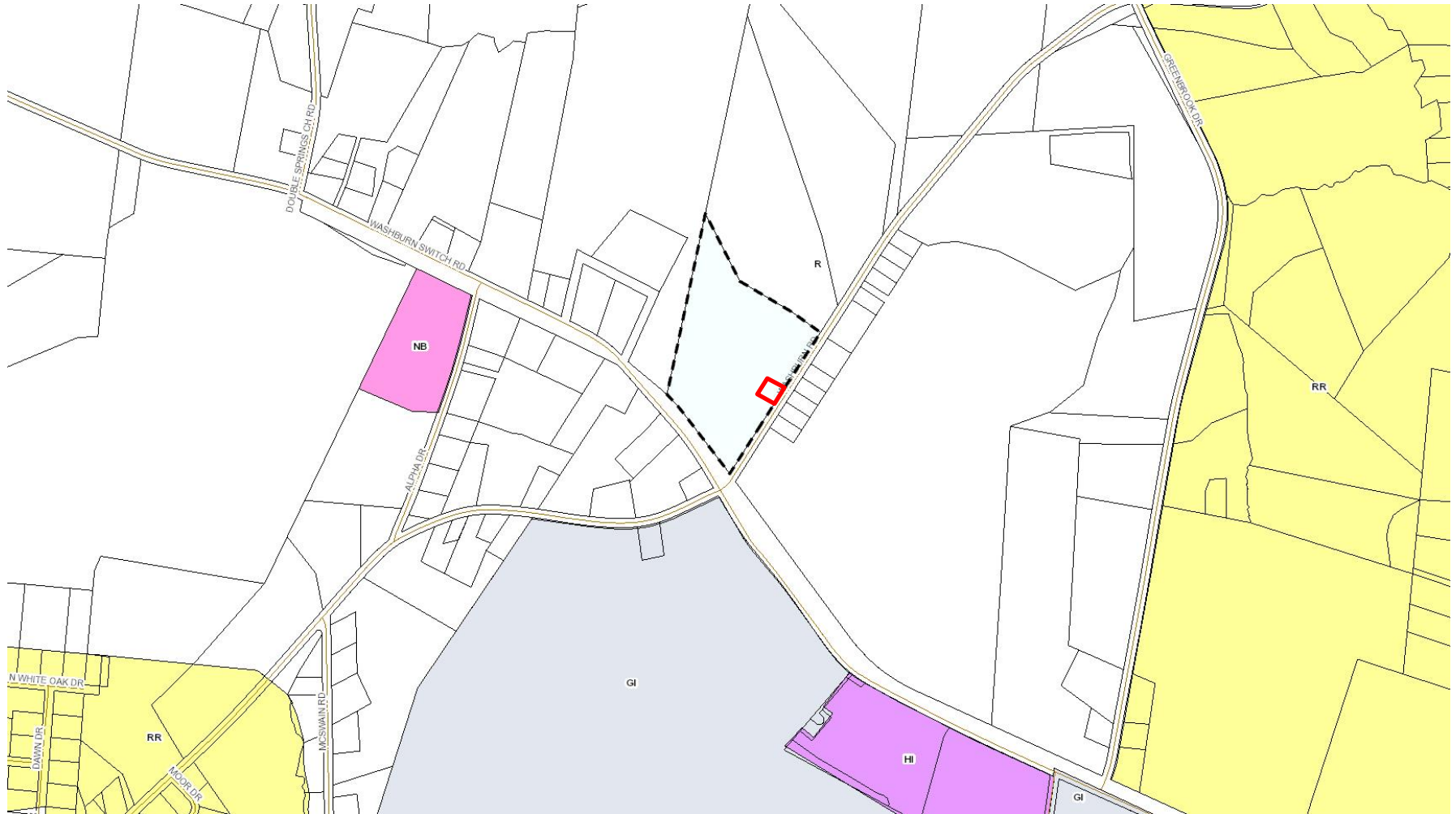
*NCGS 160D-605 requires that local government boards adopt a consistency statement showing that the decision it makes fits in with the land use plan or if not, is reasonable and has a public interest.*

**Requested Board Action:** Consider setting a hearing for April 2, 2024.



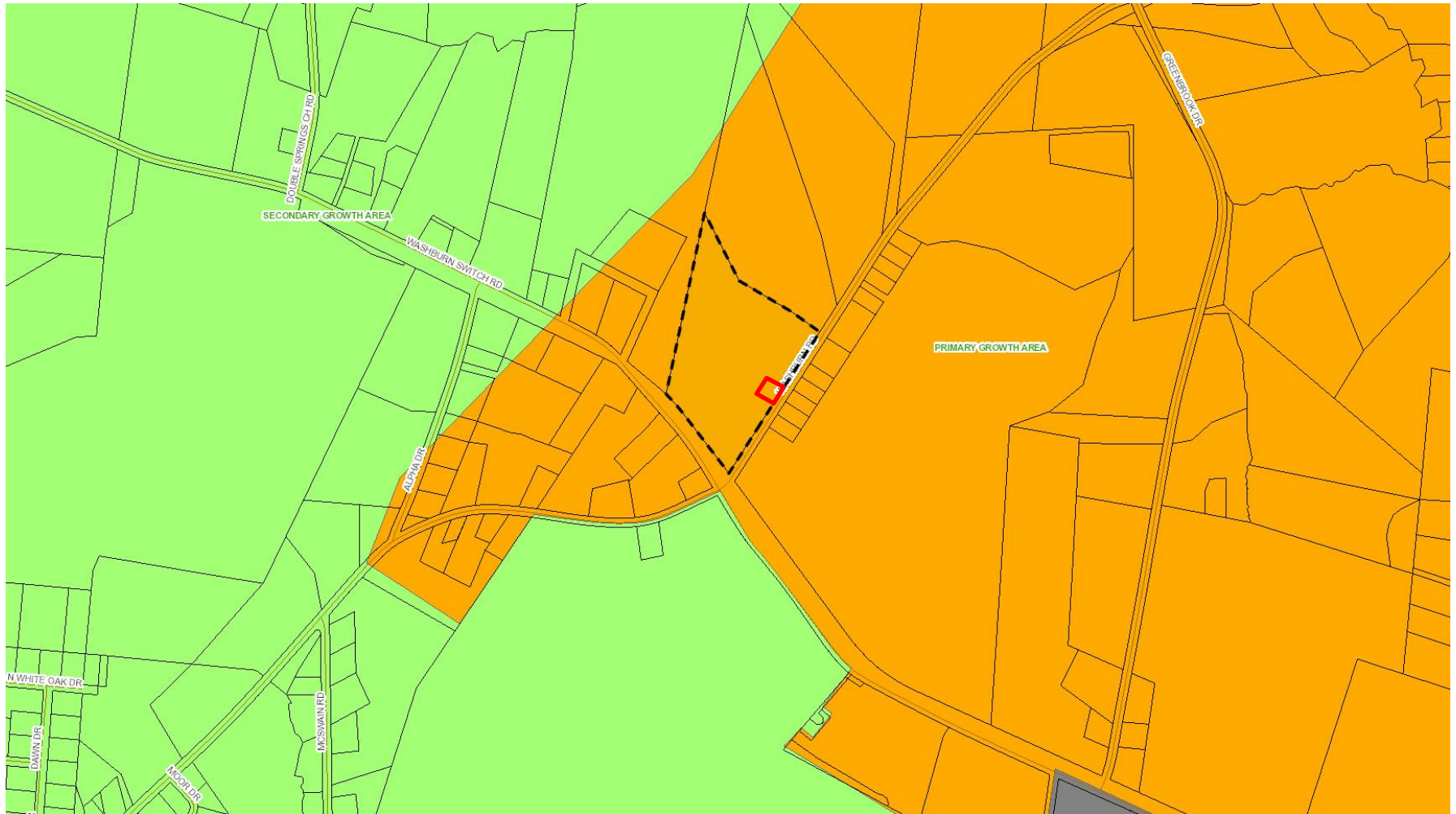
## Rezoning Case 24-06

2220 Washburn Road



## Rezoning Case 24-06

2220 Washburn Road



**Rezoning Case 24-06**  
2220 Washburn Road



**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Grant**

---

**Department:** Foothills Shooting Complex

**Agenda Title:** Grant

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### E-911 NCDOT Applications

---

**Department:** E-911 Communications

**Agenda Title:** E-911 NCDOT Applications

**Agenda Summary:**

**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 16-1B-Two-Party-Related-to-Road-Construction_sidewalk.pdf	16-1B Road Construction
<input type="checkbox"/> 16-1B-Two-Party-Related-to-Road-Construction.pdf	16-1B
<input type="checkbox"/> 16-6-Three-Party-Non-C_sidewalk.pdf	16-6 C Sidewalk
<input type="checkbox"/> 16-6-Three-Party-Non-C-A.pdf	16-6 C
<input type="checkbox"/> Street-and-Driveway-Access-Permit-Application.pdf	Access Permit

DEPARTMENT OF TRANSPORTATION

-AND-

RIGHT OF WAY ENCROACHMENT AGREEMENT FOR CURB AND GUTTER, PAVEMENT WIDENING AND STORM DRAINAGE

THIS AGREEMENT, made and entered into this the      day of      , 20      , by and between the Department of Transportation, party of the first part; and      party of the second part,

W I T N E S S E T H

THAT WHEREAS, the party of the second part desires to encroach on the right of way of the public road designated as Route(s)      , located     

with the construction and/or erection of:     

WHEREAS, it is to the material advantage of the party of the second part to effect this encroachment, and the party of the first part in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the limits of the right of way as indicated, subject to the conditions of this agreement;

NOW, THEREFORE, IT IS AGREED that the party of the first part hereby grants to the party of the second part the right and privilege to make this encroachment as shown on attached plan sheet(s), specifications and special provisions which are made a part hereof upon the following conditions, to wit:

That the said party of the second part binds and obligates himself to install the encroaching facility in such safe and proper condition that it will not interfere with or endanger travel upon said highway.

That the party of the second part agrees to provide during construction proper signs, signal lights, flagmen and other warning devices for the protection of traffic in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the Division Engineer of the party of the first part.

That the party of the second part hereby agrees to indemnify and save harmless the party of the first part from all damages and claims for damage that may arise by reason of the installation and maintenance of this encroachment.

It is clearly understood by the party of the second part that the party of the first part will assume no responsibility for any damage that may be caused to such facilities, within the highway rights of way limits, in carrying out its construction.

That the party of the second part agrees to restore all areas disturbed during construction to the satisfaction of the Division Engineer of the party of the first part. The party of the second part agrees to exercise every reasonable precaution during construction and maintenance to prevent eroding of soil; silting or pollution of rivers, streams, lakes, reservoirs, other water impoundments, ground surfaces or other property; or pollution of the air. There shall be compliance with applicable rules and regulations of the North Carolina Division of Environmental Management, North Carolina Sedimentation Control Commission, and with ordinances and regulations of various counties, municipalities and other official agencies relating to pollution prevention and control. When any construction operation disturbs the ground surface and existing ground cover, the party of the second part agrees to remove and replace the sod or otherwise reestablish the grass cover to meet the satisfaction of the Division Engineer of the party of the first part.

That the party of the second part agrees to assume the actual cost of any inspection of the work considered to be necessary by the Division Engineer of the party of the first part.

That the party of the second part agrees to have available at the encroaching site, at all times during construction, a copy of this agreement showing evidence of approval by the party of the first part. The party of the first part reserves the right to stop all work unless evidence of approval can be shown.

Provided the work contained in this agreement is being performed on a completed highway open to traffic; the party of the second part agrees to give written notice to the Division Engineer of the party of the first part when all work contained herein has been completed. Unless specifically requested by the party of the first part, written notice of completion of work on highway projects under construction will not be required.

That in the case of noncompliance with the terms of this agreement by the party of the second part, the party of the first part reserves the right to stop all work until the facility has been brought into compliance or removed from the right of way at no cost to the party of the first part.

That it is agreed by both parties that this agreement shall become void if actual construction of the work contemplated herein is not begun within one (1) year from the date of authorization by the party of the first part unless written waiver is secured by the party of the second part from the party of the first part.

IN WITNESS WHEREOF, each of the parties to this agreement has caused the same to be executed the day and year first above written.

DEPARTMENT OF TRANSPORTATION

BY: \_\_\_\_\_  
DIVISION ENGINEER

ATTEST OR WITNESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Second Party

INSTRUCTIONS

When the applicant is a corporation or a municipality, this agreement must have the corporate seal and be attested by the corporation secretary or by the empowered city official, unless a waiver of corporate seal and attestation by the secretary or by the empowered City official is on file in the Raleigh office of the State Utilities Manager. In the space provided in this agreement for execution, the name of the corporation or municipality shall be typed above the name, and title of all persons signing the agreement should be typed directly below their signature.

When the applicant is not a corporation, then his signature must be witnessed by one person. The address should be included in this agreement and the names of all persons signing the agreement should be typed directly below their signature.

This agreement must be accompanied, in the form of an attachment, by plans or drawings showing the following applicable information:

1. All roadways and ramps.
2. Right of way lines and where applicable, the control of access lines.
3. Location of the proposed encroachment.
4. Length and type of encroachment.
5. Location by highway survey station number. If station number cannot be obtained, location should be shown by distance from some identifiable point, such as a bridge, road, intersection, etc. (To assist in preparation of the encroachment plan, the Department's roadway plans may be seen at the various Highway Division Offices, or at the Raleigh office.)
6. Drainage structures or bridges if affected by encroachment.
7. Typical section indicating the pavement design and width, and the slopes, widths and details for either a curb and gutter or a shoulder and ditch section, whichever is applicable.
8. Horizontal alignment indicating general curve data, where applicable.
9. Vertical alignment indicated by percent grade, P.I. station and vertical curve length, where applicable.
10. Amount of material to be removed and/or placed on NCDOT right of way, if applicable.
11. Cross-sections of all grading operations, indicating slope ratio and reference by station where applicable.
12. All pertinent drainage structures proposed. Include all hydraulic data, pipe sizes, structure details and other related information.
13. Erosion and sediment control.
14. Any special provisions or specifications as to the performance of the work or the method of construction that may be required by the Department must be shown on a separate sheet attached to encroachment agreement provided that such information cannot be shown on plans or drawings.
15. The Department's Division Engineer should be given notice by the applicant prior to actual starting of installation included in this agreement.
16. Method of handling traffic during construction where applicable.
17. Scale of plans, north arrow, etc.

DEPARTMENT OF TRANSPORTATION

-AND-

RIGHT OF WAY ENCROACHMENT AGREEMENT FOR CURB AND GUTTER, PAVEMENT WIDENING AND STORM DRAINAGE

THIS AGREEMENT, made and entered into this the      day of      , 20      , by and between the Department of Transportation, party of the first part; and      party of the second part,

W I T N E S S E T H

THAT WHEREAS, the party of the second part desires to encroach on the right of way of the public road designated as Route(s)      , located     

with the construction and/or erection of:     

WHEREAS, it is to the material advantage of the party of the second part to effect this encroachment, and the party of the first part in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the limits of the right of way as indicated, subject to the conditions of this agreement;

NOW, THEREFORE, IT IS AGREED that the party of the first part hereby grants to the party of the second part the right and privilege to make this encroachment as shown on attached plan sheet(s), specifications and special provisions which are made a part hereof upon the following conditions, to wit:

That the said party of the second part binds and obligates himself to install the encroaching facility in such safe and proper condition that it will not interfere with or endanger travel upon said highway.

That the party of the second part agrees to provide during construction proper signs, signal lights, flagmen and other warning devices for the protection of traffic in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the Division Engineer of the party of the first part.

That the party of the second part hereby agrees to indemnify and save harmless the party of the first part from all damages and claims for damage that may arise by reason of the installation and maintenance of this encroachment.

It is clearly understood by the party of the second part that the party of the first part will assume no responsibility for any damage that may be caused to such facilities, within the highway rights of way limits, in carrying out its construction.

That the party of the second part agrees to restore all areas disturbed during construction to the satisfaction of the Division Engineer of the party of the first part. The party of the second part agrees to exercise every reasonable precaution during construction and maintenance to prevent eroding of soil; silting or pollution of rivers, streams, lakes, reservoirs, other water impoundments, ground surfaces or other property; or pollution of the air. There shall be compliance with applicable rules and regulations of the North Carolina Division of Environmental Management, North Carolina Sedimentation Control Commission, and with ordinances and regulations of various counties, municipalities and other official agencies relating to pollution prevention and control. When any construction operation disturbs the ground surface and existing ground cover, the party of the second part agrees to remove and replace the sod or otherwise reestablish the grass cover to meet the satisfaction of the Division Engineer of the party of the first part.

That the party of the second part agrees to assume the actual cost of any inspection of the work considered to be necessary by the Division Engineer of the party of the first part.

That the party of the second part agrees to have available at the encroaching site, at all times during construction, a copy of this agreement showing evidence of approval by the party of the first part. The party of the first part reserves the right to stop all work unless evidence of approval can be shown.

Provided the work contained in this agreement is being performed on a completed highway open to traffic; the party of the second part agrees to give written notice to the Division Engineer of the party of the first part when all work contained herein has been completed. Unless specifically requested by the party of the first part, written notice of completion of work on highway projects under construction will not be required.

That in the case of noncompliance with the terms of this agreement by the party of the second part, the party of the first part reserves the right to stop all work until the facility has been brought into compliance or removed from the right of way at no cost to the party of the first part.

That it is agreed by both parties that this agreement shall become void if actual construction of the work contemplated herein is not begun within one (1) year from the date of authorization by the party of the first part unless written waiver is secured by the party of the second part from the party of the first part.

IN WITNESS WHEREOF, each of the parties to this agreement has caused the same to be executed the day and year first above written.

DEPARTMENT OF TRANSPORTATION

BY: \_\_\_\_\_  
DIVISION ENGINEER

ATTEST OR WITNESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Second Party

INSTRUCTIONS

When the applicant is a corporation or a municipality, this agreement must have the corporate seal and be attested by the corporation secretary or by the empowered city official, unless a waiver of corporate seal and attestation by the secretary or by the empowered City official is on file in the Raleigh office of the State Utilities Manager. In the space provided in this agreement for execution, the name of the corporation or municipality shall be typed above the name, and title of all persons signing the agreement should be typed directly below their signature.

When the applicant is not a corporation, then his signature must be witnessed by one person. The address should be included in this agreement and the names of all persons signing the agreement should be typed directly below their signature.

This agreement must be accompanied, in the form of an attachment, by plans or drawings showing the following applicable information:

1. All roadways and ramps.
2. Right of way lines and where applicable, the control of access lines.
3. Location of the proposed encroachment.
4. Length and type of encroachment.
5. Location by highway survey station number. If station number cannot be obtained, location should be shown by distance from some identifiable point, such as a bridge, road, intersection, etc. (To assist in preparation of the encroachment plan, the Department's roadway plans may be seen at the various Highway Division Offices, or at the Raleigh office.)
6. Drainage structures or bridges if affected by encroachment.
7. Typical section indicating the pavement design and width, and the slopes, widths and details for either a curb and gutter or a shoulder and ditch section, whichever is applicable.
8. Horizontal alignment indicating general curve data, where applicable.
9. Vertical alignment indicated by percent grade, P.I. station and vertical curve length, where applicable.
10. Amount of material to be removed and/or placed on NCDOT right of way, if applicable.
11. Cross-sections of all grading operations, indicating slope ratio and reference by station where applicable.
12. All pertinent drainage structures proposed. Include all hydraulic data, pipe sizes, structure details and other related information.
13. Erosion and sediment control.
14. Any special provisions or specifications as to the performance of the work or the method of construction that may be required by the Department must be shown on a separate sheet attached to encroachment agreement provided that such information cannot be shown on plans or drawings.
15. The Department's Division Engineer should be given notice by the applicant prior to actual starting of installation included in this agreement.
16. Method of handling traffic during construction where applicable.
17. Scale of plans, north arrow, etc.

ROUTE PROJECT COUNTY OF STATE OF NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION  
-AND-  
THREE PARTY RIGHT OF WAY  
ENCROACHMENT AGREEMENT ON  
PRIMARY AND SECONDARY SYSTEM  
-AND-

THIS AGREEMENT, made and entered into this the       day of       , 20       , by and between the Department of Transportation, party of the first part; and       party of the second part; and       party of the third part,

W I T N E S S E T H

THAT WHEREAS, the party of the second part desires to encroach on the right of way of the public road designated as Route(s)       , located      

with the construction and/or erection of:      

WHEREAS, it is to the material advantage of the party of the second part to effect this encroachment, and the party of the first part in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the limits of the right of way as indicated, subject to the conditions of this agreement;

NOW, THEREFORE, IT IS AGREED that the party of the first part hereby grants to the party of the second part the right and privilege to make this encroachment as shown on attached plan sheet(s), specifications and special provisions which are made a part hereof upon the following conditions, to wit:

That the installation, operation, and maintenance of the above described facility will be accomplished in accordance with the party of the first part's latest UTILITIES ACCOMMODATIONS MANUAL, and such revisions and amendments thereto as may be in effect at the date of this agreement. Information as to these policies and procedures may be obtained from the Division Engineer or State Utilities Manager of the party of the first part.

That the said party of the second part binds and obligates himself to install and maintain the encroaching facility in such safe and proper condition that it will not interfere with or endanger travel upon said highway, nor obstruct nor interfere with the proper maintenance thereof, to reimburse the party of the first part for the cost incurred for any repairs or maintenance to its roadways and structures necessary due to installation and existence of the facilities of the party of the second part, and if at any time the party of the first part shall require the removal of or changes in the location of the said facilities, that the said party of the second part binds himself, his successors and assigns, to promptly remove or alter the said facilities, in order to conform to the said requirement, without any cost to the party of the first part.

That the party of the second part agrees to provide during construction and any subsequent maintenance proper signs, signal lights, flagmen and other warning devices for the protection of traffic in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the Division Engineer of the party of the first.

That the party of the second part hereby agrees to indemnify and save harmless the party of the first part from all damages and claims for damage that may arise by reason of the installation and maintenance of this encroachment.

That the party of the second part agrees to restore all areas disturbed during installation and maintenance to the satisfaction of the Division Engineer of the party of the first part. The party of the second part agrees to exercise every reasonable precaution during construction and maintenance to prevent eroding of soil; silting or pollution of rivers, streams, lakes, reservoirs, other water impoundments, ground surfaces or other property; or pollution of the air. There shall be compliance with applicable rules and regulations of the North Carolina Division of Environmental Management, North Carolina Sedimentation Control Commission, and with ordinances and regulations of various counties, municipalities and other official agencies relating to pollution prevention and control. When any installation or maintenance operation disturbs the ground surface and existing ground cover, the party of the second part agrees to remove and replace the sod or otherwise reestablish the grass cover to meet the satisfaction of the Division Engineer of the party of the first part.

That the party of the second part agrees to assume the actual cost of any inspection of the work considered to be necessary by the Division Engineer of the party of the first part.

That the party of the second part agrees to have available at the construction site, at all times during construction, a copy of this agreement showing evidence of approval by the party of the first part. The party of the first part reserves the right to stop all work unless evidence of approval can be shown.

Provided the work contained in this agreement is being performed on a completed highway open to traffic; the party of the second part agrees to give written notice to the Division Engineer of the party of the first part when all work contained herein has been completed. Unless specifically requested by the party of the first part, written notice of completion of work on highway projects under construction will not be required.

That in the case of noncompliance with the terms of this agreement by the party of the second part, the party of the first part reserves the right to stop all work until the facility has been brought into compliance or removed from the right of way at no cost to the party of the first part.

That it is agreed by both parties that this agreement shall become void if actual construction of the work contemplated herein is not begun within one (1) year from the date of authorization by the party of the first part unless written waiver is secured by the party of the second part from the party of the first part.

During the performance of this contract, the second party, for itself, its assignees and successors in interest (hereinafter referred to as the “contractor”), agrees as follows:

- a. Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the U. S. Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor’s obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- d. Information and Reports: The contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance: In the event of the contractor’s noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to,
  - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
  - (2) cancellation, termination or suspension of the contract, in whole or in part.
- f. Incorporation of Provisions: The contractor shall include the provisions of paragraphs “a” through “f” in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Department of Transportation to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

That when title to the subject that constitutes the aforesaid encroachment passes from the party of the second part and vests in the party of the third part, the party of the third part agrees to assume all responsibilities and rights and to perform all obligations as agreed to herein by the party of the second part.

R/W (166) : Party of the Second Part certifies that this agreement is true and accurate copy of the form R/W (166) incorporating all revisions to date.

IN WITNESS WHEREOF, each of the parties to this agreement has caused the same to be executed the day and year first above written.

	DEPARTMENT OF TRANSPORTATION
	BY: _____
	DIVISION ENGINEER
WITNESS:	
_____	_____
_____	_____
_____	_____
_____	_____
	Second Party
WITNESS:	
_____	_____
_____	_____
_____	_____
_____	_____
	Third Party

ROUTE PROJECT COUNTY OF STATE OF NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION  
-AND-  
THREE PARTY RIGHT OF WAY  
ENCROACHMENT AGREEMENT ON  
PRIMARY AND SECONDARY SYSTEM  
-AND-

THIS AGREEMENT, made and entered into this the       day of       , 20       , by and between the Department of Transportation, party of the first part; and       party of the second part; and       party of the third part,

W I T N E S S E T H

THAT WHEREAS, the party of the second part desires to encroach on the right of way of the public road designated as Route(s)       , located      

with the construction and/or erection of:      

WHEREAS, it is to the material advantage of the party of the second part to effect this encroachment, and the party of the first part in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the limits of the right of way as indicated, subject to the conditions of this agreement;

NOW, THEREFORE, IT IS AGREED that the party of the first part hereby grants to the party of the second part the right and privilege to make this encroachment as shown on attached plan sheet(s), specifications and special provisions which are made a part hereof upon the following conditions, to wit:

That the installation, operation, and maintenance of the above described facility will be accomplished in accordance with the party of the first part's latest UTILITIES ACCOMMODATIONS MANUAL, and such revisions and amendments thereto as may be in effect at the date of this agreement. Information as to these policies and procedures may be obtained from the Division Engineer or State Utilities Manager of the party of the first part.

That the said party of the second part binds and obligates himself to install and maintain the encroaching facility in such safe and proper condition that it will not interfere with or endanger travel upon said highway, nor obstruct nor interfere with the proper maintenance thereof, to reimburse the party of the first part for the cost incurred for any repairs or maintenance to its roadways and structures necessary due to installation and existence of the facilities of the party of the second part, and if at any time the party of the first part shall require the removal of or changes in the location of the said facilities, that the said party of the second part binds himself, his successors and assigns, to promptly remove or alter the said facilities, in order to conform to the said requirement, without any cost to the party of the first part.

That the party of the second part agrees to provide during construction and any subsequent maintenance proper signs, signal lights, flagmen and other warning devices for the protection of traffic in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the Division Engineer of the party of the first.

That the party of the second part hereby agrees to indemnify and save harmless the party of the first part from all damages and claims for damage that may arise by reason of the installation and maintenance of this encroachment.

That the party of the second part agrees to restore all areas disturbed during installation and maintenance to the satisfaction of the Division Engineer of the party of the first part. The party of the second part agrees to exercise every reasonable precaution during construction and maintenance to prevent eroding of soil; silting or pollution of rivers, streams, lakes, reservoirs, other water impoundments, ground surfaces or other property; or pollution of the air. There shall be compliance with applicable rules and regulations of the North Carolina Division of Environmental Management, North Carolina Sedimentation Control Commission, and with ordinances and regulations of various counties, municipalities and other official agencies relating to pollution prevention and control. When any installation or maintenance operation disturbs the ground surface and existing ground cover, the party of the second part agrees to remove and replace the sod or otherwise reestablish the grass cover to meet the satisfaction of the Division Engineer of the party of the first part.

That the party of the second part agrees to assume the actual cost of any inspection of the work considered to be necessary by the Division Engineer of the party of the first part.

That the party of the second part agrees to have available at the construction site, at all times during construction, a copy of this agreement showing evidence of approval by the party of the first part. The party of the first part reserves the right to stop all work unless evidence of approval can be shown.

Provided the work contained in this agreement is being performed on a completed highway open to traffic; the party of the second part agrees to give written notice to the Division Engineer of the party of the first part when all work contained herein has been completed. Unless specifically requested by the party of the first part, written notice of completion of work on highway projects under construction will not be required.

That in the case of noncompliance with the terms of this agreement by the party of the second part, the party of the first part reserves the right to stop all work until the facility has been brought into compliance or removed from the right of way at no cost to the party of the first part.

That it is agreed by both parties that this agreement shall become void if actual construction of the work contemplated herein is not begun within one (1) year from the date of authorization by the party of the first part unless written waiver is secured by the party of the second part from the party of the first part.

During the performance of this contract, the second party, for itself, its assignees and successors in interest (hereinafter referred to as the “contractor”), agrees as follows:

- a. Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the U. S. Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor’s obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- d. Information and Reports: The contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance: In the event of the contractor’s noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to,
  - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
  - (2) cancellation, termination or suspension of the contract, in whole or in part.
- f. Incorporation of Provisions: The contractor shall include the provisions of paragraphs “a” through “f” in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Department of Transportation to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

That when title to the subject that constitutes the aforesaid encroachment passes from the party of the second part and vests in the party of the third part, the party of the third part agrees to assume all responsibilities and rights and to perform all obligations as agreed to herein by the party of the second part.

R/W (166) : Party of the Second Part certifies that this agreement is true and accurate copy of the form R/W (166) incorporating all revisions to date.

IN WITNESS WHEREOF, each of the parties to this agreement has caused the same to be executed the day and year first above written.

	DEPARTMENT OF TRANSPORTATION
	BY: _____
	DIVISION ENGINEER
WITNESS:	
_____	_____
_____	_____
_____	_____
_____	_____
	Second Party
WITNESS:	
_____	_____
_____	_____
_____	_____
_____	_____
	Third Party

APPLICATION IDENTIFICATION		N.C. DEPARTMENT OF TRANSPORTATION	
Driveway Permit No.	Date of Application	<b>STREET AND DRIVEWAY ACCESS PERMIT APPLICATION</b>	
County: <u>Cleveland</u>			
Development Name: <u>Cleveland County 911 Center &amp; EOC</u>			
LOCATION OF PROPERTY:			
Route/Road: <u>Fallston Road (NC-18)</u>			
Exact Distance <u>0</u>	<input checked="" type="checkbox"/> Miles <input type="checkbox"/> Feet	<div style="display: flex; justify-content: space-around;"> <span>N</span><span>S</span><span>E</span><span>W</span> </div> <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input checked="" type="checkbox"/> </div>	
From the Intersection of Route No. <u>NC-18</u> and Route No. <u>SR-1845</u> Toward _____			
Property Will Be Used For: <input type="checkbox"/> Residential /Subdivision <input type="checkbox"/> Commercial <input type="checkbox"/> Educational Facilities <input type="checkbox"/> TND <input checked="" type="checkbox"/> Emergency Services <input type="checkbox"/> Other			
Property: <input checked="" type="checkbox"/> is <input type="checkbox"/> is not within <u>Shelby</u> City Zoning Area.			
AGREEMENT			
<ul style="list-style-type: none"> <li>I, the undersigned property owner, request access and permission to construct driveway(s) or street(s) on public right-of-way at the above location.</li> <li>I agree to construct and maintain driveway(s) or street entrance(s) in absolute conformance with the current "Policy on Street and Driveway Access to North Carolina Highways" as adopted by the North Carolina Department of Transportation.</li> <li>I agree that no signs or objects will be placed on or over the public right-of-way other than those approved by NCDOT.</li> <li>I agree that the driveway(s) or street(s) will be constructed as shown on the attached plans.</li> <li>I agree that that driveway(s) or street(s) as used in this agreement include any approach tapers, storage lanes or speed change lanes as deemed necessary.</li> <li>I agree that if any future improvements to the roadway become necessary, the portion of driveway(s) or street(s) located on public right-of-way will be considered the property of the North Carolina Department of Transportation, and I will not be entitled to reimbursement or have any claim for present expenditures for driveway or street construction.</li> <li>I agree that this permit becomes void if construction of driveway(s) or street(s) is not completed within the time specified by the "Policy on Street and Driveway Access to North Carolina Highways".</li> <li>I agree to pay a \$50 construction inspection fee. Make checks payable to NCDOT. This fee will be reimbursed if application is denied.</li> <li>I agree to construct and maintain the driveway(s) or street(s) in a safe manner so as not to interfere with or endanger the public travel.</li> <li>I agree to provide during and following construction proper signs, signal lights, flaggers and other warning devices for the protection of traffic in conformance with the current "Manual on Uniform Traffic Control Devices for Streets and Highways" and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the District Engineer.</li> <li>I agree to indemnify and save harmless the North Carolina Department of Transportation from all damages and claims for damage that may arise by reason of this construction.</li> <li>I agree that the North Carolina Department of Transportation will assume no responsibility for any damages that may be caused to such facilities, within the highway right-of-way limits, in carrying out its construction.</li> <li>I agree to provide a Performance and Indemnity Bond in the amount specified by the Division of Highways for any construction proposed on the State Highway system.</li> <li>The granting of this permit is subject to the regulatory powers of the NC Department of Transportation as provided by law and as set forth in the N.C. Policy on Driveways and shall not be construed as a contract access point.</li> <li>I agree that the entire cost of constructing and maintaining an approved private street or driveway access connection and conditions of this permit will be borne by the property owner, the applicant, and their grantees, successors, and assignees.</li> </ul> <p><b>I AGREE TO NOTIFY THE DISTRICT ENGINEER WHEN THE PROPOSED WORK BEGINS AND WHEN IT IS COMPLETED.</b></p>			
<div style="display: flex; justify-content: space-between; font-size: small;"> <span>2004-07</span> <span>NOTE: Submit Four Copies of Application to Local District Engineer, N.C. Department of Transportation</span> <span>TEB 65-04rev.</span> </div> <div style="text-align: center; font-size: x-small;">61-03419</div>			

**SIGNATURES OF APPLICANT**

PROPERTY OWNER (APPLICANT)		WITNESS	
COMPANY	<u>Cleveland Co. - Kevin Gordon, Chairman</u>	NAME	_____
SIGNATURE	_____	SIGNATURE	_____
ADDRESS	<u>311 East Marion Street</u>	ADDRESS	_____
	<u>Shelby, NC 28151</u> Phone No. <u>704-692-6505</u>		_____

AUTHORIZED AGENT		WITNESS	
COMPANY	_____	NAME	_____
SIGNATURE	_____	SIGNATURE	_____
ADDRESS	_____	ADDRESS	_____
	_____ Phone No. _____		_____

**APPROVALS**

APPLICATION RECEIVED BY DISTRICT ENGINEER

_____	_____
<b>SIGNATURE</b>	<b>DATE</b>

APPLICATION APPROVED BY LOCAL GOVERNMENTAL AUTHORITY (when required)

_____	_____	_____
<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>

APPLICATION APPROVED BY NCDOT

_____	_____	_____
<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>

INSPECTION BY NCDOT

_____	_____	_____
<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>

COMMENTS:

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Volunteer Fire Department Grant

---

**Department:** Volunteer Fire Departments

**Agenda Title:** Volunteer Fire Department Grant

**Agenda Summary:**

**Proposed Action:**

---

#### ATTACHMENTS:

File Name	Description
<input type="checkbox"/> State_Grant_to_VFD_2023-2024.pdf	VFD Grants

## Fire Age

Fire Agency	State Grant Disbursement
Bethlehem	\$250,000
Boiling Springs	\$0
Casar	\$0
Cleveland	\$250,000
Fallston	\$0
Grover	\$250,000
Lawndale	\$0
Number Seven	\$175,000
Number Three	\$250,000
Oak Grove	\$0
Polkville	\$225,000
Shanghai	\$0
Waco	\$0
<b>Totals</b>	<b>\$1,400,000</b>

## Revenue Sources

State Grant	\$	1,400,000
Service District Fund Balance	\$	-
Local Funds	\$	-
<b>Delta Expenditures (Over)/Under Revenues</b>	<b>\$</b>	<b>-</b>

**County of Cleveland**  
**Agency Funding Disbursement(s)**

Direct Allocation	Total by Fire Agency
\$75,000	\$325,000
<i>\$75,000</i>	<i>\$75,000</i>
<i>\$75,000</i>	<i>\$75,000</i>
\$75,000	\$325,000
<i>\$75,000</i>	<i>\$75,000</i>
\$75,000	\$325,000
<i>\$75,000</i>	<i>\$75,000</i>
<i>\$75,000</i>	\$250,000
<i>\$75,000</i>	\$325,000
<i>\$75,000</i>	<i>\$75,000</i>
\$75,000	\$300,000
<i>\$75,000</i>	<i>\$75,000</i>
<i>\$75,000</i>	<i>\$75,000</i>
\$975,000	\$2,375,000

\$	-	\$	1,400,000
\$	750,000	\$	750,000
<i>\$</i>	<i>225,000</i>	\$	225,000
\$	-	\$	-

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

**Amendments to Chapter 12 of the Unified Development Ordinance: Case 23-07: Text Amendment to Section 12-124 - Adding Rural Residential Zoning District Case 23-19: Text Amendment to Section 12-124 – Modifying Rural Agriculture Zoning District Case 23-08: Text Amendment to Section 12-21 and 12-124 – Private Storage Building Case 23-09: Text Amendment to Section 12-137 – Rural Home Occupation**

---

**Department:**

**Agenda Title:** Amendments to Chapter 12 of the Unified Development Ordinance:

- Case 23-07: Text Amendment to Section 12-124 - Adding Rural Residential Zoning District
- Case 23-19: Text Amendment to Section 12-124 – Modifying Rural Agriculture Zoning District
- Case 23-08: Text Amendment to Section 12-21 and 12-124 – Private Storage Building
- Case 23-09: Text Amendment to Section 12-137 – Rural Home Occupation

**Agenda Summary:** Chris Martin, Planning Director

**Proposed Action:**

---

**ATTACHMENTS:**

File Name	Description
<input type="checkbox"/> 23-07_Rural_Residential_Binder_for_Public_Hearing.pdf	23-07 Rural Residential
<input type="checkbox"/> 23-08_Private_Storage_Binder_for_Public_Hearing.pdf	23-08 Private Storage
<input type="checkbox"/> 23-09_Rural_Home_Occupations_Binder_for_Public_Hearing.pdf	23-09 Rural Home
<input type="checkbox"/> 23-19_Rural_Agriculture_Binder_for_Public_Hearing.pdf	23-19 Rural Ag

## STAFF REPORT

To: Board of Commissioners

Date: March 19, 2024

From: Chris Martin, Planning Director

Subject: Rural Residential Zoning District - Text Amendment Case 23-07

Summary Statement: Consider an amendment to the Unified Development Ordinance that will add the new Rural Residential zoning district. Amendments include a definition, development standards, and permitted uses for this district.

Background: The Board of Commissioners gave staff direction to draft language for the new Rural Residential zoning district. Both the 2005 and 2021 Land Use Plans encourage policies for the most rural parts of the County that promote maintaining the rural character, while providing more flexibility in uses. Land Use Plans are adopted by the Board of Commissioners after going through a series of public input meetings and Planning Board reviews.

Review: Staff proposes the Rural Residential zoning district, drafted using guidance from the Land Use Plan, Board of Commissioners direction, and comments from the Planning Board. This district has subdivision standards that assist in maintaining a rural character, and a list of permitted uses allowing some non-residential land uses that fit into rural areas.

Highlights of the district include a one-acre minimum lot size, single family development, and, due to larger lot size, some non-residential uses such as kennels, lawn and garden retail, churches, veterinary offices, and agriculture uses are also permitted.

Recreational vehicle (RV) parks are also allowed in the Rural Residential district while being eliminated as a use in the Neighborhood Business district. If the Rural Residential district is approved, RV Parks would be allowed in two districts – the General Business district and the Rural Residential district. Staff and the Planning Board believes this will help the RV Parks be located in more compatible zoning districts, depending on whether they are a recreational type of park or used for temporary housing.

Included with this report is a draft ordinance for review with the full list of permitted uses and lot standards.

Planning Board: The Planning Board reviewed the proposal over several regular meetings and after much discussion regarding the purpose of the district and which uses would be compatible, have recommended approval as proposed. The Planning Board believes the proposed rural residential district achieves the goals of the Land Use Plan and is consistent with the Board of Commissioners direction.

**Requested Board Action:** Hold a public hearing and approve or deny the request.

## Sec. 12-121. Zoning districts established.

The following zoning districts are hereby established:

- (a) *RA—Rural Agricultural.* The purpose of this district is to accommodate agricultural and residential uses in the rural areas of the county at a maximum of one (1) dwelling per three (3) acres. Given the very low-density of development, a limited number of nonresidential uses are also allowed in this district, which are not permitted in the other residential zoning districts.
- (b) *RU—Rural Residential.* This district accommodates low-density single family detached dwellings, modular homes, and manufactured homes at a maximum density of one dwelling unit per acre. The district promotes agricultural uses and supporting commercial uses that also help preserve the rural character, and preservation of natural resources and scenic views of the surrounding area.
- (c) *RR—Restricted Residential.* This district is the most restrictive residential, district intended to accommodate low-density single-family detached dwellings and modular homes at a maximum density of two (2) dwelling units per acre.
- (d) *R—Residential.* The purpose of this district is to accommodate low-density single-family detached dwellings, modular homes, manufactured homes at a maximum density of two (2) dwelling units per acre. Multi-family housing is also permitted in this district, but may be exempt from the density requirements depending on location.
- (e) *RM—Residential Manufactured Homes and Parks.* This district accommodates the widest variety of residential uses including low-density single-family detached dwellings, modular homes, manufactured homes and manufactured home parks.
- (f) *NB—Neighborhood Business.* This purpose of this district is to accommodate small, limited retail and service land uses that provide goods and services to surrounding residential neighborhoods. Residential uses are also permitted at a maximum density of two (2) dwelling units per acre. The intent of this district is to encourage the location of convenience retail establishments, professional services, and offices that will be compatible with surrounding residential uses, discourage intensive land uses which require large land area; and limit the location of large traffic generating uses to arterial streets.
- (g) *GB—General Business.* The purpose of this district is to accommodate a wide variety of retail; business, professional, and personal services; office; and limited wholesale and warehousing uses. These uses are generally located on arterial streets with the capacity for additional commercial traffic.
- (h) *CP—Corridor Protection.* This overlay district is designed to promote well-planned, economically viable development that is compatible with and will enhance the visual appeal of the area by avoiding uncoordinated, strip development along arterial streets. It will also support safe and efficient traffic flow through these areas. The district boundaries shall extend along arterial streets, for a distance of five hundred (500) feet from and perpendicular to each side of the highway right-of-way.
- (i) *LI—Light Industrial.* The purpose of this district is to accommodate limited manufacturing, warehousing, wholesaling, and related commercial and service activities which have little or no adverse impact upon adjoining residential, business and industrial properties. Other land uses allowed within this district should be limited to those uses that support light industrial uses.
- (j) *HI—Heavy Industrial.* The purpose of this district is to accommodate a wide range of assembling, fabricating, manufacturing uses, and support retail and service uses. This district is established for the purpose of providing appropriate locations and development regulations for uses that may require special measures to ensure compatibility with adjoining residential or business properties.

### Sec. 12-171. Minimum lot size.

- (a) Subject to subsections (b) and (c) all lots in the following zoning districts shall meet the following minimum area requirements:

District	Minimum Square Feet
RA	130,680 (3 acres)
RU	43,560 (1 acre)
RR	21,780 (½ acre)
R	21,780 (½ acre)
RM	21,780 (½ acre)
N-B	No Minimum*
G-B	No Minimum*
L-I	No Minimum
H-I	No Minimum

\*Except residential uses which require twenty-one thousand seven hundred eighty (21,780) square feet.

R, RM, and RR district lots shall have a minimum width of eighty (80) feet at the building line and twenty-five (25) feet wide at the street right-of-way, and a minimum depth of one hundred fifty (150) feet. The RA district lots shall have a minimum width of one hundred twenty-five (125) feet at the building line and fifty (50) feet wide at the street right-of-way, and a minimum depth of one hundred fifty (150) feet. The RU district shall have a minimum width of one hundred (100) feet at the street right of way, a minimum width of eighty (80) feet at the building line, and a minimum depth of one hundred fifty (150) feet.

- (b) Lots in the R, RM, and RR districts and lots in the NB district that are used for residential purposes that are served by both public water and sewer, shall have a minimum usable area of fifteen thousand (15,000) square feet, and the same width standards as above.
- (c) The minimum lot sizes set forth in this section are permissible only if and to the extent that adequate water and sewer facilities are or can be made available to serve every lot in accordance with the provisions of article XII of this chapter.
- (d) All rights-of-way or easements deeded or reserved shall be excluded when determining lot areas.

### Sec. 12-140. - Temporary dependent care residences.

- (a) In the R, RA, RM, RU and RR districts, one (1) manufactured home may be permitted in a rear yard on a temporary basis provided the board of adjustment issues a conditional use permit after finding that a personal hardship situation justifying such a special exception exists. Such hardship shall involve the need to care for elderly parents or other dependents of the family occupying the principal building. Reasons justifying separate quarters shall be incompatibility, contagious disease, illness, or lack of adequate space within the principal building.

### Sec. 12-173. Building setback requirements.

- (a) Subject to section 12-174 and the other provisions of this article, the minimum principal building setback requirements shall be as follows:

From street right-of-way	30 feet
From street right-of-way	50 feet (RA and RU district)
From side property line	10 feet

From rear property line	30 feet
From side property line on corner lot	20 feet
From lot front on arterial	40 feet

## Section 12-124 Table of Uses

[illegible]

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
Chemical	32500										Z
Plastics and Rubber	32600									Z	Z
Non-metallic Mineral Products	32700										Z
Primary Metals	33100										Z
Fabricated Metal Products	33200									Z	Z
Machinery	33300										Z
Computer and Electronic Products	33400									Z	Z
Electrical Equipment, Appliances	33500									Z	Z
Transportation Equipment	33600										Z
Furniture Products	33700									Z	Z
Miscellaneous	33900									S	Z
<b>WHOLESALE TRADE</b>											
Auto Parts	42310									S	S
Furniture and Home Furnishings	42320							Z		Z	Z
Lumber and Construction Materials	42330									Z	Z
Professional and Commercial Equipment	42340									Z	Z
Metal and Mineral	42350										Z
Electrical Goods	42360							Z		Z	Z
Hardware, Plumbing, Heating Equip.	42370									Z	Z
Machinery, Equipment and Supplies	42380									Z	Z
Paper and Paper Products	42410										Z
Drugs and Sundries	42420							Z		Z	Z
Apparel and Piece Goods	42430							Z		Z	Z
Grocery	42440							Z		Z	Z
Farm Products	42450	S	Z					Z		Z	Z
Chemical and Allied	42460										Z
Petroleum and Related Products	42470										Z
Alcoholic Beverage	42480							Z		Z	Z
<b>RETAIL TRADE</b>											
Automobile Dealers—New and Used	44110		Z				S	Z	Z	Z	
Recreational Vehicle Dealers	44120		Z				S	Z	Z	Z	
Auto Parts, Tires and Accessories	44130		Z					Z	Z	Z	
Furniture	44210							Z	Z		
Home Furnishings	44220							Z	Z		
Electronics and Appliances	44310							Z	Z	Z	
Building Materials and Supplies	44410							Z	Z	Z	Z
Lawn and Garden Supplies	44420	Z	Z					Z	Z	Z	
Grocery	44510		Z				Z	Z	Z	Z	
Specialty Foods	44520		Z				Z	Z	Z		
Alcoholic Beverages	44530							Z	Z		
Health and Personal Care	44610		Z				S	Z	S	Z	
Convenience Food/Gas	44710		Z				S	Z	Z	Z	Z
Clothing	44810						Z	Z	Z		
Jewelry	44830						Z	Z	Z		
Sporting Goods	45110						Z	Z	Z		

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
Books and Music	45120		Z				Z	Z	Z		
Department Store	45210							Z	Z		
General Merchandise	45290							Z	Z		
Florists	45310		Z				Z	Z	Z		
Office Supplies/Gifts	45320		Z				Z	Z	Z		
Used Merchandise	45330		Z					Z	S		
Other Miscellaneous Retail	45390		Z				Z	Z	Z		
Internet/Mail Order	45410		Z				Z	Z	Z		
Vending Machine Operator	45420							Z	Z		
Fuel Dealer—Oil and Gas	45430							Z	Z	Z	Z
<b>TRANSPORTATION AND WAREHOUSING</b>											
Airport—Scheduled Air Transport	48110									S	S
Airport—Non-Scheduled Air Transport	48120									S	S
Rail Transportation	48210							Z	Z	Z	Z
General Freight Trucking	48410							Z		Z	Z
Specialized Freight Trucking	48420							Z		Z	Z
Urban Transit System	48510							Z		Z	Z
Rural Bus Transportation	48520							Z		Z	Z
Taxi and Limousine Service	48530						Z	Z			
School Bus Transportation	48540							Z		Z	
Charter Bus	48550							Z			
Pipeline—Oil and Gas	48600									Z	Z
Transportation Support	48800							Z			
Postal Service	49100						Z	Z	Z	Z	Z
Couriers and Messengers	49200							Z		Z	Z
Warehousing and Storage	49300							Z		Z	Z
<b>INFORMATION</b>											
Publishing/Information/News	51100						Z	Z		Z	Z
Motion Picture and Video	51210							Z	Z	Z	
Sound Recording	51220							Z	Z	Z	
Radio and TV Broadcasting	51510							Z		Z	Z
Cable TV Distribution	51520							Z		Z	Z
Telecommunications	51721						Z	Z		Z	Z
Amateur Radio Tower	51721	S	S	S	S	S	S	S	S	S	S
Data Centers	518210									Z	Z
Library	51912	Z	Z		Z	Z	Z	Z	Z		
<b>FINANCE AND INSURANCE</b>											
Central Bank	52100						Z	Z	Z	Z	Z
Credit and Related Activities	52200		Z				Z	Z	Z		
Securities and Commodities	52300						Z	Z	Z		
Insurance and Related Activities	52400						Z	Z	Z		
Funds, Trusts and Other Financial	52500						Z	Z	Z		
<b>REAL ESTATE, RENTAL AND LEASING</b>											
Real Estate Agents and Brokers	53120						Z	Z	Z		
Property Managers	53130						Z	Z	Z		

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
Auto Rental and Leasing	53210							Z	Z	Z	
Consumer Goods Rental	53220							Z	Z	Z	
General Rental Centers	53230							Z		Z	
Equipment Rental	53240							Z		Z	
<b>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES</b>											
Legal Services	54110						Z	Z	Z		
Accounting/Tax Payroll Services	54120						Z	Z	Z		
Architectural, Engineering and Related	54130						Z	Z	Z		
Specialized Design Services	54140						Z	Z	Z		
Computer Systems Design and Related	54150						Z	Z	Z		
Consulting Services	54160						Z	Z	Z		
Scientific Research and Development	54170							Z	Z	Z	
Advertising and Related	54180							Z		Z	
Veterinary Office/Clinic/Practice	54194	S	Z					Z		Z	Z
Other Professional/Technical Service	54199		Z					Z			Z
<b>MANAGEMENT OF COMPANIES AND ENTERPRISES</b>											
Management of Companies/Enterprises	55110						Z	Z	Z		
<b>ADMINISTRATIVE, SUPPORT, WASTE MANAGEMENT AND REMEDIATION</b>											
Office Administrative Services	56110						Z	Z	Z		
Facilities Support Services	56120						Z	Z	Z		
Employment Services	56130						Z	Z	Z		
Business Support Services	56140						Z	Z	Z		
Travel Arrangement and Reservations	56150						Z	Z	Z		
Investigation and Security	56160							Z	Z		
Services to Buildings and Dwellings	56170							Z	Z	Z	Z
Other Support Services	56190							Z	Z		
Waste Collection	56210		S							Z	Z
Waste Treatment and Disposal	56220		S							Z	Z
Remediation	56290		S							Z	Z
<b>EDUCATIONAL SERVICES</b>											
Elementary and Secondary Schools	61110	Z	Z	Z	Z	Z	Z				
College and University	61130							Z	Z	Z	
Business School	61140							Z	Z	Z	
Technical and Trade	61150		Z					Z	Z	Z	
Other Schools and Instruction	61160		S					Z		Z	
<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>											
Ambulatory Health Care Services	62100		Z				Z	Z			
Hospitals	62200							Z	Z		
Nursing Care Facility	62311	S	Z		Z	Z	Z	Z	Z		
Family Care Home	62311	Z	Z	Z	Z	Z	Z				
Residential Mental Health Facility	62320						S	S	S		
Assisted Living Facility	62331	Z	Z		Z	Z	Z				
Group Home	62399	S	S	S	S	S					
Child Care Institution	62399				S			S			
Individual and Family Assistance	62410		S				Z	Z	Z		

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
Food, Housing, Emergency Relief	62420							S	S		
Temporary Dependent Care Facility	62422		S	S	S	S					
Vocational Rehabilitation Service	62431									Z	Z
Child Day Care	62441	Z	Z	Z	Z	Z	Z	Z	Z		
ARTS, ENTERTAINMENT AND RECREATION											
Performing Arts	71110							Z	Z		
Spectator Sports	71121		S				Z	Z	Z	Z	Z
Racetrack	71121									S	S
Promoter/Agent/Manager	71130							Z			
Museum/Historical Site	71211	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Zoo/Botanical Gardens	71213	S	S	S	S	S	S	S			
Nature Park	71219	Z	Z	Z	Z	Z					
AMUSEMENT, GAMBLING AND RECREATION INDUSTRIES											
Amusement Parks and Arcades	71310							Z	Z		
Gambling and Video Gaming Machine(s)	71320							S			
Golf Course and Country Club	71391	S	S	S	S	S	Z	Z	Z		
Marina	71393	S	S	S	S	S	Z	Z	Z		
Private Airpark	0	S	S	S	S	S	Z	Z	Z	Z	Z
Fitness and Recreational Sport Center	71394						Z	Z	Z	Z	Z
Bowling	71395							Z	Z		
Other Amusement and Recreation	71399		Z	S	S	S	Z	Z	Z	Z	Z
ACCOMMODATION AND FOOD SERVICES											
Hotel/Motel	72111							Z	Z		
Bed and Breakfast Inn	72119	Z	Z	Z	Z	Z	Z	Z	Z		
Recreational Vehicle Parks	72120	S					Z	Z			
Campground w/out RV	72120	S	S		S		Z	Z			
Rooming and Boarding House	72130		Z		Z	Z					
Special Food Services	72230		Z				Z	Z	Z	Z	
Bar/Tavern	72241						S	S	S	S	S
Restaurant	72250		Z				Z	Z	Z	Z	
OTHER SERVICES											
Auto Repair	81110		S				S	Z		Z	Z
Electronic Repair and Maintenance	81120						Z	Z	Z	Z	
Commercial Equipment Repair	81131							Z	Z	Z	
Personal and Household Goods Repair	81141		Z				Z	Z	Z	Z	
Personal Care Service	81210		Z				Z	Z	Z		
Death Care Service	81220		Z				Z	Z	Z		
Dry cleaning and Laundry	81230		Z				Z	Z	Z	Z	
Other Personal Service	81290							Z			
Kennels/Animal Boarding	812910	S	S		S	S	S	Z			
Religious Organizations/Churches	81311	Z	Z	Z	Z	Z	Z	Z	Z		
Grant Making and Giving	81320						Z	Z	Z		
Social Advocacy Organization	81330						Z	Z	Z		
Civic and Social Organization	81341		S	S	S	S	Z	Z	Z	Z	Z
PUBLIC ADMINISTRATION											

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
General Government	92110						Z	Z	Z	Z	Z
Public Safety Facilities	92210	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Detention Center (County)	92214							Z		Z	Z
Correctional Institution (State and Federal)	92214									Z	Z
Human Resource Programs	92310						Z	Z	Z	Z	Z
Environmental Quality Programs	92410						Z	Z	Z	Z	Z
Housing/Community Development	92510					Z	Z	Z	Z		
Economic Programs	92610					Z	Z	Z	Z	Z	Z

## STAFF REPORT

To: Board of Commissioners

Date: March 19, 2024

From: Chris Martin, Planning Director

Subject: Private Storage Buildings – Text Amendment Case 23-08

Summary Statement: Consider a text amendment permitting private storage buildings as a principal use of land.

Background: The Board of Commissioners directed staff to evaluate the use of private storage as a principal use and determine if and where this can be compatible and if any development standards should be applied such as lot size, building size, building placement and property line setbacks. Staff has evaluated and drafted an ordinance for consideration.

Current Ordinance: Currently private storage buildings are not permitted as a principal use on a property. They must be located as an accessory to the principal use they are supporting. For example, a storage building can be on the same lot as the residence it supports but not as a standalone principal use. This is a common planning tool that helps maintain the character of neighborhoods, preserves the value of lots, and prevents the misuse of buildings in residential areas.

Proposal: At the direction of the Board of Commissioners, staff proposes an amendment to the UDO, Sections 12-21 and 12-124, that will permit private storage structures on lots greater than three (3) acres in the Rural Agricultural district and the proposed Rural Residential district.

Planning Board: After in depth discussion over several meetings, the Planning Board recommended approval with the following modifications:

- Drawn plan submitted with an application for permit showing building location and the setbacks.
- Limit the structure size based on acreage. The acreage would be rounded down.
  - One acre limited to 1500 square foot structure.
  - Two acres limited to 2500 square foot structure.
  - Three acres plus limited to 4000 square foot structure.

Staff comments: Limiting storage buildings as an “accessory” use is a common planning tool used to maintain residential character of a community, preserve lots for future residential uses, preserve property values, and to prevent future misuse of the buildings creating negative impacts for the neighbors. Staff recommends these reasons be strongly considered when deciding on any amendments to this ordinance.

**Requested Board Action:** Hold public hearing and approve or deny the ordinance.

## Case 23-08 Private Storage Buildings: Draft Staff Ordinance

### Section 12-124: Table of Permitted Uses

	NAICS	RU	RA	RR	R	RM	NB	GB	CP	LI	HI
<b>RESIDENTIAL</b>											
Residential Single-Family	0	Z	Z	Z	Z	Z	Z				
Modular Home	0	Z	Z	Z	Z	Z	Z				
Manufactured Homes	0	Z	Z		Z	Z	Z				
Manufacture Home Parks	0					Z					
Two-Family (Duplex)	0	Z	Z		Z	Z	Z				
Multi-Family Housing	0				Z	Z	Z				
Family Development	0		Z								
Industrial Occupational Housing	0									S	S
Private Storage	0	Z	Z								

### Section 12-21: Definition of Basic Terms

*Private Storage Buildings:* A building considered as a principal use for the purpose of private non-commercial storage for personal use only. Requires a minimum of three acres on the parcel in which it is placed. See Section 12-124 for permitted zoning districts.

## STAFF REPORT

To: Board of Commissioners

Date: March 19, 2024

From: Chris Martin, Planning Director

Subject: Rural Home Occupations, Type B - Text Amendment Case 23-09

Summary Statement: Consider an amendment to Section 12-137- Rural Home Occupations to add a second type of home occupation compatible with larger tracts of land in rural areas of the County. This amendment will allow for larger home based businesses in the most rural parts of the County.

Current Ordinance: Rural home occupations give citizens the ability to operate a small business from their residence. Currently, the UDO allows home occupations in the residential type zoning districts with development standards, with the goal of allowing home businesses while maintaining the residential character of the property and limiting the impact on surrounding properties. The business is allowed one employee that does not reside at the residence and the commercial vehicle size is limited. Business placement and setbacks are applied to maintain the residential character.

Background: At the January 17, 2023 meeting the Board of Commissioners heard the proposed text to add the second type of home occupation (Type B). At the meeting the board directed staff and the Planning Board reevaluate the proposed text, including the permitted uses, then bring the proposal back to the Board of Commissioners.

Proposal: The Type B Rural Home Occupation, as proposed, will also allow commercial uses on the same lot as the business operator's residence. It will allow more employees and commercial vehicles on lots of 5 acres or more in the proposed Rural Residential district and the Rural Agriculture district. Screening and setback standards will be applied to minimize the impact on surrounding areas.

**Requested Board Action:** Hold public hearing and approve or deny the ordinance.

## Sec. 12-137 Rural Home Occupations

~~Rural home occupations may be conducted in the R-A, RM, and R districts only.~~ A rural home occupation may take place in the same portion of the dwelling as set forth in section 12-136 of this chapter and/or in one (1) accessory structure on the lot. **and Type A Rural Home Occupations are allowed in the RU, RA, RM and R zoning districts with the issuance of a zoning permit. Type B Rural Home Occupations are allowed in the RU and RA zoning districts with the issuance of a zoning permit. Rural Home Occupations must meet the following specifications:**

### **A. Type A Rural Home Occupation**

1. ~~(a)~~ Said accessory structure shall be located in the rear yard only and shall also be located at least seventy-five (75) feet from any existing principal residence on any adjacent parcel of land and at least twenty-five (25) feet from any adjoining lot line.
2. ~~(b) Reserved.~~
3. ~~(c)~~ No outside storage of materials or goods shall be permitted.
4. ~~(d)~~ The operator of the rural home occupation must reside on the same lot as where the rural home occupation takes place.
5. ~~(e)~~ No more than one (1) person who does not reside on the premises may be employed at the home occupation.
6. ~~(f)~~ Chemical, mechanical or electrical equipment which creates odors, light emission, noises or interference in radio or television reception detectable without the use of instruments beyond the lot shall be prohibited.
7. ~~(g)~~ No display of products shall be visible from any adjoining street.
8. ~~(h)~~ Rural home occupations may be operated at any time between the hours of 7:00 a.m. and 8:00 p.m.
9. ~~(i)~~ Vehicles used primarily as passenger vehicles may be permitted in connection with the conduct of the rural home occupation. Commercial vehicles may also be used so long as such vehicle does not contain more than two (2) axles nor have a load capacity in excess of one (1) ton.
10. ~~(j)~~ One (1) non-illuminated ground sign advertising the rural home occupation, not to exceed fifteen (15) square feet, may be placed on the property. Said sign shall not exceed four (4) feet in height and shall be located at least ten (10) feet off of any right-of-way. One (1) attached sign advertising the rural home occupation may be permitted as well. Said attached sign shall not exceed one (1) square foot for each lineal foot of building wall facing a street.

### **B. Type B Rural Home Occupation**

1. Shall only exist on a single parcel that is five (5) acres or more in size.
2. Said accessory structure and parking area shall be located in the rear yard only and shall also be located at least 150 feet from any existing principal residence on any adjacent parcel of land and at least 100 feet from any adjoining property line.
3. Driveway serving the home occupation shall be located a minimum distance of 100' from all property lines, excluding the road right of way used for access.
4. The operator of the rural home occupation must reside on the same lot as where the rural home occupation takes place.

5. No more than five (5) persons who do not reside on the premises may be employed at the home occupation.
6. Chemical, mechanical or electrical equipment which creates excessive odors, light emission, noises beyond the lot shall be prohibited.
7. Type B screening, as outlined in section 12-305, shall be required between the structure and all exterior property lines, unless existing screening is deemed sufficient by the administrator.
8. Rural home occupations may be operated at any time between the hours of 7:00 a.m. and 8:00 p.m.
9. Up to five (5) two-axle vehicles owned by the business are allowed.
10. One (1) non-illuminated ground sign advertising the rural home occupation, not to exceed fifteen (15) square feet, may be placed on the property. Said sign shall not exceed four (4) feet in height and shall be located at least ten (10) feet off of any right-of-way. One (1) attached sign advertising the rural home occupation may be permitted as well. Said attached sign shall not exceed one (1) square foot for each lineal foot of building wall facing a street.

C. (Ord. of 9-19-00; Ord. of 10-3-00; Amd. of 6-18-02; Amd. of 2-6-07; Amd. of 4-1-08, § 33)

## STAFF REPORT

To: Board of Commissioners

Date: March 19, 2024

From: Chris Martin, Planning Director

Subject: Rural Agriculture Zoning District - Text Amendment Case 23-19

**Summary Statement:** Evaluate the Rural Agriculture zoning district, identify the vision, and determine if the uses allowed support the vision.

**Review:** At the July 11, 2023 meeting the Board of Commissioners discussed the Rural Agriculture (RA) zoning district and the number of commercial uses that are permitted within this district. The Board gave staff direction to work with the Planning Board to evaluate the list of uses and to propose any changes to the list so that it is compatible with the districts purpose.

**Background:** The Rural Agricultural District was first adopted in 1997 prior to county wide zoning, covering an area between Waco and Fallston, totaling approximately 13,500 acres. Several phases followed, both expanding the original district and adding separate areas of the RA district across the County, now covering approximately 15,762 acres. The town of Mooresboro used the RA district as the base district for the town.

**Proposal:** Per Section 12-121 of our Unified Development Ordinance, the purpose of the RA district is to accommodate agricultural and residential uses in the rural parts of the County at a maximum of one (1) dwelling per three (3) acres. Given the very low density of development, a limited number of nonresidential uses are also allowed in this district, which are not permitted in the other residential zoning districts.

**Planning Board:** Recommends approval. Staff presented the RA district to the Planning Board and discussed the compatibility of the uses permitted in Section 12-124 of the UDO. Staff prepared a list of uses excluding nonresidential uses that did not seem compatible or supportive of residential, agricultural, or rural areas.

After review of the definition of the RA district and review of staff's modified list of uses, the Planning Board recommended approving the modified list commenting that the uses eliminated were not compatible with the defined purpose of the Rural Agriculture zoning district.

**Requested Board Action:** Hold a public hearing and approve or deny the amendment.

## Section 12-124 Table of Uses

[illegible]

	NAICS	RA	RR	R	RM	NB	GB	CP	LI	HI
Chemical	32500									Z
Plastics and Rubber	32600								Z	Z
Non-metallic Mineral Products	32700									Z
Primary Metals	33100									Z
Fabricated Metal Products	33200								Z	Z
Machinery	33300									Z
Computer and Electronic Products	33400								Z	Z
Electrical Equipment, Appliances	33500								Z	Z
Transportation Equipment	33600									Z
Furniture Products	33700								Z	Z
Miscellaneous	33900								S	Z
<b>WHOLESALE TRADE</b>										
Auto Parts	42310								S	S
Furniture and Home Furnishings	42320						Z		Z	Z
Lumber and Construction Materials	42330								Z	Z
Professional and Commercial Equipment	42340								Z	Z
Metal and Mineral	42350									Z
Electrical Goods	42360						Z		Z	Z
Hardware, Plumbing, Heating Equip.	42370								Z	Z
Machinery, Equipment and Supplies	42380								Z	Z
Paper and Paper Products	42410									Z
Drugs and Sundries	42420						Z		Z	Z
Apparel and Piece Goods	42430						Z		Z	Z
Grocery	42440						Z		Z	Z
Farm Products	42450	Z					Z		Z	Z
Chemical and Allied	42460									Z
Petroleum and Related Products	42470									Z
Alcoholic Beverage	42480						Z		Z	Z
<b>RETAIL TRADE</b>										
Automobile Dealers—New and Used	44110	Z-				S	Z	Z	Z	
Recreational Vehicle Dealers	44120	Z-				S	Z	Z	Z	
Auto Parts, Tires and Accessories	44130	Z-					Z	Z	Z	
Furniture	44210						Z	Z		
Home Furnishings	44220						Z	Z		
Electronics and Appliances	44310						Z	Z	Z	
Building Materials and Supplies	44410						Z	Z	Z	Z
Lawn and Garden Supplies	44420	Z					Z	Z	Z	
Grocery	44510	Z-				Z	Z	Z	Z	
Specialty Foods	44520	Z-				Z	Z	Z		
Alcoholic Beverages	44530						Z	Z		
Health and Personal Care	44610	Z-				S	Z	S	Z	
Convenience Food/Gas	44710	Z-				S	Z	Z	Z	Z
Clothing	44810					Z	Z	Z		
Jewelry	44830					Z	Z	Z		
Sporting Goods	45110					Z	Z	Z		

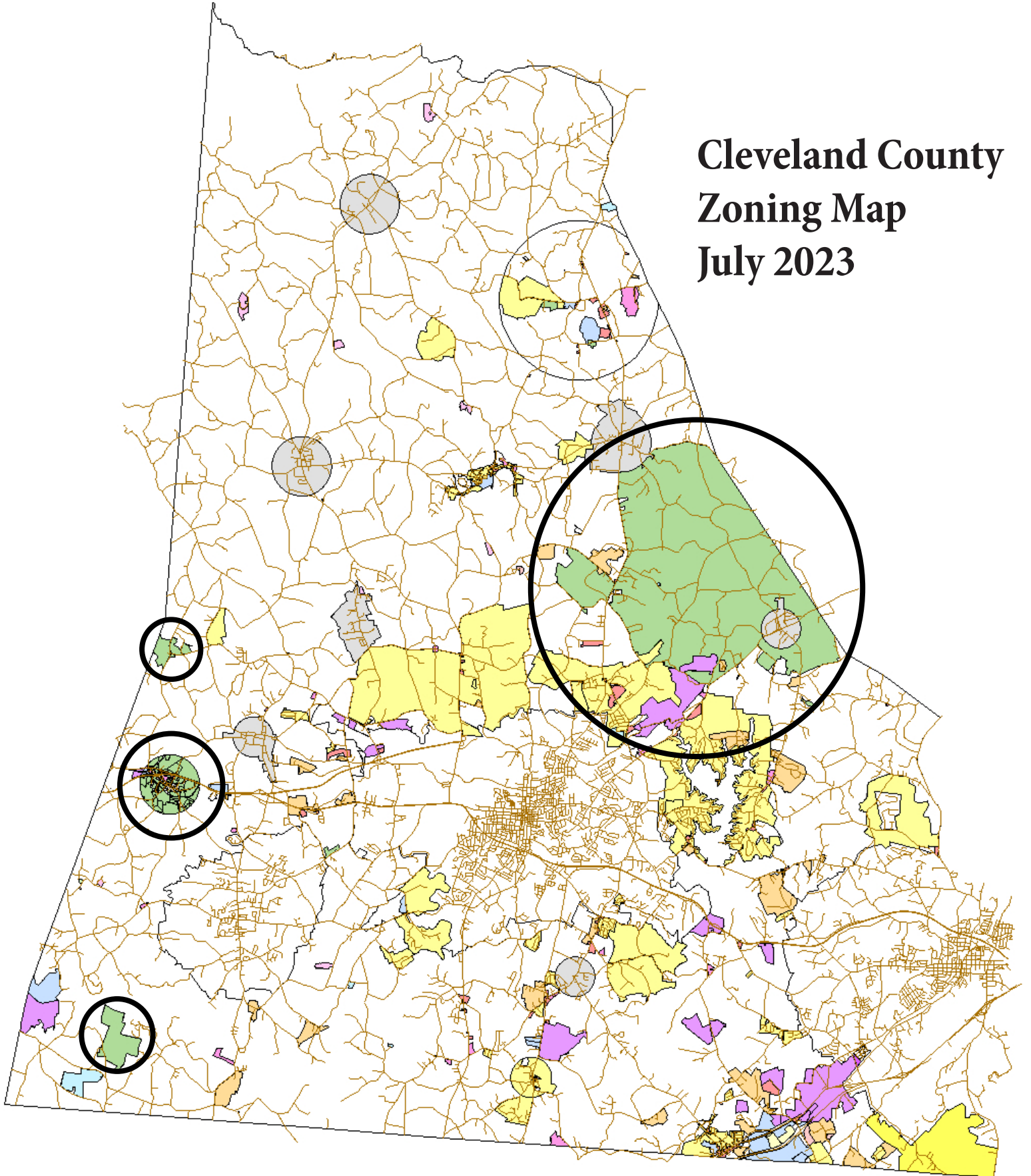
	NAICS	RA	RR	R	RM	NB	GB	CP	LI	HI
Books and Music	45120	Z-				Z	Z	Z		
Department Store	45210						Z	Z		
General Merchandise	45290						Z	Z		
Florists	45310	Z				Z	Z	Z		
Office Supplies/Gifts	45320	Z-				Z	Z	Z		
Used Merchandise	45330	Z-					Z	S		
Other Miscellaneous Retail	45390	Z-				Z	Z	Z		
Internet/Mail Order	45410	Z-				Z	Z	Z		
Vending Machine Operator	45420						Z	Z		
Fuel Dealer—Oil and Gas	45430						Z	Z	Z	Z
<b>TRANSPORTATION AND WAREHOUSING</b>										
Airport—Scheduled Air Transport	48110								S	S
Airport—Non-Scheduled Air Transport	48120								S	S
Rail Transportation	48210						Z	Z	Z	Z
General Freight Trucking	48410						Z		Z	Z
Specialized Freight Trucking	48420						Z		Z	Z
Urban Transit System	48510						Z		Z	Z
Rural Bus Transportation	48520						Z		Z	Z
Taxi and Limousine Service	48530					Z	Z			
School Bus Transportation	48540						Z		Z	
Charter Bus	48550						Z			
Pipeline—Oil and Gas	48600								Z	Z
Transportation Support	48800						Z			
Postal Service	49100					Z	Z	Z	Z	Z
Couriers and Messengers	49200						Z		Z	Z
Warehousing and Storage	49300						Z		Z	Z
<b>INFORMATION</b>										
Publishing/Information/News	51100					Z	Z		Z	Z
Motion Picture and Video	51210						Z	Z	Z	
Sound Recording	51220						Z	Z	Z	
Radio and TV Broadcasting	51510						Z		Z	Z
Cable TV Distribution	51520						Z		Z	Z
Telecommunications	51721					Z	Z		Z	Z
Amateur Radio Tower	51721	S	S	S	S	S	S	S	S	S
Data Centers	518210								Z	Z
Library	51912	Z		Z	Z	Z	Z	Z		
<b>FINANCE AND INSURANCE</b>										
Central Bank	52100					Z	Z	Z	Z	Z
Credit and Related Activities	52200	Z-				Z	Z	Z		
Securities and Commodities	52300					Z	Z	Z		
Insurance and Related Activities	52400					Z	Z	Z		
Funds, Trusts and Other Financial	52500					Z	Z	Z		
<b>REAL ESTATE, RENTAL AND LEASING</b>										
Real Estate Agents and Brokers	53120					Z	Z	Z		
Property Managers	53130					Z	Z	Z		

	NAICS	RA	RR	R	RM	NB	GB	CP	LI	HI
Auto Rental and Leasing	53210						Z	Z	Z	
Consumer Goods Rental	53220						Z	Z	Z	
General Rental Centers	53230						Z		Z	
Equipment Rental	53240						Z		Z	
<b>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES</b>										
Legal Services	54110					Z	Z	Z		
Accounting/Tax Payroll Services	54120					Z	Z	Z		
Architectural, Engineering and Related	54130					Z	Z	Z		
Specialized Design Services	54140					Z	Z	Z		
Computer Systems Design and Related	54150					Z	Z	Z		
Consulting Services	54160					Z	Z	Z		
Scientific Research and Development	54170						Z	Z	Z	
Advertising and Related	54180						Z		Z	
Veterinary Office/Clinic/Practice	54194	Z					Z		Z	Z
Other Professional/Technical Service	54199	Z-					Z			Z
<b>MANAGEMENT OF COMPANIES AND ENTERPRISES</b>										
Management of Companies/Enterprises	55110					Z	Z	Z		
<b>ADMINISTRATIVE, SUPPORT, WASTE MANAGEMENT AND REMEDIATION</b>										
Office Administrative Services	56110					Z	Z	Z		
Facilities Support Services	56120					Z	Z	Z		
Employment Services	56130					Z	Z	Z		
Business Support Services	56140					Z	Z	Z		
Travel Arrangement and Reservations	56150					Z	Z	Z		
Investigation and Security	56160						Z	Z		
Services to Buildings and Dwellings	56170						Z	Z	Z	Z
Other Support Services	56190						Z	Z		
Waste Collection	56210	S-							Z	Z
Waste Treatment and Disposal	56220	S-							Z	Z
Remediation	56290	S-							Z	Z
<b>EDUCATIONAL SERVICES</b>										
Elementary and Secondary Schools	61110	Z	Z	Z	Z	Z				
College and University	61130						Z	Z	Z	
Business School	61140						Z	Z	Z	
Technical and Trade	61150	Z					Z	Z	Z	
Other Schools and Instruction	61160	S					Z		Z	
<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>										
Ambulatory Health Care Services	62100	Z				Z	Z			
Hospitals	62200						Z	Z		
Nursing Care Facility	62311	Z		Z	Z	Z	Z	Z		
Family Care Home	62311	Z	Z	Z	Z	Z				
Residential Mental Health Facility	62320					S	S	S		
Assisted Living Facility	62331	Z		Z	Z	Z				
Group Home	62399	S	S	S	S					
Child Care Institution	62399			S			S			
Individual and Family Assistance	62410	S				Z	Z	Z		

	NAICS	RA	RR	R	RM	NB	GB	CP	LI	HI
Food, Housing, Emergency Relief	62420						S	S		
Temporary Dependent Care Facility	62422	S	S	S	S					
Vocational Rehabilitation Service	62431								Z	Z
Child Day Care	62441	Z	Z	Z	Z	Z	Z	Z		
ARTS, ENTERTAINMENT AND RECREATION										
Performing Arts	71110						Z	Z		
Spectator Sports	71121	S				Z	Z	Z	Z	Z
Racetrack	71121								S	S
Promoter/Agent/Manager	71130						Z			
Museum/Historical Site	71211	Z	Z	Z	Z	Z	Z	Z	Z	Z
Zoo/Botanical Gardens	71213	S	S	S	S	S	S			
Nature Park	71219	Z	Z	Z	Z					
AMUSEMENT, GAMBLING AND RECREATION INDUSTRIES										
Amusement Parks and Arcades	71310						Z	Z		
Gambling and Video Gaming Machine(s)	71320						S			
Golf Course and Country Club	71391	S	S	S	S	Z	Z	Z		
Marina	71393	S	S	S	S	Z	Z	Z		
Private Airpark	0	S	S	S	S	Z	Z	Z	Z	Z
Fitness and Recreational Sport Center	71394					Z	Z	Z	Z	Z
Bowling	71395						Z	Z		
Other Amusement and Recreation	71399	Z-	S	S	S	Z	Z	Z	Z	Z
ACCOMMODATION AND FOOD SERVICES										
Hotel/Motel	72111						Z	Z		
Bed and Breakfast Inn	72119	Z	Z	Z	Z	Z	Z	Z		
Recreational Vehicle Parks	72120					Z	Z			
Campground w/out RV	72120	S		S		Z	Z			
Rooming and Boarding House	72130	Z		Z	Z					
Special Food Services	72230	Z-				Z	Z	Z	Z	
Bar/Tavern	72241					S	S	S	S	S
Restaurant	72250	Z-				Z	Z	Z	Z	
OTHER SERVICES										
Auto Repair	81110	S				S	Z		Z	Z
Electronic Repair and Maintenance	81120					Z	Z	Z	Z	
Commercial Equipment Repair	81131						Z	Z	Z	
Personal and Household Goods Repair	81141	Z-				Z	Z	Z	Z	
Personal Care Service	81210	Z-				Z	Z	Z		
Death Care Service	81220	Z				Z	Z	Z		
Dry cleaning and Laundry	81230	Z-				Z	Z	Z	Z	
Other Personal Service	81290						Z			
Kennels/Animal Boarding	812910	S		S	S	S	Z			
Religious Organizations/Churches	81311	Z	Z	Z	Z	Z	Z	Z		
Grant Making and Giving	81320					Z	Z	Z		
Social Advocacy Organization	81330					Z	Z	Z		
Civic and Social Organization	81341	S	S	S	S	Z	Z	Z	Z	Z
PUBLIC ADMINISTRATION										

	NAICS	RA	RR	R	RM	NB	GB	CP	LI	HI
General Government	92110					Z	Z	Z	Z	Z
Public Safety Facilities	92210	Z	Z	Z	Z	Z	Z	Z	Z	Z
Detention Center (County)	92214						Z		Z	Z
Correctional Institution (State and Federal)	92214								Z	Z
Human Resource Programs	92310					Z	Z	Z	Z	Z
Environmental Quality Programs	92410					Z	Z	Z	Z	Z
Housing/Community Development	92510				Z	Z	Z	Z		
Economic Programs	92610				Z	Z	Z	Z	Z	Z

**Cleveland County  
Zoning Map  
July 2023**



**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Gardner-Webb University**

---

**Department:**

**Agenda Title:** Gardner-Webb University

**Agenda Summary:** Dr. Williams Downs, University President

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Audit Presentation

---

**Department:**

**Agenda Title:** Audit Presentation

**Agenda Summary:** Thompson, Price, Scott, Adams

**Proposed Action:**

---

### ATTACHMENTS:

File Name		Description
<input type="checkbox"/>	Cleveland_County_-_GFOA_2023_Financials.pdf	Audit
<input type="checkbox"/>	Cleveland_County_-_2023_Audit_Presentation_Summary.pdf	Year End 2023

# Cleveland County

## Annual Comprehensive Financial Report

For Year Ended  
June 30, 2023





# **CLEVELAND COUNTY NORTH CAROLINA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

Prepared by: Finance Department

***This page was left blank intentionally.***



**CLEVELAND COUNTY, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS**

	<b><u>Exhibit</u></b>	<b><u>Page(s)</u></b>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		i-vi
Certificate of Achievement for Excellence in Financial Reporting		vii
List of Principal Officials		viii
Organizational Chart		ix
<b>FINANCIAL SECTION</b>		
<b>INDEPENDENT AUDITORS' REPORT</b>		1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>		4-15
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C	21
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with reconciliation to Statement of Activities	D	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	F	24
Statement of Fund Net Position – Proprietary Funds	G	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	H	26
Statement of Cash Flows – Proprietary Funds	I	27-28
Statement of Fiduciary Net Position – Fiduciary Funds	J	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	K	30
Notes to the Financial Statements		31-82

<b>REQUIRED SUPPLEMENTAL FINANCIAL DATA:</b>	<b><u>Schedule</u></b>	<b><u>Page(s)</u></b>
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	A-1	83
Schedule of County Contributions (LGERS)	A-2	84
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)	A-3	85
Schedule of County Contributions (ROD)	A-4	86
Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	A-5	87
Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	A-6	88
Schedule of Changes in Total OPEB Liability and Related Ratios	A-7	89
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS:</b>		
<i>General Fund:</i>		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-1	90-101
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Cleveland County Justice Center Campus Capital Project Fund	B-2	102
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	C-2	104
<i>Nonmajor Special Revenue Funds:</i>		
Combining Balance Sheets – Nonmajor Special Revenue Funds	D-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	D-2	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Emergency Telephone System Fund (E-911)	D-3	107
Fire Districts Fund	D-4	108
American Rescue Plan Act Fund	D-5	109
Fines and Forfeiture Fund	D-6	110
Representative Payee Fund	D-7	111
Opioid Settlement Fund	D-8	112
<i>Nonmajor Capital Project Funds:</i>		
Combining Balance Sheets - Nonmajor Capital Projects	E-1	113-115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects	E-2	116-118

	<u>Schedule</u>	<u>Page(s)</u>
<i>Nonmajor Capital Project Funds (continued):</i>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
County General Capital Project Fund	E-3	119
Public Shooting Range Capital Project Fund	E-4	120
Capital Reserve Fund	E-5	121
Economic Development Capital Project Fund	E-6	122
Enterprise Resource Planning Capital Project Fnd	E-7	123
Reimbursement Resolution Capital Reserve Fund	E-8	124
School Capital Reserve Fund	E-9	125
Board of Elections Capital Project Fund	E-10	126
Shell Building IV Capital Project Fund	E-11	127
DSS Colocation Capital Project Fund	E-12	128
Public School Building Capital Fund	E-13	129
CCHD Erosion Control Project Fund	E-14	130
Broad River Greenway Improvements Project Fund	E-15	131
E911 Call Center Project Fund	E-16	132
Fair Enhancement Capital Project Fund	E-17	133
<i>Debt Service Fund:</i>		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	F-1	134
<i>Enterprise Funds:</i>		
Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	G-1	135
<i>Custodial Funds:</i>		
Combining Statement of Fiduciary Net Position	H-1	136
Combining Statement of Changes in Fiduciary Net Position	H-2	137
<i>Supplemental Financial Data:</i>		
Schedule of Ad Valorem Taxes Receivable - General Fund	I-1	138
Analysis of Current Tax - County-Wide Levy	I-2	139

#### STATISTICAL SECTION (UNAUDITED)

	<u>Table</u>	<u>Page(s)</u>
Net Position by Components	1	140
Changes in Net Position	2	141-142
Fund Balances, Governmental Funds	3	143
Changes in Fund Balances, Governmental Funds	4	144
Assessed Value and Actual Value of Taxable Property	5	145
Direct and Overlapping Property Tax Rates	6	146
Principal Property Taxpayers	7	147
Property Tax Levies and Collections	8	148
Ratio of Outstanding Debt by Type	9	149

## STATISTICAL SECTION (UNAUDITED) (CONTINUED)

	<u><b>Table</b></u>	<u><b>Page(s)</b></u>
Ratios of General Bonded Debt Outstanding	10	150
Legal Debt Margin Information	11	151
Direct and Overlapping Governmental Activities Debt	12	152
Demographic and Economic Statistics	13	153
Principal Employers	14	154
Full-time Equivalent County Government Employees by Function/Program	15	155
Operating Indicators by Function	16	156
Capital Asset Statistics by Function	17	157
Principal Industry Sectors	18	158

## COMPLIANCE SECTION

	<u><b>Page(s)</b></u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	159-160
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	161-163
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	164-166
Schedule of Findings and Questioned Costs	167-172
Corrective Action Plan	173-175
Summary Schedule of Prior Year Audit Findings	176
Schedule of Expenditures of Federal and State Awards	177-181

## **INTRODUCTORY SECTION**

***This page was left blank intentionally.***





# Cleveland County

## NORTH CAROLINA

---

January 19, 2024

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

The Annual Comprehensive Financial Report of Cleveland County, North Carolina, for fiscal year ended June 30, 2023 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, 2023 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, 2023 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 100,359. 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 \$156 million in 2021. There are 1,005 small family-owned farms producing food and fiber on 113,341 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 \$118 million in farm gate sales. Crops (grains, oilseeds, produce, nursery stock, and forages) contribute an additional \$16 million. Direct to consumer sales increased 36% between 2012 and 2017, owing to a vibrant farmers' market serving the local community. Agritourism revenues increased 28% during the same period. The farming sector is becoming more diversified, with 497 females and 441 new and beginning farmers actively engaged in production of food and fiber.

Domestic and international visitors to and within Cleveland County spent \$152.3 million in 2022, an increase of 33.4 percent from 2020. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

2022 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 976 people in Cleveland County (10% increase)
- Total payroll generated by Cleveland County Tourism Industry = \$37.2 million, (\$4.1M increase)
- State and local tax revenues totaled \$10.1 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of \$99.00 per resident

- Cleveland County ranks 64<sup>th</sup> in total visitor spending among North Carolina's 100 counties
- ★ State & Local Taxes Combined Generated Daily: \$27,671.23
  - State Taxes Generated Daily: \$ 16,986.30
  - Local Taxes Generated Daily: \$10, 684.93
- ★ Labor Income Generated Daily: \$101,917.81

These statistics come from the “Economic Impact of Travel on North Carolina Counties 2022,” which can be accessed at [partners.visitnc.com/economic-impact-studies](https://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.

The trend of demand for visiting smaller towns with unique and engaging experiences has continued and our community has been well positioned though the inherent assets as well as a growing public relations and paid media marketing strategy that is proving tremendous year over year growth. In addition, large events are back and with early reporting from the NC Liver Mush Festival, an annual event presented each October by VISIT Cleveland County, there were visitors from across the region and from beyond who traveled to the area specifically to attend the festival. Estimated attendance was above 15,000 attendees.

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

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

The number of permits issued for new residential and commercial construction was down from FY 2022 and the dollar value of those new permits decreased by approximately \$131.1 M. The local unemployment rate decreased during the fiscal year as the local economy continues to expand and diversify.

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

<u>Company Name</u>	<u>Company Industry</u>	<u>Employment Range</u>
Cleveland County Board of Education	Education & Health Services	1000+
Atrium Health	Education & Health Services	1000+
Wal-Mart Associates Inc.	Trade, Transportation & Utilities	1000+
County of Cleveland	Public Administration	500-999
Gardner-Webb University	Education & Health Services	500-999
PPG Industries Inc.	Manufacturing	500-999
Hanesbrands, Inc.	Manufacturing	500-999

Ingles Markets, Inc	Trade, Transportation & Utilities	500-999
Clearwater Paper Corporation	Manufacturing	250-499
Electric Glass Fiber America, LLC	Manufacturing	250-499

## **MAJOR INITIATIVES**

### **FOR THE YEAR.**

The Board of Commissioners adopted a balanced budget for the fiscal year with a county-wide ad valorem property tax rate of 54.75 cents per \$100 dollars of valuation. Total General fund revenues increased by approximately \$8.3 M over the previous fiscal year or 5.43 percent. Total General Fund expenditures increased by approximately \$9.4 M or 6.15 percent over FY 2022. Total General Fund Balance increased by \$8,700,781 to \$61,116,538 and the Unassigned Fund Balance amount was \$40,236,496.. The increase in fund balance was primarily driven by increased property tax values and local option sales tax collections. The net position of the County's only Enterprise Fund increased in FY 2022 by \$1,153,502. This increase is primarily due to an increased collections from tipping fees as well as population growth.

The Commission continues to focus on a community wide economic development strategy and job creation. Unemployment in Cleveland County is 3.3% 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 2022 – 2023, the Board budgeted revenues conservatively without any tax increase. Expenditures for most County Departments, the community college, and other outside agencies were budgeted conservatively as well.

### **FOR THE FUTURE.**

FY 2023 – 2024 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. Following the January 1, 2020 mandatory revaluation which resulted in net value increase of 8.68%, the County has fully recovered from the valuation loss of the prior revaluation. Due to the increased values, the Board of Commissioners were able to adopt a balanced budget for FY 2022-2023 with a .5475 tax rate without service interruptions.

Cleveland County has poised itself for long-term sustainability with an external focus on a strong tax base and job creation. Moving into FY 2023 – 2024, the County is also focused on internal strategic planning. The Strategic Goals for FY 2023 – 2024 include the following focus areas: Fiscal Sustainability, Economic Development, Public Safety, and Community Wellness and Citizen Engagement.

## **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 \$26.0 million in Unassigned General Fund Balance or 20.5 percent of total General Fund expenditures excluding transfers. The Local Government Commission of the North Carolina Department of State Treasurers 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, 2022. This was the ninth 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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Cleveland  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## CLEVELAND COUNTY, NORTH CAROLINA

### List of Principal Officials

June 30, 2023

#### **Board of Commissioners**

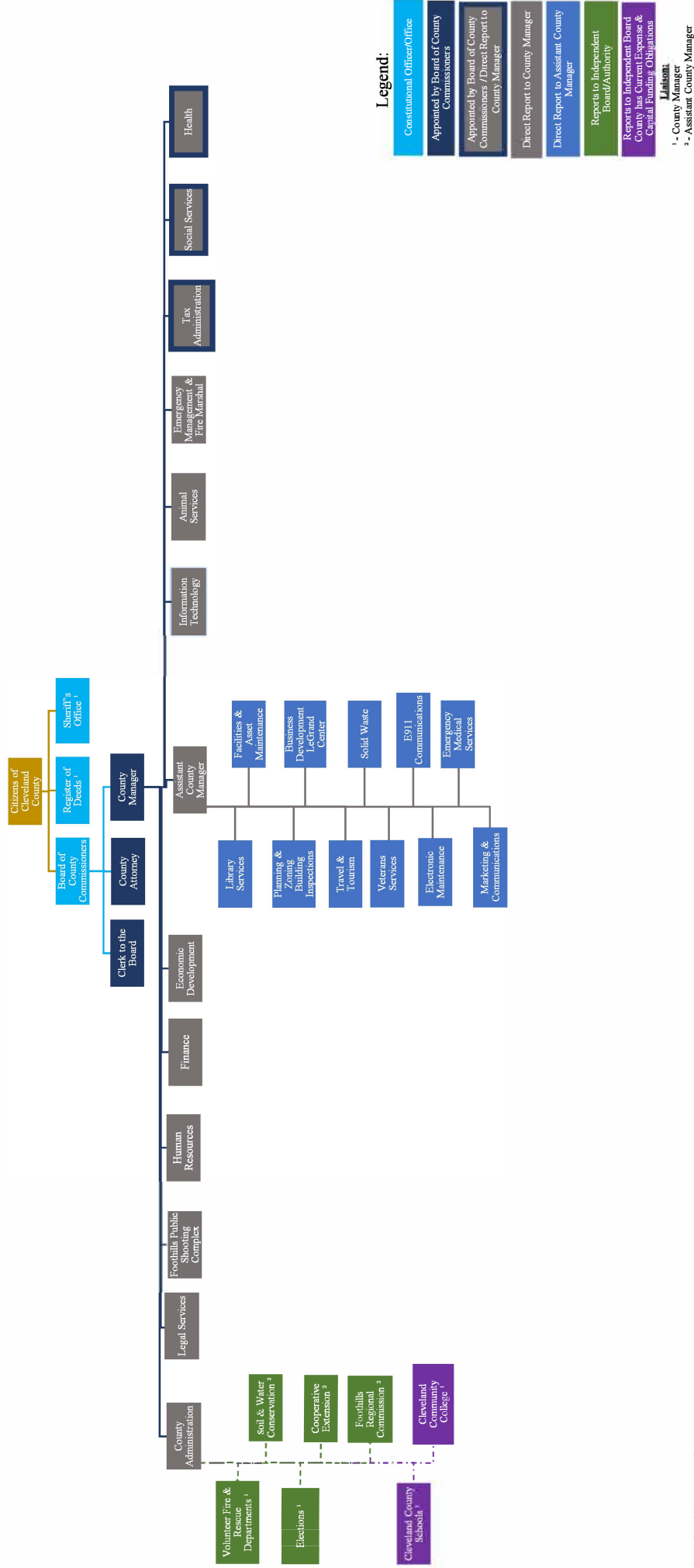
Chairman.....	Kevin Gordon
Vice Chairman .....	Deb Hardin
Commissioner .....	Johnny Hutchins
Commissioner .....	Ronnie Whetstine
Commissioner .....	Doug Bridges

#### **County Officials**

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



# Organizational Chart



***This page was left blank intentionally.***



## **FINANCIAL SECTION**

***This page was left blank intentionally.***





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

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

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cleveland County, North Carolina, as of and for the year ended June 30, 2023, 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, 2023, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### ***Responsibilities of Management for the Audit of the Financial Statements***

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

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

**Members**

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

## ***Auditors' Responsibility for the Audit of the Financial Statements***

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive 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 83 and 84, 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 85 and 86, 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 87 and 88, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 89, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

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

## Other Information

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2024 on our consideration of Cleveland County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Cleveland County's internal control over financial reporting and compliance.

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

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 19, 2024

## CLEVELAND COUNTY, NORTH CAROLINA

### Management's Discussion and Analysis

June 30, 2023

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, 2023. 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

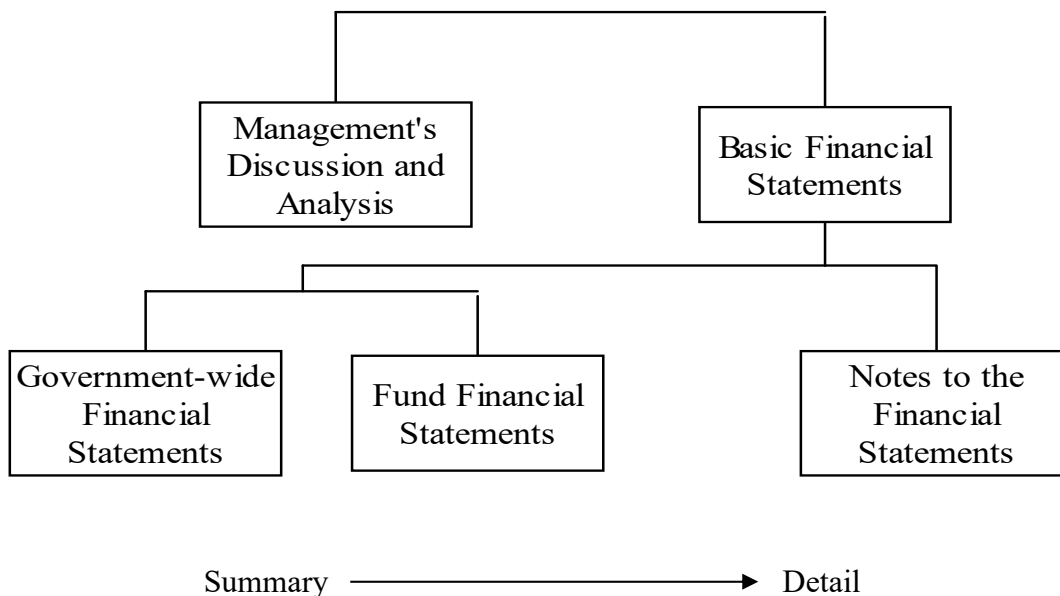
- The assets and deferred outflows of resources of Cleveland County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$166,890,674 (*net position*). In accordance with North Carolina law, liabilities of the County include approximately \$5,376,825 in long-term 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 \$30,888,939, primarily due to the receipt of state grants for the construction of a new Justice Center and federal grant funds dedicated to the response and mitigation of the COVID-19 pandemic. The County also recorded a restatement of beginning net position that increased Governmental Activities by \$39,267 associated with the implementation of GASB 96, *Subscription Based Information Technology Arrangements*.
- As of the close of the current fiscal year, Cleveland County's governmental funds reported combined ending fund balances of \$100,525,344. That amount is an increase of \$ 7,743,753 in comparison with the prior year. Approximately 38.95 percent of this total amount, or \$39,150,886, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$40,236,496 or 27.96 percent, of total General Fund expenditures including transfers out adjusted for loan and lease/IT subscription proceeds.

## Overview of the Financial Statements

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

### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

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

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

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

## **Government-Wide Financial Statements**

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

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

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

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

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

## **Fund Financial Statements**

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

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

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

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

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

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

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

## Government-Wide Financial Analysis

### Cleveland County's Net Position Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets:</b>						
Current and other assets	\$ 182,159,528	\$ 165,309,835	\$ 7,562,043	\$ 6,146,800	\$ 189,721,571	\$ 171,456,635
Capital assets	140,502,525	119,533,034	23,698,771	23,208,942	164,201,296	142,741,976
Total assets	<u>322,662,053</u>	<u>284,842,869</u>	<u>31,260,814</u>	<u>29,355,742</u>	<u>353,922,867</u>	<u>314,198,611</u>
<b>Deferred Outflows of Resources</b>	<u>25,553,854</u>	<u>18,399,501</u>	<u>1,272,346</u>	<u>877,859</u>	<u>26,826,200</u>	<u>19,277,360</u>
<b>Liabilities:</b>						
Long-term liabilities	97,039,608	84,521,218	28,371,298	26,402,363	125,410,906	110,923,581
Other liabilities	83,486,995	73,152,286	239,463	339,645	83,726,458	73,491,931
Total liabilities	<u>180,526,603</u>	<u>157,673,504</u>	<u>28,610,761</u>	<u>26,742,008</u>	<u>209,137,364</u>	<u>184,415,512</u>
<b>Deferred Inflows of Resources</b>	<u>4,535,206</u>	<u>12,460,023</u>	<u>185,823</u>	<u>637,968</u>	<u>4,721,029</u>	<u>13,097,991</u>
<b>Net Position:</b>						
Net investment in						
capital assets	101,636,238	84,103,556	23,698,771	23,208,942	125,335,009	107,312,498
Restricted	38,435,503	25,102,730	-	-	38,435,503	25,102,730
Unrestricted	23,082,357	23,902,557	(19,962,195)	(20,355,317)	3,120,162	3,547,240
Total net position	<u>\$ 163,154,098</u>	<u>\$ 133,108,843</u>	<u>\$ 3,736,576</u>	<u>\$ 2,853,625</u>	<u>\$ 166,890,674</u>	<u>\$ 135,962,468</u>

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 \$166,890,674 as of June 30, 2023. The County's net position increased by \$ 30,888,939 for the fiscal year ended June 30, 2023. Net position of the County is reported in three categories: net investment in capital assets of \$ 125,335,009; restricted net position of \$ 38,435,503; and unrestricted net position of \$ 3,120,162.

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

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

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

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

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

**Governmental Activities.** Governmental activities increased the County's net position by \$30,005,988. Key elements of this increase are as follows:

- Increased property tax revenue as a result of a 3.3% increase in the property tax base
- Increased capital project activity that is funded by grants, which resulted in an increase of approximately \$10 million
- American Rescue Funds which were used as revenue replacement
- Increase in investment earnings of \$2.4 million as a result of market conditions

**Business-Type Activities.** Business-type activities increased the County's net position by \$882,951. Key elements of this increase are as follows:

- Increase of approximately \$800k in charges for services as a result in increased rates, which resulted in a 9.44% increase in revenues
- Increase in investment earnings of \$235 thousand as a result of market conditions

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 22,207,059	\$ 17,580,306	\$ 9,398,600	\$ 8,587,643	\$ 31,605,659	\$ 26,167,949
Operating grants and contributions	31,836,700	32,979,257	-	-	31,836,700	32,979,257
Capital grants and contributions	29,281,002	2,111,791	-	-	29,281,002	2,111,791
General revenues:						
Property taxes	79,974,882	76,854,064	-	-	79,974,882	76,854,064
Other taxes	30,263,533	27,426,446	872,370	829,038	31,135,903	28,255,484
Other	5,044,594	1,105,323	244,253	8,816	5,288,847	1,114,139
Total revenues	<u>198,607,770</u>	<u>158,057,187</u>	<u>10,515,223</u>	<u>9,425,497</u>	<u>209,122,993</u>	<u>167,482,684</u>
<b>Expenses:</b>						
General government	12,784,906	18,877,490	-	-	12,784,906	18,877,490
Public safety	48,337,683	35,321,446	-	-	48,337,683	35,321,446
Environmental protection	257,148	189,394	-	-	257,148	189,394
Economic and physical development	14,422,503	7,070,035	-	-	14,422,503	7,070,035
Human services	36,753,772	36,227,876	-	-	36,753,772	36,227,876
Cultural and recreational	865,200	1,104,310	-	-	865,200	1,104,310
Education	54,350,996	39,452,041	-	-	54,350,996	39,452,041
Interest on long-term debt	1,344,909	1,319,872	-	-	1,344,909	1,319,872
Solid waste disposal	-	-	9,116,937	8,146,905	9,116,937	8,146,905
Total expenses	<u>169,117,117</u>	<u>139,562,464</u>	<u>9,116,937</u>	<u>8,146,905</u>	<u>178,234,054</u>	<u>147,709,369</u>
Increase (decrease) in net position before transfers	29,490,653	18,494,723	1,398,286	1,278,592	30,888,939	19,773,315
Transfers	<u>515,335</u>	<u>515,335</u>	<u>(515,335)</u>	<u>(515,335)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	30,005,988	19,010,058	882,951	763,257	30,888,939	19,773,315
<b>Net Position:</b>						
Beginning of year - July 1, previously reported	133,108,843	114,098,785	2,853,625	2,090,368	135,962,468	116,189,153
Restatement	39,267	-	-	-	39,267	-
Beginning of year - July 1	<u>133,148,110</u>	<u>114,098,785</u>	<u>2,853,625</u>	<u>2,090,368</u>	<u>136,001,735</u>	<u>116,189,153</u>
End of year - June 30	<u>\$ 163,154,098</u>	<u>\$ 133,108,843</u>	<u>\$ 3,736,576</u>	<u>\$ 2,853,625</u>	<u>\$ 166,890,674</u>	<u>\$ 135,962,468</u>

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

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

The General Fund is the chief operating fund of Cleveland County. At the end of the current fiscal year, available fund balance of the General Fund was \$49,031,807 while total fund balance was \$61,116,538. 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 34.07 percent of total General Fund expenditures and transfers out less loan and lease/IT subscription proceeds while total fund balance represents 42.47 percent of that same amount.

The Justice Center Campus Capital Project Fund is also considered a major fund. At the end of the current fiscal year, total fund balance was \$9,495,837, which was an increase of \$2,427,594 over the prior year. The increase was a result of grant reimbursements that were for expenses incurred in the previous year.

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 27.96 percent.

At June 30, 2023, the governmental funds of the County reported a combined fund balance of \$100,525,344, a 4.23 percent increase from last year. The increase in fund balance was primarily due to state grants to fund the construction of a new Justice Center, federal funding received designated for COVID-19 relief, and a substantial increase in investment earnings.

**General Fund Budgetary Highlights.** The County's financial position increased during FY 2023 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 \$10,152,895 under budget at fiscal year-end. Most notable the human services function had total expenditures \$8.6 million under budget at fiscal year end. On the revenue side, the largest positive budget variances were in ad valorem tax revenues, local option sales taxes, sales and services, and investment earnings.

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 \$15,107,923, or 11.94 percent, and expenditures by \$22,171,267, or 17.56 percent, of the original budget. Total actual revenues

exceeded amended budgeted amounts by \$8.6 million with most of that increase related to increased local option sales tax, ad valorem tax revenues, and investment earnings. Total actual expenditures were \$10.1 million less than amended budgeted amounts, with the majority of that amount relating to expenditures lower than budgeted in human services, general government, and risk management.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Total net position for the proprietary fund at the end of the fiscal year amounted to \$3,736,576. During the fiscal year 2023, proprietary fund net position increased \$882,951. The increase in total net position for the proprietary funds is primarily due to increased disposal taxes and charges for services.

## 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, 2023 totals \$ 164,201,295 (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	
	2023	2022	2023	2022	2023	2022
Land	\$ 18,856,331	\$ 18,415,003	\$ 18,956,452	\$ 18,956,452	\$ 37,812,783	\$ 37,371,455
Buildings	86,360,389	85,161,815	691,964	723,377	87,052,353	85,885,192
Vehicles and motor equipment	10,448,296	7,668,564	3,485,602	2,953,652	13,933,898	10,622,216
Leasehold improvements	65,107	79,280	2,526	3,077	67,633	82,357
Infrastructure	844,333	1,198,983	90,189	100,347	934,522	1,299,330
Construction in progress	21,402,301	7,009,389	472,037	472,037	21,874,338	7,481,426
Right to use assets	2,525,768	142,630	-	-	2,525,768	142,630
Total	<u>\$ 140,502,525</u>	<u>\$ 119,675,664</u>	<u>\$ 23,698,770</u>	<u>\$ 23,208,942</u>	<u>\$ 164,201,295</u>	<u>\$ 142,884,606</u>

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, 2023, Cleveland County had total bonded debt outstanding of \$4,555,000. 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Limited obligation bonds	\$ 4,555,000	\$ 5,690,000	\$ -	\$ -	\$ 4,555,000	\$ 5,690,000
Leases and IT Subscriptions	2,233,331	93,198	-	-	2,233,331	93,198
Installment purchases	39,980,549	45,992,996	-	-	39,980,549	45,992,996
Total	<u>\$ 46,768,880</u>	<u>\$ 51,776,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,768,880</u>	<u>\$ 51,776,194</u>

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 \$839,328,865.

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

### Economic Factors and Fiscal Year End 2024 Budgets and Rates

Cleveland County's local economy is continuing to show positive trend data as we move through this prolonged inflationary economy. According to the most recent Bureau of Economic Analysis estimate, the level of real (inflation-adjusted) GDP has continued to decline suggesting a leveling of costs leading to a more sustainable economy.

With unemployment rates at 3.3% to end the third quarter of calendar year 2022, continued job and company growth led to maintaining an unemployment rate of 3.3% as of April 30, 2023, with a slight uptick in unemployment to a rate of 3.6% at June 30, 2023 to close out the fiscal year.

Domestic and international visitors to and within Cleveland County spent \$152.3 million in 2022, an increase of 6.6 percent from 2021. The data comes from an annual study commissioned by Visit North Carolina, a unit of the Economic Development Partnership of North Carolina.

#### 2022 Cleveland County Tourism Impact Highlights:

- The travel and tourism industry directly employed 976 people in Cleveland County (10% increase)
- Total payroll generated by Cleveland County Tourism Industry = \$37.2 million, (\$4.1 M increase)
- State and local tax revenues totaled \$10.1 million from travel to Cleveland County
- Taxes generated by visitor spending represent a tax savings of \$99.00 per resident.

Sales tax numbers continue to show a positive trend with daily figures reaching \$10,684.93.

- ★ State & Local Taxes Combined Generated Daily: \$27,671.23
  - State Taxes Generated Daily: \$ 16,986.30
  - Local Taxes Generated Daily: \$10, 684.93
- ★ Labor Income Generated Daily: \$101,917.81

These statistics come from the “Economic Impact of Travel on North Carolina Counties 2022,” which can be accessed at [partners.visitnc.com/economic-impact-studies](https://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.

The trend of demand for visiting smaller towns with unique and engaging experiences has continued and our community has been well positioned though the inherent assets as well as a growing public relations and paid media marketing strategy that is proving tremendous year over year growth.

In addition, large events are back and with early reporting from the NC Liver Mush Festival, an annual event presented each October by VISIT Cleveland County, there were visitors from across the region and from beyond who traveled to the area specifically to attend the festival. Estimated attendance was above 15,000 attendees.

### **Budget Highlights for the Fiscal Year Ending June 30, 2024**

The FY 24 budget is framed through the lens of Re-Thinking High Performance. ReThink is the final phase of the ReAct/ ReBuild/ ReThink crisis management plan that was implemented in 2020. We believe this model can create energy far beyond the 2020 crisis of COVID-19. Re-Thinking is about developing a different point of view or perspective. High performance is about policy research and implementation, process re-design, data driven decision making, measurement and follow up, and lessons learned during the crisis like agility and fluidity.

The recommended FY 2024 budget is balanced with a general fund tax rate of 54.75 cents – which is accompanied by a 14-cent public school tax rate. This budget does not include any funding associated with the American Rescue Plan Act (ARPA). The County has a drafted spending plan, which has been approved by the North Carolina Pandemic Recovery Office and our External Auditors, to account for these one-time dollars. These funds, however, are not part of the original budget ordinance. Highlights of the FY 2024 budget are focused on pursuit of being an employer of choice, prospective funding for future capital, and assigning resources to Commissioner identified strategic goals – all funded through a lens of LEAN principals and balancing competing priorities utilizing a decision matrix.

**Business-Type Activities.** The solid waste household fees and current tipping fees were budgeted based on the adopted rate schedule for the 23-24 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. Management has included additional funding for convenience center site improvements in 23-24 budget year.

## **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.

***This page was left blank intentionally.***



## **BASIC FINANCIAL STATEMENTS – OVERVIEW**

## CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 86,052,580	\$ 6,483,152	\$ 92,535,732
Taxes receivable, net	2,678,517	-	2,678,517
Receivables, net	21,696,579	1,078,707	22,775,286
Inventories	219,264	-	219,264
Prepaid items	661,605	184	661,789
Restricted cash	70,733,535	-	70,733,535
Total current assets	182,042,080	7,562,043	189,604,123
Non-current assets:			
Net pension asset	117,448	-	117,448
Capital assets:			
Land and construction in progress	40,258,632	19,428,489	59,687,121
Other capital assets, net of depreciation	97,718,125	4,270,282	101,988,407
Right to use assets, net of amortization	2,525,768	-	2,525,768
Total capital assets	140,502,525	23,698,771	164,201,296
Total non-current assets	140,619,973	23,698,771	164,318,744
Total assets	322,662,053	31,260,814	353,922,867
<b>Deferred Outflows of Resources:</b>			
OPEB deferrals	4,554,718	239,722	4,794,440
Pension deferrals	20,999,136	1,032,624	22,031,760
Total deferred outflows of resources	25,553,854	1,272,346	26,826,200
Total assets and deferred outflows of resources	348,215,907	32,533,160	380,749,067
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued expenses	11,434,571	221,460	11,656,031
Unearned grant revenues	63,845,200	-	63,845,200
Due within one year	8,207,224	18,003	8,225,227
Total current liabilities	83,486,995	239,463	83,726,458
Long-term liabilities:			
Due in more than one year	43,214,695	25,789,266	69,003,961
Net pension liability - LGERS	28,802,254	1,515,908	30,318,162
Total pension liability - LEOSSA	4,766,302	-	4,766,302
Total OPEB liability	20,256,357	1,066,124	21,322,481
Total long-term liabilities	97,039,608	28,371,298	125,410,906
Total liabilities	180,526,603	28,610,761	209,137,364

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

## CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	248,002	-	248,002
OPEB deferrals	2,939,437	154,707	3,094,144
Pension deferrals	1,347,767	31,116	1,378,883
Total deferred inflows of resources	4,535,206	185,823	4,721,029
<b>Net Position:</b>			
Net investment in capital assets	101,636,238	23,698,771	125,335,009
Restricted for:			
Stabilization for State statute	18,325,169	-	18,325,169
Register of Deeds	137,557	-	137,557
Register of Deeds' pension plan	165,486	-	165,486
Public safety	12,282,838	-	12,282,838
Economic and physical development	27,641	-	27,641
Education	5,953,292	-	5,953,292
Human services	1,293,814	-	1,293,814
Cultural and recreation	249,706	-	249,706
Unrestricted	23,082,357	(19,962,195)	3,120,162
Total net position	\$ 163,154,098	\$ 3,736,576	\$ 166,890,674

*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, 2023**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 12,784,906	\$ 5,651,316	\$ 3,207,242	\$ -
Public safety	48,337,683	10,495,773	3,174,179	9,999,106
Environmental protection	257,148	-	33,600	-
Economic and physical development	14,422,503	281,161	692,864	32,343
Human services	36,753,772	5,760,252	24,424,686	-
Cultural and recreational	865,200	18,557	304,129	-
Education	54,350,996	-	-	19,249,553
Interest on long-term debt	1,344,909	-	-	-
Total governmental activities	169,117,117	22,207,059	31,836,700	29,281,002
Business-Type Activities:				
Solid Waste	9,116,937	9,398,600	-	-
Total business-type activities	9,116,937	9,398,600	-	-
Total primary government	\$ 178,234,054	\$ 31,605,659	\$ 31,836,700	\$ 29,281,002

*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, 2023**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
<b>Functions/Programs:</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (3,926,348)	\$ -	\$ (3,926,348)
Public safety	(24,668,625)	-	(24,668,625)
Environmental protection	(223,548)	-	(223,548)
Economic and physical development	(13,416,135)	-	(13,416,135)
Human services	(6,568,834)	-	(6,568,834)
Cultural and recreational	(542,514)	-	(542,514)
Education	(35,101,443)	-	(35,101,443)
Interest on long-term debt	(1,344,909)	-	(1,344,909)
Total governmental activities	<u>(85,792,356)</u>	<u>-</u>	<u>(85,792,356)</u>
<b>Business-Type Activities:</b>			
Landfill	-	281,663	281,663
Total business-type activities	<u>-</u>	<u>281,663</u>	<u>281,663</u>
Total primary government	<u>(85,792,356)</u>	<u>281,663</u>	<u>(85,510,693)</u>
<b>General Revenues:</b>			
Taxes:			
Property taxes, levied for general purpose	79,974,882	-	79,974,882
Local option sales tax	28,269,805	-	28,269,805
Other taxes and licenses	1,993,728	872,370	2,866,098
Investment earnings, unrestricted	2,537,792	244,253	2,782,045
Miscellaneous, unrestricted	2,506,802	-	2,506,802
Total general revenues	<u>115,283,009</u>	<u>1,116,623</u>	<u>116,399,632</u>
<b>Transfers</b>	<u>515,335</u>	<u>(515,335)</u>	<u>-</u>
Total general revenues, capital contribution, and transfers	<u>115,798,344</u>	<u>601,288</u>	<u>116,399,632</u>
Change in net position	30,005,988	882,951	30,888,939
<b>Net Position:</b>			
Beginning of year - July 1, previously reported	133,108,843	2,853,625	135,962,468
Restatement (see Note 6)	39,267	-	39,267
Beginning of year - July 1, restated	<u>133,148,110</u>	<u>2,853,625</u>	<u>136,001,735</u>
End of year - June 30	<u>\$ 163,154,098</u>	<u>\$ 3,736,576</u>	<u>\$ 166,890,674</u>

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

## CLEVELAND COUNTY, NORTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	<b>Major</b>		<b>Nonmajor</b>	
		<b>Justice Center Campus Capital Project Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>			
<b>Assets:</b>				
Cash and cash equivalents	\$ 54,605,843	\$ 10,598,749	\$ 20,847,988	\$ 86,052,580
Taxes receivable, net	2,537,262	-	141,255	2,678,517
Due from other governments	398,323	1,355	-	399,678
Other receivables, net	14,413,845	-	6,883,056	21,296,901
Due from other funds	207,035	-	-	207,035
Inventories	219,264	-	-	219,264
Prepaid items	423,354	-	238,251	661,605
Restricted assets:				
Cash and investments	286,997	55,222,456	15,224,082	70,733,535
<b>Total assets</b>	<b>\$ 73,091,923</b>	<b>\$ 65,822,560</b>	<b>\$ 43,334,632</b>	<b>\$ 182,249,115</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 5,326,034	\$ 1,104,267	\$ 4,737,626	\$ 11,167,927
Unearned grant revenue	286,997	55,222,456	8,335,747	63,845,200
Due to other funds	-	-	207,035	207,035
<b>Total liabilities</b>	<b>5,613,031</b>	<b>56,326,723</b>	<b>13,280,408</b>	<b>75,220,162</b>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	2,537,262	-	141,255	2,678,517
Prepaid taxes	248,002	-	-	248,002
Other receivables	3,577,090	-	-	3,577,090
<b>Total deferred inflows of resources</b>	<b>6,362,354</b>	<b>-</b>	<b>141,255</b>	<b>6,503,609</b>
<b>Fund Balances:</b>				
Non-spendable:				
Inventory	219,264	-	-	219,264
Prepaid items	423,354	-	238,251	661,605
Restricted:				
Stabilization for State statute	11,442,113	-	6,883,056	18,325,169
Restricted for Register of Deeds	137,557	-	-	137,557
Restricted, all other	1,140,136	9,495,837	9,171,318	19,807,291
Committed	106,760	-	6,749,919	6,856,679
Assigned for subsequent year's expenditures	7,218,696	-	-	7,218,696
Assigned, all other	192,162	-	11,155,898	11,348,060
Unassigned	40,236,496	-	(4,285,473)	35,951,023
<b>Total fund balances</b>	<b>61,116,538</b>	<b>9,495,837</b>	<b>29,912,969</b>	<b>100,525,344</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 73,091,923</b>	<b>\$ 65,822,560</b>	<b>\$ 43,334,632</b>	

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

**CLEVELAND COUNTY, NORTH CAROLINA****BALANCE SHEET - GOVERNMENTAL FUNDS****JUNE 30, 2023**

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

Total Fund Balance, Governmental Funds	\$ 100,525,344
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	137,976,757
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,525,768
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.	6,255,607
Long-term liabilities and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.	(51,421,919)
Net pension asset	117,448
Deferred outflows of resources related to pensions are not related in the funds.	20,999,136
Deferred outflows of resources related to OPEB are not related in the funds.	4,554,718
Some liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(266,644)
Deferred inflows of resources related to pensions are not related in the funds.	(1,347,767)
Deferred inflows of resources related to OPEB are not related in the funds.	(2,939,437)
Net pension liability	(28,802,254)
Total OPEB liability	(20,256,357)
Total pension liability	<u>(4,766,302)</u>
Net position of governmental activities	<u>\$ 163,154,098</u>

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

## CLEVELAND COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Major		Nonmajor	
		Justice		
	General	Center Campus	Other	Total
	Fund	Capital Project	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 75,473,828	\$ -	\$ 4,010,368	\$ 79,484,196
Local option sales taxes	21,817,017	-	6,452,788	28,269,805
Other taxes	1,414,888	-	142,799	1,557,687
Unrestricted intergovernmental revenues	436,041	-	-	436,041
Restricted intergovernmental revenues	26,093,172	9,927,544	25,096,983	61,117,699
Permits and fees	4,692,876	-	-	4,692,876
Sales and services	17,264,628	-	402,560	17,667,188
Investment earnings	2,032,728	-	505,064	2,537,792
Miscellaneous	968,740	-	1,538,062	2,506,802
Total revenues	150,193,918	9,927,544	38,148,624	198,270,086
<b>Expenditures:</b>				
General government	16,996,633	-	3,724,530	20,721,163
Public safety	41,920,996	7,499,950	6,070,128	55,491,074
Environmental protection	251,595	-	-	251,595
Economic and physical development	4,953,412	-	9,376,391	14,329,803
Human services	36,053,439	-	2,732,833	38,786,272
Cultural and recreational	1,347,783	-	-	1,347,783
Education	34,788,171	-	18,274,613	53,062,784
Insurance settlements	688,580	-	-	688,580
Debt service:				
Principal	1,240,648	-	7,173,832	8,414,480
Interest	30,455	-	1,324,845	1,355,300
Total expenditures	138,271,712	7,499,950	48,677,172	194,448,834
Revenues over (under) expenditures	11,922,206	2,427,594	(10,528,548)	3,821,252
<b>Other Financing Sources (Uses):</b>				
Installment financing issued	445,136	-	-	445,136
Lease and IT Subscriptions issued	1,811,004	-	1,151,026	2,962,030
Transfers from other funds	2,413,056	-	-	2,413,056
From General Fund	-	-	10,223,346	10,223,346
From Capital Reserve Fund	-	-	3,487,330	3,487,330
From School Capital Reserve	-	-	3,952,446	3,952,446
From Reimbursement Resolution	-	-	639,524	639,524
Transfers to other funds	(7,890,531)	-	(12,309,836)	(20,200,367)
Total other financing sources (uses)	(3,221,335)	-	7,143,836	3,922,501
Net change in fund balances	8,700,871	2,427,594	(3,384,712)	7,743,753
<b>Fund Balances:</b>				
Beginning of year - July 1	52,415,667	7,068,243	33,297,681	92,781,591
End of year - June 30	\$ 61,116,538	\$ 9,495,837	\$ 29,912,969	\$ 100,525,344

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, 2023

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	\$ 7,743,753
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.	490,686
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.	(153,002)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(164,910)
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	5,645,752
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	115,647
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	962,733
Pension expense (LEOSSA, LGERS, and ROD)	(8,850,035)
OPEB plan expense	(1,629,204)
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.	27,483,641
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(6,613,708)
Net gain/loss on the disposal of capital assets, not recognized on modified accrual basis.	(43,071)
Accrued interest that does not require current financial resources are not reported as expenditures in the governmental funds statement.	10,391
The issuance of long-term debt provides current financial resources to governmental funds, but does not effect net assets.	(3,407,165)
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.	<u>8,414,480</u>
Total change in net position of governmental activities	<u>\$ 30,005,988</u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			
	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 71,871,152	\$ 72,102,793	\$ 75,473,828	\$ 3,371,035
Local option sales taxes	18,000,000	18,000,000	21,817,017	3,817,017
Other taxes and licenses	785,000	785,000	1,414,888	629,888
Unrestricted intergovernmental revenues	225,000	225,000	436,041	211,041
Restricted intergovernmental revenues	18,052,850	28,342,074	26,093,172	(2,248,902)
Permits and fees	4,521,200	4,521,200	4,692,876	171,676
Sales and services	10,654,554	15,156,580	17,264,628	2,108,048
Investment earnings	253,000	253,000	2,032,728	1,779,728
Miscellaneous	2,125,602	2,210,634	968,740	(1,241,894)
Total revenues	126,488,358	141,596,281	150,193,918	8,597,637
<b>Expenditures:</b>				
General government	14,721,024	17,736,669	16,996,633	740,036
Public safety	33,557,131	41,503,819	41,920,996	(417,177)
Environmental protection	250,505	251,601	251,595	6
Economic and physical development	5,582,354	5,007,174	4,953,412	53,762
Human services	35,444,268	44,724,359	36,053,439	8,670,920
Cultural and recreational	1,460,554	1,662,377	1,347,783	314,594
Intergovernmental:				
Education	32,149,721	34,828,173	34,788,171	40,002
Risk management	1,332,718	1,596,910	688,580	908,330
Contingency	856,065	-	-	-
Debt service:				
Installment principal	899,000	1,113,525	1,240,648	(127,123)
Interest and other charges	-	-	30,455	(30,455)
Total expenditures	126,253,340	148,424,607	138,271,712	10,152,895
Revenues over (under) expenditures	235,018	(6,828,326)	11,922,206	18,750,532
<b>Other Financing Sources (Uses):</b>				
Sale of Capital assets	506,343	506,343	-	(506,343)
Installment financing issued	-	-	445,136	445,136
Lease and IT Subscriptions issued	-	-	1,811,004	1,811,004
Transfers from other funds	1,446,079	12,557,901	2,413,056	(10,144,845)
Transfers to other funds	(7,808,872)	(19,755,654)	(7,890,531)	11,865,123
Appropriated fund balance	5,621,432	13,519,736	-	(13,519,736)
Total other financing sources (uses)	(235,018)	6,828,326	(3,221,335)	(10,049,661)
Net change in fund balance	\$ -	\$ -	8,700,871	\$ 8,700,871
<b>Fund Balance:</b>				
Beginning of year - July 1			52,415,667	
End of year - June 30			\$ 61,116,538	

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

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2023

	<u>Major</u> <u>Solid Waste Fund</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 6,483,152
Accounts receivable, net	1,078,707
Prepaid items	184
Total current assets	<u>7,562,043</u>
Capital assets:	
Land and construction in progress	19,428,489
Other capital assets, net of depreciation	4,270,282
Total non-current assets	<u>23,698,771</u>
Total assets	<u>31,260,814</u>
<b>Deferred Outflow of Resources:</b>	
OPEB deferrals	239,722
Pension deferrals	1,032,624
Total deferred outflows of resources	<u>1,272,346</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	129,077
Accrued payroll	92,383
Current portion of compensated absences	18,003
Total current liabilities	<u>239,463</u>
Non-current liabilities:	
Other non-current liabilities:	
Accrued landfill closure and post-closure care costs	25,627,242
Compensated absences	162,024
Net pension liability	1,515,908
Total OPEB liability	1,066,124
Total non-current liabilities	<u>28,371,298</u>
Total liabilities	<u>28,610,761</u>
<b>Deferred Inflows of Resources:</b>	
Pension deferrals	31,116
OPEB deferrals	154,707
Total deferred outflows of resources	<u>185,823</u>
<b>Net Position:</b>	
Net investment in capital assets	23,698,771
Unrestricted	<u>(19,962,195)</u>
Total net position	<u>\$ 3,736,576</u>

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, 2023

	<u>Major</u>
	<u>Solid Waste</u>
	<u>Fund</u>
<b>Operating Revenues:</b>	
Charges for services	\$ 9,398,600
Unrestricted intergovernmental	872,370
Total operating revenues	<u>10,270,970</u>
<b>Operating Expenses:</b>	
Salaries and employee benefits	3,223,004
Other operating expenses	3,953,686
Landfill closure and post-closure care costs	938,740
Depreciation	1,002,038
Total operating expenses	<u>9,117,468</u>
Operating income (loss)	<u>1,153,502</u>
<b>Non-Operating Revenues (Expenses):</b>	
Interest income	244,253
Gain/(loss) on a sale	531
Total non-operating revenues (expenses)	<u>244,784</u>
Income (loss) before capital contributions and transfers	<u>1,398,286</u>
<b>Transfers:</b>	
Transfers out	<u>(515,335)</u>
Total Transfers	<u>(515,335)</u>
Change in net position	882,951
<b>Net Position:</b>	
Beginning of year - July 1	<u>2,853,625</u>
End of year - June 30	<u>\$ 3,736,576</u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Major</u>
	<u>Solid Waste Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 10,017,814
Cash paid for goods and services	(4,056,505)
Cash paid to employees for services	(3,036,988)
Net cash provided (used) by operating activities	<u>2,924,321</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Transfers out	(515,335)
Net cash provided (used) by non-capital financing activities	<u>(515,335)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(1,491,867)
Proceeds from sale of long-term asset	531
Net cash provided (used) for capital and related financing activities	<u>(1,491,336)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	<u>244,253</u>
Net increase (decrease) in cash and cash equivalents	1,161,903
<b>Cash and Cash Equivalents:</b>	
Beginning of year - July 1	<u>5,321,249</u>
End of year - June 30	<u><u>\$ 6,483,152</u></u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Major</u>
	<u>Solid Waste Fund</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ <u>1,153,502</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,002,038
Landfill closure and post-closure care costs	938,740
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(253,156)
Increase (decrease) in accounts payable and accrued liabilities	(102,635)
Increase (decrease) in prepaid expense	(184)
Increase (decrease) in accrued vacation pay	24,530
Increase (decrease) in net OPEB liability	(140,689)
(Increase) decrease in deferred outflows of resources - pensions	(455,793)
(Increase) decrease in deferred outflows of resources - OPEB	61,306
(Increase) in net pension liability	1,148,807
Decrease in deferred inflows of resources - pension	(566,605)
Increase in deferred inflows of resources - OPEB	114,460
Total adjustments	<u>1,770,819</u>
Net cash provided (used) by operating activities	<u>\$ 2,924,321</u>
Contributed capital assets	<u>\$ -</u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2023

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 399,593
Taxes receivable for other governments, net	965,748
Accounts receivable	<u>7,543</u>
Total assets	<u>1,372,884</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	6,358
Due to other governments	<u>291,472</u>
Total liabilities	<u>297,830</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>1,075,054</u>
Total fiduciary net position	<u>\$ 1,075,054</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Total Custodial Funds</b>
<b>Additions</b>	
Ad valorem taxes for other governments	\$ 24,116,188
Collections on behalf of inmates	800,929
Total additions	<u>24,917,117</u>
<b>Deductions</b>	
Tax distributions to other governments	24,123,309
Payments on behalf of inmates	771,178
Total deductions	<u>24,894,487</u>
Net increase (decrease) in fiduciary net position	22,630
Net position, beginning	<u>1,052,424</u>
Net position, ending	<u><u>\$ 1,075,054</u></u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

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

**Capital Project Funds.** The capital project funds account for financial resources to be used for the acquisition and construction for major capital facilities (other than those by proprietary funds, special assessments, or trust funds). The County has fifteen non-major capital project funds within the governmental fund types: County General Capital Projects Fund, Public Shooting Range, Economic Development, Enterprise Resource Planning, 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 Capital Project Fund, and Cleveland County Fair Capital Project Fund.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

### **Measurement Focus, Basis of Accounting**

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

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

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

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

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

# **CLEVELAND COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

governmental funds. Proceeds of general long-term debt acquisitions under leases and IT subscriptions are reported as other financing sources.

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

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

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

### **C. Budgetary Data**

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

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

# **CLEVELAND COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

#### **Deposits and Investments**

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

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

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

#### **Cash and Cash Equivalents**

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

#### **Restricted Assets**

Money for Tax Revaluation is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Reserve Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22. 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Governmental Activities

Fund	Purpose	Amount
General Fund	Unspent grant proceeds	\$ 286,997
School Capital Reserve Fund	Restricted for school capital	5,953,292
American Rescue Plan Fund	Unspent grant proceeds	7,368,091
Opioid Settlement Funds	Unspent Settlement Proceeds	935,063
Cleveland County Fair Capital Project Fund	Unspent grant proceeds	967,636
Justice Center Campus Capital Project Fund	Unspent grant proceeds	55,222,456
Total		<u>\$ 70,733,535</u>

### Ad Valorem Taxes Receivable

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, 2022. 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.

### 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.

# **CLEVELAND COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **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 follows for the year ended June 30, 2017: land, \$10,000; buildings, improvements, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; computer software, \$5,000; and computer equipment, \$500. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

### **Long-Term Obligations**

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

### **Compensated Absences**

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

The overtime policy of the County provides for the accumulation of up to sixty days (480 hours) for non-exempt public safety employees and up to thirty days for all other non-exempt employees. Non-exempt employees will earn compensatory hours at the rate of one and one-half the number of hours worked above forty hours during a specific week. Exempt employees earn 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. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Opiod Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to county Incentive Fund

The County received \$935,063 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County has not made a determination as to the method they will use as of June 30, 2023.

### 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. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined. \$9,512,529 was transferred to the General Fund from the ARPA Fund for Revenue replacement in FY 2021-22 and \$1,790,158 was transferred in FY 2022-23.

### 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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

be recognized as revenue until then. The County has five items that meet the criteria for this category – property taxes receivable, prepaid taxes, other receivables, pension and OPEB related deferrals.

### **Estimates**

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

### **Net Position/Fund Balances**

#### **Net Position**

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

#### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

#### **Non-Spendable Fund Balance**

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

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

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

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

#### **Restricted Fund Balance**

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

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Restricted fund balance at June 30, 2023 is as follows:

		Justice Center	Other	
	General	Campus Capital	Governmental	Total
<u>Purpose</u>	<u>Fund</u>	<u>Project Fund</u>	<u>Funds</u>	<u>Restricted</u>
Public safety	\$ 504,721	\$ 9,495,837	\$ 2,282,280	\$ 12,282,838
Economic and physical development	26,958	-	683	27,641
Human services	358,751	-	935,063	1,293,814
Cultural and recreation	249,706	-	-	249,706
Education	-	-	5,953,292	5,953,292
Total	<u>\$ 1,140,136</u>	<u>\$ 9,495,837</u>	<u>\$ 9,171,318</u>	<u>\$ 19,807,291</u>

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

### Committed Fund Balance

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

*Committed for Economic and Physical Development* – portion of fund balance committed by the governing board economic development projects.

*Committed for Cultural and Recreational* – portion of fund balance committed for the Shooting Range project.

*Committed for Public Safety* – portion of fund balance committed for Inmates and various donations for specific uses.

Committed fund balance at June 30, 2023 is as follows:

	General	Other	Total
<u>Purpose</u>	<u>Fund</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Committed:			
Cultural & recreational	\$ -	\$ 1,181	\$ 1,181
Public Safety	106,760	-	106,760
Economic and physical development	-	6,748,738	6,748,738
Total	<u>\$ 106,760</u>	<u>\$ 6,749,919</u>	<u>\$ 6,856,679</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Cleveland County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Finance Director, as granted in the officially adopted budget ordinance, have been granted limited authority to assign 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, 2023 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Assigned:			
Subsequent year's expenditures	\$ 7,218,696	\$ -	\$ 7,218,696
General government	-	4,950,000	4,950,000
Public safety	33,645	-	33,645
Risk management operations	156,813	-	156,813
Economic and physical development	1,704	-	1,704
Debt service	-	6,205,898	6,205,898
Total	<u>\$ 7,410,858</u>	<u>\$ 11,155,898</u>	<u>\$ 18,566,756</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Unassigned Fund Balance

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	\$ 61,116,538
Less:	
Inventories	(219,264)
Prepays	(423,354)
Stabilization by State statute	<u>(11,442,113)</u>
Total available fund balance	<u>\$ 49,031,807</u>

### 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Net Investment in Capital Assets:

Net investment in capital assets at June 30, 2023 are computed as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets and Right to Use assets	\$ 143,028,293	\$ 23,698,771
Less: Long-term debt	(46,768,880)	-
Add: School debt for assets to which the County does not hold title	5,376,825	-
Total	<u>\$ 101,636,238</u>	<u>\$ 23,698,771</u>

## 2. Stewardship, Compliance, and Accountability

### Noncompliance with North Carolina General Statutes

#### Excess of Expenditures over Appropriations

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

General Fund	
Administration	\$ 20,858
Finance	1,254
Human Resources	133,615
Sheriff	742,234
Emergency Medical Services	473,046
Emergency Communications	114
Emergency Medical	27,910
Debt Service	157,578
Representative Payee Fund	9,711
General Capital Project Fund	751,383

The majority of the over-expenditures in the General Fund and General Capital Project Fund related to recording first year balances of new loan proceeds, lease proceeds, or IT subscription proceeds. There was an oversight in the requirement to record the entire proceeds and capital outlay associated with these agreements at inception. The over-expenditure in the Representative Payee Fund was an oversight.

#### Timeliness of Audit

The audit was submitted almost three months after the original due date of October 31, 2023 as a result of turnover in the finance staff.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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, 2023, the County's deposits had a carrying amount of \$75,457,299 and a bank balance of \$75,815,026. Of the bank balance, \$802,746 was covered by federal depository insurance, and \$75,012,280 was covered by collateral held under the Pooling Method. At June 30, 2023, the County had \$22,281 cash on hand.

##### Investments

At June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years
U.S. government agencies	Fair Value - Level 2	\$ 21,601,505	\$ 7,377,195	\$ 11,759,155	\$ 2,465,155
NC Capital Management					
Trust - Government Portfolio	Amortized cost	44,707,005	44,707,005	-	-
Commercial paper	Fair Value - Level 2	21,880,770	14,192,622	7,688,148	-
Total		<u>\$ 88,189,280</u>	<u>\$ 66,276,822</u>	<u>\$ 19,447,303</u>	<u>\$ 2,465,155</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, the County's investments in commercial paper were rated P-1 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 AAAm by Standard & Poor's and AAA-mf by Moody's Investors Services as of June 30, 2023. 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, 2023.

### **Concentration of Credit Risk.**

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

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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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.

<b>Tax Year Levied</b>	<b>Additional Tax</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,736,948	\$ -	\$ 1,736,948
2022	1,710,719	98,366	1,809,085
2021	1,687,901	248,965	1,936,866
2020	1,659,889	394,224	2,054,113
Total	<u>\$ 6,795,457</u>	<u>\$ 741,555</u>	<u>\$ 7,537,012</u>

### Receivables

Receivables at the government-wide level at June 30, 2023 were as follows:

	<b>Accounts</b>	<b>Taxes</b>	<b>Lease Receivable</b>	<b>Due from Other Governments</b>	<b>Total</b>
<b>Governmental Activities:</b>					
General	\$ 18,752,486	\$ 3,050,188	\$ 1,748	\$ 399,678	\$ 22,202,352
Other governmental	6,883,056	141,255	-	-	7,024,311
Total receivables	25,635,542	3,191,443	1,748	399,678	29,226,663
Allowance for doubtful accounts	(4,338,641)	(512,926)	-	-	(4,851,567)
Total governmental activities	<u>\$ 21,296,901</u>	<u>\$ 2,678,517</u>	<u>\$ 1,748</u>	<u>\$ 399,678</u>	<u>\$ 24,375,096</u>
<b>Business-Type Activities:</b>					
Solid waste	\$ 1,228,344	\$ -	\$ -	\$ -	\$ 1,228,344
Allowance for doubtful accounts	(149,637)	-	-	-	(149,637)
Total business-type activities	<u>\$ 1,078,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,078,707</u>

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

Sales and Use Tax	<u>\$ 399,678</u>
-------------------	-------------------

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Lease Receivables

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Cleveland County, NC entered into a 27 month lease as Lessor for the use of 315 East Graham St. An initial lease receivable was recorded in the amount of \$227,252. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$8,303. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of 06/30/2023 was \$126,251, and Cleveland County recognized lease revenue of \$58,917 during the fiscal year. The lessee had a termination period of 4 months as of the lease commencement.

On 07/01/2021, Cleveland County, NC entered into a 25 month lease as Lessor for the use of O Fielding Drive. An initial lease receivable was recorded in the amount of \$37,825. As of 06/30/2023, the value of the lease receivable is \$1,748. The lessee is required to make monthly fixed payments of \$1,521. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of 06/30/2023 was \$19,693, and Cleveland County recognized lease revenue of \$20,862 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

Fiscal Year	Principal and Interest Expected to Maturity		
	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 1,748	\$ 1	\$ 1,749
	\$ 1,748	\$ 1	\$ 1,749

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 18,415,003	\$ 462,273	\$ (20,945)	\$ -	\$ 18,856,331
Construction in progress	7,009,389	20,103,124	(5,710,212)	-	21,402,301
Total non-depreciable capital assets	<u>25,424,392</u>	<u>20,565,397</u>	<u>(5,731,157)</u>	<u>-</u>	<u>40,258,632</u>
<b>Depreciable Capital Assets:</b>					
Buildings	119,734,426	4,176,900	-	-	123,911,326
Vehicles and motor equipment	31,803,179	6,068,417	(757,749)	-	37,113,847
Leasehold improvements	425,178	-	-	-	425,178
Infrastructure	6,740,713	-	-	-	6,740,713
Total depreciable capital assets	<u>158,703,496</u>	<u>10,245,317</u>	<u>(757,749)</u>	<u>-</u>	<u>168,191,064</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	34,572,611	2,978,326	-	-	37,550,937
Vehicles and motor equipment	24,134,615	3,266,559	(735,623)	-	26,665,551
Leasehold improvements	345,898	14,173	-	-	360,071
Infrastructure	5,541,730	354,650	-	-	5,896,380
Total accumulated depreciation	<u>64,594,854</u>	<u>6,613,708</u>	<u>(735,623)</u>	<u>-</u>	<u>70,472,939</u>
Total depreciable capital assets	<u>94,108,642</u>	<u>3,631,609</u>	<u>(22,126)</u>	<u>-</u>	<u>97,718,125</u>
<b>Capital Assets being Amortized:</b>					
Right to use assets:					
Leased Equipment	72,582	1,380,823	-	-	1,453,405
Leased Easements	37,961	-	-	-	37,961
IT Subscriptions	39,267	1,620,844	-	-	1,660,111
Total capital assets being amortized	<u>149,810</u>	<u>3,001,667</u>	<u>-</u>	<u>-</u>	<u>3,151,477</u>
<b>Less Accumulated Amortization:</b>					
Right to use assets:					
Leased Equipment	4,718	267,322	-	-	272,040
Leased Buildings	2,462	2,462	-	-	4,924
IT Subscriptions	-	348,745	-	-	348,745
Total accumulated amortization	<u>7,180</u>	<u>618,529</u>	<u>-</u>	<u>-</u>	<u>625,709</u>
Total capital assets being amortized, net	<u>142,630</u>	<u>2,383,138</u>	<u>-</u>	<u>-</u>	<u>2,525,768</u>
Governmental activities capital assets, net	<u>\$ 119,675,664</u>	<u>\$ 26,580,144</u>	<u>\$ (5,753,283)</u>	<u>\$ -</u>	<u>\$ 140,502,525</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

General government	\$ 1,387,403
Public safety	3,266,176
Economic and physical development	19,770
Human services	978,722
Cultural and recreational	291,954
Education	1,288,212
Total	<u>\$ 7,232,237</u>

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
<b>Business-Type Activities:</b>					
<b>Solid Waste:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 18,956,452	\$ -	\$ -	\$ -	\$ 18,956,452
Construction in progress	472,037	-	-	-	472,037
Total non-depreciable capital assets	<u>19,428,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,428,489</u>
<b>Depreciable Capital Assets:</b>					
Buildings	1,238,863	-	-	-	1,238,863
Equipment and vehicles	11,361,366	1,474,693	-	-	12,836,059
Leasehold improvements	16,518	-	-	-	16,518
Infrastructure	4,283,007	-	-	-	4,283,007
Total depreciable capital assets	<u>16,899,754</u>	<u>1,474,693</u>	<u>-</u>	<u>-</u>	<u>18,374,447</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	515,486	31,413	-	-	546,899
Equipment and vehicles	8,407,714	942,743	-	-	9,350,457
Leasehold improvements	13,441	551	-	-	13,992
Infrastructure	4,182,660	10,158	-	-	4,192,818
Total accumulated depreciation	<u>13,119,301</u>	<u>984,865</u>	<u>-</u>	<u>-</u>	<u>14,104,166</u>
Total depreciable capital assets, net	<u>3,780,453</u>	<u>489,828</u>	<u>-</u>	<u>-</u>	<u>4,270,281</u>
Solid Waste capital assets, net	<u>\$ 23,208,942</u>	<u>\$ 489,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,698,770</u>

### Construction Commitments

Cleveland County has active construction projects as of June 30, 2023. 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, 2023, the government's commitments with contractors are as follows:

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Cleveland County Justice Center <sup>1</sup>	\$ 12,125,026	\$ 173,874,974
E911 Communications & Emergency Operations Joint Center <sup>2</sup>	225,892	7,061,864
Election Department - Renovations <sup>3</sup>	293,902	750,000
	<u>\$ 12,644,820</u>	<u>\$ 181,686,838</u>

<sup>1</sup> = assumes Remaining Commitment based on project budget. Guaranteed Maximum Price (GMP) scheduled to be delivered February 27, 2024.

<sup>2</sup> = assumes Remaining Commitment based on project budget. Construction bids are projected to be received no later than the second quarter of 2024.

<sup>3</sup> = assumes Remaining Commitment based on project budget. Construction bids are projected to be received no later than the end of the first quarter of 2024.

### B. Liabilities

#### Payables

Payables at the government-wide level at June 30, 2023 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 3,462,314	\$ 2,213,080	\$ 266,644	\$ 754,907	\$ 6,696,945
Other governmental	4,737,626	-	-	-	4,737,626
Total governmental activities	<u>\$ 8,199,940</u>	<u>\$ 2,213,080</u>	<u>\$ 266,644</u>	<u>\$ 754,907</u>	<u>\$ 11,434,571</u>
<b>Business-Type Activities:</b>					
Solid Waste	<u>\$ 129,077</u>	<u>\$ 92,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,460</u>

### Pension Plan and Other Postemployment Obligations

#### 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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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](http://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, 2023, was 13.04% of compensation for law enforcement officers and 12.10% 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 \$5,933,317 for the year ended June 30, 2023.

*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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, the County reported a liability of \$30,318,162 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was .537%, which was an increase of .02942% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$8,437,552. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,306,382	\$ 128,083
Changes of assumptions	3,025,073	-
Net difference between projected and actual earnings on pension plan investments	10,020,470	-
Changes in proportion and differences between County contributions and proportionate share of contributions	367,247	494,230
County contributions subsequent to the measurement date	5,933,317	-
Total	<u>\$ 20,652,489</u>	<u>\$ 622,313</u>

\$5,933,317 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's or governmental nonemployer contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

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

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 4,305,849
2025	3,776,035
2026	1,241,035
2027	4,773,940
2028	-
Thereafter	-
Total	<u>\$ 14,096,859</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 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, 2021 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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation protection	<u>6.0%</u>	2.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 54,720,378</u>	<u>\$ 30,318,162</u>	<u>\$ 10,209,319</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

### **Law Enforcement Officers' Special Separation Allowance**

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of 117 active plan members and 20 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, 2021 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	4.31 percent

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

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The actuarial assumptions used in the December 31, 2021 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 \$230,835 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, 2023, the County reported a total pension liability of \$4,766,302. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$819,958.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 641,396	\$ -
Changes in assumptions	553,557	735,937
County benefit payments and plan administrative expenditures paid subsequent to the measurement date	<u>115,647</u>	<u>-</u>
Total	<u><u>\$ 1,310,600</u></u>	<u><u>\$ 735,937</u></u>

The County paid \$115,647 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 241,269
2025	220,780
2026	101,061
2027	(49,258)
2028	(47,683)
Thereafter	<u>(7,153)</u>
Total	<u><u>\$ 459,016</u></u>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	<b>1% Decrease (3.31%)</b>	<b>Discount Rate (4.31%)</b>	<b>1% Increase (5.31%)</b>
Total pension liability	<u><u>\$ 5,154,230</u></u>	<u><u>\$ 4,766,302</u></u>	<u><u>\$ 4,414,803</u></u>

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

	<u>2023</u>
Beginning balance	\$ 4,617,362
Service Cost	275,372
Interest on the total pension liability	101,294
Changes of benefit terms	296,360
Differences between expected and actual experience in the measurement of the total pension liability	480,884
Changes of assumptions or other inputs	(774,135)
Benefit payments	<u>(230,835)</u>
Net changes	<u>148,940</u>
Ending balance of the total pension liability	<u><u>\$ 4,766,302</u></u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at June 30, 2021 to 4.31 percent at June 30, 2022.

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, 2021 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**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, 2023, were \$762,217, which consisted of \$476,261 from the County and \$285,956 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](http://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 \$9,101 for the year ended June 30, 2023.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 905	\$ 2,129
Changes of assumptions	6,218	-
Net difference between projected and actual earnings on pension plan investments	48,815	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,632	18,504
County contributions subsequent to the measurement date	9,101	-
Total	<u>\$ 68,671</u>	<u>\$ 20,633</u>

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

At June 30, 2023, the County reported an asset of \$117,448 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was .887%, which was an increase of .1352% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$15,592. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 905	\$ 2,129
Changes of assumptions	6,218	-
Net difference between projected and actual earnings on pension plan investments	48,815	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,632	18,504
County contributions subsequent to the measurement date	9,101	-
Total	<u>\$ 68,671</u>	<u>\$ 20,633</u>

\$9,101 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, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	
2024	\$ 8,848
2025	1,561
2026	16,251
2027	12,277
2028	-
Thereafter	-
Total	<u>\$ 38,937</u>

*Actuarial Assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 to 8.25
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.

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The actuarial assumptions used in the December 31, 2021, 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, 2023 is 1.4%.

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 3.75%. 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:

	<b>1% Decrease (2.00%)</b>	<b>Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (82,968)</u>	<u>\$ (117,448)</u>	<u>\$ (146,482)</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

*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, 2022, 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, 2022, with an actuarial valuation date of December 31, 2021. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 30,318,162	\$ (117,448)	\$ -	\$ 30,200,714
Proportion of the Net Pension Liability (Asset)	0.537%	0.887%	NA	
Total Pension Liability	\$ -	\$ -	\$ 4,766,302	\$ 4,766,302
Pension Expense	\$ 8,437,552	\$ 15,592	\$ 819,958	\$ 9,273,102

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 1,306,382	\$ 641,396	\$ 905	\$ 1,948,683
Changes in assumptions	3,025,073	553,557	6,218	3,584,848
Net difference between projected and actual earnings on pension plan investments	10,020,470	-	48,815	10,069,285
Changes in proportion and differences between County contributions and proportionate share of contributions	367,247	-	3,632	370,879
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,933,317	115,647	9,101	6,058,065
	<u>\$ 20,652,489</u>	<u>\$ 1,310,600</u>	<u>\$ 68,671</u>	<u>\$ 22,031,760</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 128,083	\$ -	\$ 2,129	\$ 130,212
Changes in assumptions	-	735,937	-	735,937
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	494,230	-	18,504	512,734
	<u>\$ 622,313</u>	<u>\$ 735,937</u>	<u>\$ 20,633</u>	<u>\$ 1,378,883</u>

### Post-Employment Benefits

#### Other Post-Employment Benefits - Healthcare Benefits

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

Membership of the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	137
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>322</u>
Total	<u>459</u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Total OPEB Liability

The County's total OPEB liability of \$21,322,481 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 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	3.54 percent
Healthcare cost trend rates	Pre-Medicare - 7.00 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2031

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

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2021</b>	<b>\$ 24,136,254</b>
<b>Changes for the year</b>	
Service Cost	607,548
Interest	525,551
Differences between expected and actual experience	(745,312)
Changes in assumptions or other inputs	(2,371,645)
Benefit Payments	(829,915)
Net changes	<u>(2,813,773)</u>
<b>Balance at June 30, 2022</b>	<b><u>\$ 21,322,481</u></b>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 2.16% to 3.54%.

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 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, 2021 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2021 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Discount Rate</u> <u>(3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
Total OPEB liability	<u>\$ 23,010,742</u>	<u>\$ 21,322,481</u>	<u>\$ 19,785,436</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 19,445,896</u>	<u>\$ 21,322,481</u>	<u>\$ 23,476,677</u>

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$1,629,204. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 1,317,955	\$ 777,634
Changes of assumptions	2,436,082	2,316,510
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,013,403</u>	<u>-</u>
Total	<u>\$ 4,767,440</u>	<u>\$ 3,094,144</u>

\$1,013,403 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, 2024.

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2024	\$ 500,312
2025	516,684
2026	218,768
2027	(366,899)
2028	(208,972)
Thereafter	-
Total	<u>\$ 659,893</u>

#### Landfill Closure and Post-Closure Care Costs

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

The \$25,627,242 reported as landfill post-closure care liability at June 30, 2023 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 2023. 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Deferred Outflows and Inflows of Resources

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension deferrals	\$ 22,031,760	\$ 1,378,883
OPEB deferrals	4,794,440	3,094,144
Prepaid taxes, not yet earned (General)	-	248,002
Leases (General)	-	1,796
Taxes receivable, net less penalties (General)	-	2,537,262
Taxes receivable, net less penalties (Special Revenue)	-	141,255
Other receivable (General Fund)	-	3,575,294
Total	<u>\$ 26,826,200</u>	<u>\$ 10,976,636</u>

### Risk Management

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds that are performance bonded through a commercial surety bond. The Finance Director and Tax Collector are bonded for \$200,000 and \$1,000,000, respectively. 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 3<sup>rd</sup> 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 \$600,000 per claim and purchases coverage up to statutory limits through Safety National Casualty Corporation. Cleveland County contracts with Specialized Contract Administrators as an independent 3<sup>rd</sup> party administrator for workers compensation. The estimated liability for outstanding losses includes \$92,398, for incurred but unpaid claims as of June 30, 2023.

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

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

contract executed with an insurance carrier covers claims in excess of \$125,000 per person. The estimated liability for outstanding losses includes \$333,433 for incurred but unrecorded claims as of June 30, 2023. 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 \$1,025 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:

	<b>Year Ending June 30</b>	
	<b><u>2022</u></b>	<b><u>2023</u></b>
Health	\$ 401,470	\$ 333,433
Workers' compensation	176,154	421,474
Total	<u>\$ 577,624</u>	<u>\$ 754,907</u>

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

#### **Claims and Judgments**

At June 30, 2023, 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 06/30/2023, the value of the lease liability is \$43,541. 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 06/30/2023 of \$72,582 with accumulated amortization of \$19,234 is included with Leased Equipment on the Capital Asset schedule.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 06/30/2023, the value of the lease liability is \$33,661. 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 06/30/2023 of \$37,961 with accumulated amortization of \$4,925 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 Tasar. An initial lease liability was recorded in the amount of \$1,205,439. As of 06/30/2023, the value of the lease liability is \$958,138. 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 06/30/2023 of \$1,205,439 with accumulated amortization of \$240,552 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 06/30/2023, the value of the lease liability is \$52,463. 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 06/30/2023 of \$70,468 with accumulated amortization of \$2,936 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 06/30/2023, the value of the lease liability is \$51,685. 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 06/30/2023 of \$65,279 with accumulated amortization of \$9,318 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, 2023, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 280,802	\$ 20,182	\$ 300,984
2025	282,811	18,173	300,984
2026	288,788	12,196	300,984
2027	261,902	6,092	267,994
2028	2,427	501	2,928
2029-2033	13,469	1,757	15,226
2034-2038	9,291	372	9,663
Total	<u>\$ 1,139,490</u>	<u>\$ 59,273</u>	<u>\$ 1,198,763</u>

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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. \$ 742,781

\$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 7,682,000

\$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. 3,150,000

\$6,000,000 - Public Safety Communication Equipment, Series 2007; due in annual installments of \$400,000 through December 2022; interest payable BB&T at 3.93% from 2007-2010; 3.46% 2011-2013; 2.27% 2014-2022 -

\$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 821,825

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

\$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	27,072,000
\$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	225,514
\$445,136 - Stryker; due in three annual installments of \$161,588 plus sales tax and interest at 8.10%. Loan is collateralized by equipment. Final payment is due in February 2025.	<u>286,429</u>
<b>Total direct placement</b>	<u><u>\$ 39,980,549</u></u>

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

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Year Ending June 30	<u>Installment Financing</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,040,099	\$ 880,487
2025	5,056,949	739,722
2026	4,290,106	613,886
2027	3,597,319	522,310
2028	4,669,132	429,112
2029-2033	16,123,944	739,890
2034-2038	203,000	4,253
Total	<u>\$ 39,980,549</u>	<u>\$ 3,929,660</u>

### Limited Obligation Indebtedness

The County's Limited Obligation Bonds consisted of the following at June 30, 2023:

#### Limited Obligation Bonds

\$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

\$ 4,555,000

Total General Obligation and Limited Obligation Bonds

\$ 4,555,000

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, 2023 for which the County held no collateral totaled \$4,555,000.

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

## CLEVELAND COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023 are:

<b>Year Ending</b>		
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 1,135,000	\$ 263,406
2025	1,140,000	200,754
2026	1,140,000	133,836
2027	1,140,000	66,918
2028	-	-
Total	<u>\$ 4,555,000</u>	<u>\$ 664,914</u>

#### Subscriptions

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, the County entered into a 23 month subscription for the use of Revize Web Service. An initial subscription liability was recorded in the amount of \$1,176. As of 06/30/2023, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$1,200. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$4,876 with accumulated amortization of \$2,540 is included with IT Subscriptions on the Capital Asset schedule.

## **CLEVELAND COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

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 06/30/2023, the value of the subscription liability is \$28,669. 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 06/30/2023 of \$55,648 with accumulated amortization of \$18,828 is included with IT Subscriptions on the Capital Asset schedule. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 72 month subscription for the use of EMS' Office 365 Software. An initial subscription liability was recorded in the amount of \$130,027. As of 06/30/2023, the value of the subscription liability is \$91,307. 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 06/30/2023 of \$130,027 with accumulated amortization of \$21,611 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 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 06/30/2023, the value of the subscription liability is \$21,227. 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 06/30/2023 of \$30,861 with accumulated amortization of \$6,799 is included with IT Subscriptions on the Capital Asset schedule.

On 07/01/2022, the County entered into a 17 month subscription for the use of Reimbursement Optimization Software. An initial subscription liability was recorded in the amount of \$17,859. As of 06/30/2023, the value of the subscription liability is \$0.00. The County is required to make annual fixed payments of \$18,000. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$19,359 with accumulated amortization of \$13,250 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 06/30/2023, 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 06/30/2023 of \$16,000. with accumulated amortization of \$3,200 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 06/30/2023, the value of the subscription liability is \$28,212. 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 06/30/2023 of \$87,212 with accumulated amortization of \$17,279 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 HUMANRESOURCESTAINING PLATFORM. An initial subscription liability was recorded in the amount of \$139,707. As of 06/30/2023, the value of the subscription liability is \$106,162. 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 06/30/2023 of \$151,181 with

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

accumulated amortization of \$50,394 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 12 months. The County had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, the County entered into a 13 month subscription for the use of TnTech Software. An initial subscription liability was recorded in the amount of \$10,403. As of 06/30/2023, the value of the subscription liability is \$1,497. The County is required to make monthly fixed payments of \$801. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$10,403 with accumulated amortization of \$8,939 is included with IT Subscriptions on the Capital Asset schedule. The County had a termination period of 2 months as of the subscription commencement.

On 07/01/2022, the County entered into a 43 month subscription for the use of TCP Software. An initial subscription liability was recorded in the amount of \$116,646. As of 06/30/2023, the value of the subscription liability is \$80,369. 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 06/30/2023 of \$120,164 with accumulated amortization of \$33,508 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 06/30/2023, the value of the subscription liability is \$736,401. 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 06/30/2023 of \$1,034,379 with accumulated amortization of \$172,397 is included with IT Subscriptions on the Capital Asset schedule. The County has 1 extension option(s), each for 36 months.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 285,703	\$ 22,680	\$ 308,383
2025	274,920	16,674	291,594
2026	177,250	10,877	188,127
2027	173,472	7,256	180,728
2028	182,499	3,729	186,228
Total	<u>\$ 1,093,844</u>	<u>\$ 61,216</u>	<u>\$ 1,155,060</u>

**Debt Related to Capital Activities** - Of the total governmental activities debt listed, only \$41,392,055 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:

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Long-Term Obligation Activity

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
<b>Governmental Activities:</b>					
Limited obligation bonds	\$ 5,690,000	\$ -	\$ (1,135,000)	\$ 4,555,000	\$ 1,135,000
Direct placement					
installment purchases	45,992,996	445,136	(6,457,583)	39,980,549	6,040,415
Lease Liabilities	93,198	1,341,185	(294,895)	1,139,488	280,802
IT Subscription Liabilities		1,620,844	(527,001)	1,093,843	285,703
Compensated absences	4,488,129	2,824,403	(2,659,493)	4,653,039	465,304
Total OPEB Liability	22,929,441	-	(2,673,084)	20,256,357	-
Net pension liability (LGERS)	7,430,928	21,371,326	-	28,802,254	-
Total Pension Liability (LEO)	4,617,362	148,940	-	4,766,302	-
Total governmental activities	<u>\$ 99,186,720</u>	<u>\$ 27,751,834</u>	<u>\$ (13,747,056)</u>	<u>\$ 105,246,832</u>	<u>\$ 8,207,224</u>
<b>Business-Type Activities:</b>					
Accrued landfill closure and					
post-closure care cost	\$ 24,688,502	\$ 938,740	\$ -	\$ 25,627,242	\$ -
Total OPEB Liability	1,206,813	-	(140,689)	1,066,124	-
Net pension liability (LGERS)	367,101	1,148,807	-	1,515,908	-
Compensated absences	155,498	108,542	(84,014)	180,026	18,003
Total business-type activities	<u>\$ 26,486,414</u>	<u>\$ 2,196,089</u>	<u>\$ (224,703)</u>	<u>\$ 28,389,300</u>	<u>\$ 18,003</u>

At June 30, 2023, the County had no bonds authorized, but unissued, and a legal debt margin available of \$839,328,865.

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

### Conduit Debt Obligations

Cleveland County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private business owners involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. As of June 30, 2022, 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.

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Interfund Balances and Activity

Transfers to/from other funds at June 30, 2023 consist of the following:

	Transfers		Purpose
	From	To	
General Fund	\$ 10,223,346	\$ -	
Capital Reserve Fund		3,696,315	Fund capital expansion
School Capital Reserve Fund	-	2,332,815	Fund capital expansion
Debt Service		4,194,216	Debt service
Capital Reserve Fund	3,487,330		
County General Capital Project Fund		2,126,431	Fund capital expansion
Public Shooting Range Capital Project Fund		219,507	Fund capital expansion
Board of Elections Capital Project Fund		252,977	Fund capital expansion
DSS Relocation Project Fund		692,459	Fund capital expansion
E911 Call Center Project Fund		95,956	Fund capital expansion
Fair Enhancement Capital Project Fund		100,000	Fund capital expansion
Reimbursement Resolution Capital Project Fund	639,524		
Economic Development Capital Project Fund		69,600	Fund capital expansion
Enterprise Resource Planning Capital Project Fund		163,643	Fund capital expansion
CCHD Erosion Control Project		377,047	Fund capital expansion
Broad River Greenway Improvement Project		29,234	Fund capital expansion
School Capital Reserve	6,392,824		
Debt Service Fund		3,952,446	Debt service
General Fund		2,440,378	Capital allotment
ARPA Grant Fund	1,790,158		
General Fund		1,790,158	Revenue replacement
Solid Waste	515,335		
General Fund	-	515,335	Environmental health expense
Total	<u>\$ 24,838,675</u>	<u>\$ 24,838,675</u>	

# CLEVELAND COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Balances due to / from other funds at June 30, 2023, consists of the following:

	<u>From</u>	<u>To</u>	<u>Purpose</u>
General Fund	\$ 207,035	\$ -	
Capital Project Fund		135,473	To cover negative cash
911 Call Center Project		71,562	To cover negative cash

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

### 3. Joint Ventures

The County, in conjunction with the State of North Carolina and Cleveland County Board of Education, participates in a joint venture to operate Cleveland Community College ("Community College"). Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The President of the Community College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College, because of the statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,578,872 to the Community College for operational expenses and \$480,000 for capital expenditures during the fiscal year ended June 30, 2023. In addition, the County made debt service payments of \$381,614.44, including interest, during the year ended June 30, 2023, 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, 2023. 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 \$46,167 during the fiscal year ended June 30, 2023.

# **CLEVELAND COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **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. Restatement**

The County has implemented GASB 96, *Subscription Based Information Technology (IT) Agreements*, as described in the notes above. As a result of this implementation, the County has reported beginning Right to Use IT Subscription Assets of \$39,267, which resulted in an increase in net position for Governmental Activities on the Government-wide Statement of Net Position of \$39,267 for prior year implementation costs.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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

***This page was left blank intentionally.***



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

	<b>Local Government Employees' Retirement System</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cleveland County's proportion of the net pension liability (asset) (%)	0.537%	0.508%	0.529%	0.561%	0.519%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ 30,318,162	\$ 7,798,029	\$ 18,887,343	\$ 15,333,035	\$ 12,306,761
Cleveland County's covered payroll	\$ 39,607,119	\$ 34,824,337	\$ 36,908,124	\$ 37,041,797	\$ 34,564,877
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.55%	22.39%	51.17%	41.39%	35.60%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	92.00%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cleveland County's proportion of the net pension liability (asset) (%)	0.521%	0.524%	0.508%	0.505%	0.51%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ 7,964,020	\$ 11,123,372	\$ 2,280,098	\$ (2,980,225)	\$ 6,170,361
Cleveland County's covered payroll	\$ 32,605,693	\$ 31,210,450	\$ 32,420,724	\$ 28,823,692	\$ 28,450,403
Cleveland County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	24.43%	35.64%	7.03%	( 10.34%)	21.69%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

\* 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**

<b>Local Government Employees' Retirement System</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 5,933,317	\$ 4,523,537	\$ 3,563,065	\$ 3,331,205	\$ 2,914,078
Contributions in relation to the contractually required contribution	<u>5,933,317</u>	<u>4,523,537</u>	<u>3,563,065</u>	<u>3,331,205</u>	<u>2,914,078</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cleveland County's covered payroll	\$ 48,379,250	\$ 39,607,119	\$ 34,824,337	\$ 36,908,124	\$ 37,041,797
Contributions as a percentage of covered payroll	12.26%	11.42%	10.23%	9.03%	7.87%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 2,629,021	\$ 2,403,167	\$ 2,108,026	\$ 2,119,306	\$ 2,032,123
Contributions in relation to the contractually required contribution	<u>2,629,021</u>	<u>2,403,167</u>	<u>2,108,026</u>	<u>2,119,306</u>	<u>2,032,123</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cleveland County's covered payroll	\$ 34,564,877	\$ 32,605,693	\$ 31,210,450	\$ 32,420,724	\$ 28,823,692
Contributions as a percentage of covered payroll	7.61%	7.37%	6.75%	6.54%	7.05%

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

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

<b>Registers of Deeds' Supplemental Pension Fund</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cleveland County's proportion of the net pension liability (asset) (%)	0.887%	0.752%	0.805%	0.816%	0.806%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ (117,448)	\$ (144,455)	\$ (184,499)	\$ (161,170)	\$ (133,496)
Plan fiduciary net position as a percentage of the total pension	139.04%	156.53%	173.62%	164.11%	153.31%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cleveland County's proportion of the net pension liability (asset) (%)	0.704%	0.659%	0.670%	0.640%	0.70%
Cleveland County's proportion of the net pension liability (asset) (\$)	\$ (120,186)	\$ (123,136)	\$ (155,352)	\$ (144,972)	\$ (130,260)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

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

<b>Registers of Deeds' Supplemental Pension Fund</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 9,101	\$ 10,169	\$ 9,023	\$ 7,708	\$ 7,759
Contributions in relation to the contractually required contribution	<u>9,101</u>	<u>10,169</u>	<u>9,023</u>	<u>7,708</u>	<u>7,759</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 6,897	\$ 6,118	\$ 5,381	\$ 5,364	\$ 5,222
Contributions in relation to the contractually required contribution	<u>6,897</u>	<u>6,118</u>	<u>5,381</u>	<u>5,364</u>	<u>5,222</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule is intended to show information for ten years.

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

## CLEVELAND COUNTY, NORTH CAROLINA

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

<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning balance	\$ 4,617,362	\$ 4,528,906	\$ 3,116,377	\$ 2,829,769
Service Cost	275,372	255,707	156,108	140,541
Interest on the total pension liability	101,294	85,119	98,097	99,352
Changes in benefit terms	296,360	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	480,884	101,532	237,833	162,286
Changes of assumptions or other inputs	(774,135)	(116,677)	1,135,045	85,047
Benefit payments	<u>(230,835)</u>	<u>(237,225)</u>	<u>(214,554)</u>	<u>(200,618)</u>
Ending balance of the total pension liability	<u>\$ 4,766,302</u>	<u>\$ 4,617,362</u>	<u>\$ 4,528,906</u>	<u>\$ 3,116,377</u>

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 2,725,009	\$ 2,470,182	\$ 2,454,014
Service Cost	136,342	113,259	118,880
Interest on the total pension liability	83,878	92,071	85,238
Differences between expected and actual experience in the measurement of the total pension liability	126,505	62,677	-
Changes of assumptions or other inputs	(100,651)	156,674	(55,151)
Benefit payments	<u>(141,314)</u>	<u>(169,854)</u>	<u>(132,799)</u>
Ending balance of the total pension liability	<u>\$ 2,829,769</u>	<u>\$ 2,725,009</u>	<u>\$ 2,470,182</u>

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

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

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

**CLEVELAND COUNTY, NORTH CAROLINA**

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

<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total pension liability	\$ 4,766,302	\$ 4,617,362	\$ 4,528,906	\$ 3,116,377
Covered-employee payroll	6,873,328	5,870,799	5,483,584	5,565,675
Total pension liability as a percentage of covered-employee payroll	69.34%	78.65%	82.59%	55.99%

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 2,829,769	\$ 2,725,009	\$ 2,470,182
Covered-employee payroll	4,966,309	4,621,958	4,568,949
Total pension liability as a percentage of covered-employee payroll	56.98%	58.96%	54.06%

Notes to the schedules:

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

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

# CLEVELAND COUNTY, NORTH CAROLINA

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

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

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

### Notes to Schedule

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

<b>Fiscal year</b>	<b>Rate</b>
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

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

***This page was left blank intentionally.***



**SUPPLEMENTARY INFORMATION**

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

***This page was left blank intentionally.***



**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes - General Fund		\$ 59,992,360	
Taxes - public schools		15,043,394	
Penalties, interest, and advertising		438,074	
Total	72,102,793	75,473,828	3,371,035
<b>Other Taxes:</b>			
Local option sales tax		16,350,398	
Local option sales tax - schools		5,466,619	
Other taxes		1,414,888	
Total	18,785,000	23,231,905	4,446,905
<b>Unrestricted Intergovernmental Revenues:</b>			
Local revenue		436,041	
Total	225,000	436,041	211,041
<b>Restricted Intergovernmental Revenues:</b>			
Federal and State grants		2,977,837	
DSS grants		13,880,704	
Health dept grants		9,234,631	
Total	28,342,074	26,093,172	(2,248,902)
<b>Permits and Fees:</b>			
Register of Deeds		608,582	
Carolina health care rent		2,945,474	
Other permits and fees		1,138,820	
Total	4,521,200	4,692,876	171,676
<b>Sales and Services:</b>			
Rents - Legrand		238,286	
EMS fees		5,692,137	
Sherriff fees		262,889	
Shooting complex fees		433,430	
Health department fees		4,747,085	
Contracted Revenues		1,130,937	
Court facility fees		114,636	
Insurance fees		2,472,005	
Wellness center fees		595,163	
Lease Revenue		147,113	
Other County fees		1,430,947	
Total	15,156,580	17,264,628	2,108,048

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Investment Earnings</b>	<u>253,000</u>	<u>2,032,728</u>	<u>1,779,728</u>
<b>Miscellaneous:</b>			
Sale of materials		75,662	
Other		<u>893,078</u>	
Total	<u>2,210,634</u>	<u>968,740</u>	<u>(1,241,894)</u>
Total revenues	<u>141,596,281</u>	<u>150,193,918</u>	<u>8,597,637</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Body:</b>			
Salaries and employee benefits		174,750	
Operating expenditures		<u>363,007</u>	
Total	<u>538,049</u>	<u>537,757</u>	<u>292</u>
<b>Administration:</b>			
Salaries and employee benefits		1,098,611	
Operating expenditures		116,008	
Capital outlay		<u>27,786</u>	
Total	<u>1,221,547</u>	<u>1,242,405</u>	<u>(20,858)</u>
<b>Elections:</b>			
Salaries and employee benefits		417,736	
Operating expenditures		133,104	
Capital outlay		<u>20,024</u>	
Total	<u>570,910</u>	<u>570,864</u>	<u>46</u>
<b>Finance:</b>			
Salaries and employee benefits		1,131,523	
Operating expenditures		252,511	
Capital outlay		<u>28,263</u>	
Total	<u>1,411,043</u>	<u>1,412,297</u>	<u>(1,254)</u>
<b>Taxes:</b>			
Salaries and employee benefits		1,705,910	
Operating expenditures		413,414	
Capital outlay		<u>7,526</u>	
Total	<u>2,126,860</u>	<u>2,126,850</u>	<u>10</u>

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Legal:</b>			
Salaries and employee benefits		400,410	
Contracted services		130,577	
Total	540,292	530,987	9,305
<b>Register of Deeds:</b>			
Salaries and employee benefits		516,399	
Operating expenditures		90,666	
Total	772,148	607,065	165,083
<b>Human Resources:</b>			
Salaries and employee benefits		1,098,313	
Operating expenditures		89,580	
Capital outlay		195,354	
Total	1,249,632	1,383,247	(133,615)
<b>Facilities Maintenance:</b>			
Salaries and employee benefits		624,513	
Operating expenditures		1,252,718	
Total	1,877,240	1,877,231	9
<b>Janitorial Services:</b>			
Salaries and employee benefits		166,283	
Operating expenditures		22,967	
Total	189,259	189,250	9
<b>Court Facilities:</b>			
Salaries and employee benefits		113,068	
Operating expenditures		388,305	
Total	524,118	501,373	22,745
<b>Information Technology:</b>			
Salaries and employee benefits		1,159,433	
Operating expenditures		296,366	
Capital outlay		44,238	
Total	1,500,186	1,500,037	149
<b>Pass-Thru Grants:</b>			
Salaries and employee benefits		62,271	
Operating expenditures		1,315,512	
Capital outlay		366,473	
Total	2,219,152	1,744,256	474,896

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Wellness Clinic:</b>			
Salaries and employee benefits		803,934	
Operating expenditures		1,815,810	
Total	2,842,963	2,619,744	223,219
<b>Communities in Schools:</b>			
Operating expenditures	57,870	57,870	-
<b>Historic Courthouse:</b>			
Operating expenditures		95,400	
Total	95,400	95,400	-
Total general government	17,736,669	16,996,633	740,036
<b>Public Safety:</b>			
<b>Sheriff and Communications:</b>			
Salaries and employee benefits		10,981,990	
Operating expenditures		1,036,590	
Capital outlay		2,068,297	
Total	13,344,643	14,086,877	(742,234)
<b>School Resource Officers:</b>			
Salaries and employee benefits		1,372,614	
Operating expenditures		53,268	
Capital outlay		26,380	
Total	1,633,889	1,452,262	181,627
<b>Jail:</b>			
Salaries and employee benefits		6,566,082	
Operating expenditures		1,918,348	
Capital outlay		431,424	
Total	9,157,805	8,915,854	241,951
<b>Emergency Management:</b>			
Salaries and employee benefits		325,825	
Operating expenditures		169,655	
Capital outlay		53,950	
Total	560,939	549,430	11,509

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023		
	Budget	Actual	Variance Over/Under
<b>Emergency Communication:</b>			
Salaries and employee benefits		1,715,150	
Operating expenditures		153,262	
Total	1,868,298	1,868,412	(114)
<b>Electronic Maintenance:</b>			
Salaries and employee benefits		380,716	
Operating expenditures		353,266	
Capital outlay		-	
Total	986,695	733,982	252,713
<b>Inspections:</b>			
Salaries and employee benefits		339,911	
Operating expenditures		40,309	
Total	380,356	380,220	136
<b>Coroner:</b>			
Operating expenditures		87,950	
Total	87,950	87,950	-
<b>HAZ-MAT Control:</b>			
Operating expenditures		257	
Total	308	257	51
<b>Public Shooting Range:</b>			
Salaries and employee benefits		670,767	
Operating expenditures		281,701	
Total	960,583	952,468	8,115
<b>Emergency Medical Services:</b>			
Salaries and employee benefits		10,371,453	
Operating expenditures		1,418,067	
Capital outlay		626,428	
Total	11,942,902	12,415,948	(473,046)
<b>Rescue Squad:</b>			
Operating expenditures		199,082	
Capital outlay		246,430	
Total	445,516	445,512	4

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Federal/State Forfeited Property:</b>			
Operating expenditures		23,124	
Capital outlay		8,700	
Total	133,935	31,824	102,111
Total public safety	41,503,819	41,920,996	(417,177)
<b>Environmental Protection:</b>			
<b>Soil and Water Conservation:</b>			
Salaries and employee benefits		161,294	
Operating expenditures		10,551	
Total	171,851	171,845	6
<b>Forestry Service:</b>			
Operating expenditures	79,750	79,750	-
Total environmental protection	251,601	251,595	6
<b>Economic and Physical Development:</b>			
<b>Travel and Tourism:</b>			
Salaries and employee benefits		98,284	
Operating expenditures		173,212	
Total	271,600	271,496	104
<b>Planning:</b>			
Salaries and employee benefits		520,872	
Operating expenditures		64,147	
Total	585,172	585,019	153
<b>LeGrand Center:</b>			
Salaries and employee benefits		576,048	
Operating expenditures		322,506	
Capital outlay		6,100	
Total	917,090	904,654	12,436
<b>Economic Development:</b>			
Salaries and employee benefits		397,270	
Operating expenditures		2,141,656	
Total	2,538,930	2,538,926	4

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Cooperative Extension:</b>			
Salaries and employee benefits		276,993	
Operating expenditures		49,413	
Total	367,471	326,406	41,065
<b>Transportation Admin:</b>			
Operating expenditures		326,911	
Total	326,911	326,911	-
Total economic and physical development	5,007,174	4,953,412	53,762
<b>Human Services:</b>			
<b>Health:</b>			
<b>General and Administration:</b>			
Salaries and employee benefits		454,598	
Operating expenditures		723,605	
Total	1,186,005	1,178,203	7,802
<b>Public Health:</b>			
Salaries and employee benefits		270,784	
Operating expenditures		276,212	
Total	715,698	546,996	168,702
<b>AIDS Grant:</b>			
Salaries and employee benefits		88,937	
Operating expenditures		722	
Total	95,404	89,659	5,745
<b>Tuberculosis Clinic:</b>			
Salaries and employee benefits		95,541	
Operating expenditures		62,034	
Capital outlay		136,195	
Total	491,050	293,770	197,280
<b>School Health:</b>			
Salaries and employee benefits		1,659,719	
Operating expenditures		993,005	
Capital outlay		58,388	
Total	3,362,598	2,711,112	651,486

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Health Promotions:</b>			
Salaries and employee benefits		71,455	
Operating expenditures		32,559	
Total	114,191	104,014	10,177
<b>Maternal Health:</b>			
Salaries and employee benefits		610,994	
Operating expenditures		51,508	
Total	750,923	662,502	88,421
<b>Family Planning:</b>			
Salaries and employee benefits		934,454	
Operating expenditures		79,572	
Total	1,146,544	1,014,026	132,518
<b>Adolescent Pregnancy Prevention:</b>			
Salaries and employee benefits		71,038	
Operating expenditures		5,606	
Total	87,444	76,644	10,800
<b>Child Health:</b>			
Salaries and employee benefits		945,322	
Operating expenditures		33,190	
Total	1,035,297	978,512	56,785
<b>WIC:</b>			
Salaries and employee benefits		606,051	
Operating expenditures		61,937	
Capital outlay		99,092	
Total	811,124	767,080	44,044
<b>Animal/Rabies Control:</b>			
Salaries and employee benefits		1,088,036	
Operating expenditures		417,052	
Total	1,554,354	1,505,088	49,266
<b>Health Department Grants:</b>			
Salaries and employee benefits		113,911	
Operating expenditures		3,000	
Total	182,728	116,911	65,817

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Dental Clinic:</b>			
Salaries and employee benefits		207,108	
Operating expenditures		172,408	
Total	1,126,270	379,516	746,754
<b>Nurse Family Partnerships:</b>			
Salaries and employee benefits		257,753	
Operating expenditures		47,878	
Total	353,978	305,631	48,347
<b>Carolina Access II:</b>			
Salaries and employee benefits		84,093	
Operating expenditures		115,635	
Capital outlay		142,273	
Total	461,747	342,001	119,746
<b>CC4C PCM:</b>			
Salaries and employee benefits		683,891	
Operating expenditures		17,925	
Total	711,788	701,816	9,972
<b>CODAP:</b>			
Salaries and employee benefits		141,506	
Operating expenditures		215,446	
Total	520,213	356,952	163,261
<b>Environmental Health:</b>			
Salaries and employee benefits		1,203,415	
Operating expenditures		53,778	
Capital outlay		64,600	
Total	1,326,698	1,321,793	4,905
<b>Veteran Services:</b>			
Salaries and employee benefits		139,951	
Operating expenditures		6,553	
Total	146,571	146,504	67
<b>Primary Care:</b>			
Salaries and employee benefits		22,162	
Operating expenditures		56,318	
Capital outlay		934,828	
Total	5,000,000	1,013,308	3,986,692

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
Total public health	21,180,625	14,612,038	6,568,587
<b>Social Services:</b>			
<b>Mental Health:</b>			
Salaries and employee benefits		97,125	
Operating expenditures		703,702	
Total	816,282	800,827	15,455
<b>Administration:</b>			
Salaries and employee benefits		1,538,867	
Operating expenditures		763,088	
Capital outlay		175,904	
Total	2,527,839	2,477,859	49,980
<b>Outside Poor:</b>			
Operating expenditures		1,646,829	
Total	1,671,608	1,646,829	24,779
<b>TANF Program:</b>			
Salaries and employee benefits		6,218,153	
County participation only		595,377	
Total	7,212,885	6,813,530	399,355
<b>Income Maintenance Program:</b>			
Salaries and employee benefits		5,633,946	
Operating expenditures		128,750	
Capital outlay		74,973	
Total	6,394,262	5,837,669	556,593
<b>Special Assistance:</b>			
Salaries and employee benefits		71,443	
Special assistance		10,801	
Total	82,246	82,244	2
<b>Foster Care:</b>			
Salaries and employee benefits		1,552,822	
Operating expenditures		7,012	
Total	1,611,169	1,559,834	51,335
<b>Smart Start:</b>			
Salaries and employee benefits		122,483	
Total	122,488	122,483	5

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Other Assistance:</b>			
Operating expenditures	2,936,623	1,931,794	1,004,829
Total social services	23,375,402	21,273,069	2,102,333
<b>Council on Aging:</b>			
Operating expenditures	168,332	168,332	-
Total human services	44,724,359	36,053,439	8,670,920
<b>Cultural and Recreational:</b>			
<b>Library:</b>			
Salaries and employee benefits		845,442	
Operating expenditures		378,692	
Total	1,538,728	1,224,134	314,594
<b>Parks and Recreation:</b>			
Operating expenditures		123,649	
Total	123,649	123,649	-
Total cultural and recreational	1,662,377	1,347,783	314,594
<b>Intergovernmental:</b>			
Education:			
Public schools - current expense		30,137,738	
Public schools - operational expense		100,129	
Public schools - capital expense		1,400,000	
Community colleges - capital expense		3,150,304	
Total education	34,828,173	34,788,171	40,002
<b>Debt Service:</b>			
Principal		1,240,648	
Interest		30,455	
Total debt service	1,113,525	1,271,103	(157,578)
<b>Risk Management:</b>			
Operating expenditures	1,596,910	688,580	908,330
Total	1,596,910	688,580	908,330
Total expenditures	148,424,607	138,271,712	10,152,895
Revenues over (under) expenditures	(6,828,326)	11,922,206	18,750,532

**CLEVELAND COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from long-term debt	-	445,136	445,136
Sale of Capital assets	506,343	-	(506,343)
Lease and IT Subscription Liabilities	-	1,811,004	1,811,004
Transfers in	12,557,901	2,413,056	(10,144,845)
Transfers out	(19,755,654)	(7,890,531)	11,865,123
Appropriated fund balance	13,519,736	-	(13,519,736)
Total other financing sources (uses)	<u>6,828,326</u>	<u>(3,221,335)</u>	<u>(10,049,661)</u>
Net changes in fund balance	<u>\$ -</u>	<u>8,700,871</u>	<u>\$ 8,700,871</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>52,415,667</u>	
End of year - June 30		<u>\$ 61,116,538</u>	

## **Major Governmental Funds**

**Justice Center Campus Capital Project Fund** – accounts for design and construction of a new Justice Center Campus.

***This page was left blank intentionally.***



## 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, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental	\$ 65,150,000	\$ -	\$ 9,927,544	\$ 9,927,544	\$ (55,222,456)
Total revenues	<u>65,150,000</u>	<u>-</u>	<u>9,927,544</u>	<u>9,927,544</u>	<u>(55,222,456)</u>
<b>Expenditures:</b>					
Capital outlay:					
Public Safety	<u>81,778,692</u>	<u>2,427,594</u>	<u>7,499,950</u>	<u>9,927,544</u>	<u>71,851,148</u>
Total expenditures	<u>81,778,692</u>	<u>2,427,594</u>	<u>7,499,950</u>	<u>9,927,544</u>	<u>71,851,148</u>
Revenues over (under) expenditures	<u>(16,628,692)</u>	<u>(2,427,594)</u>	<u>2,427,594</u>	<u>-</u>	<u>16,628,692</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Reimbursement Resolution	-	467,694	-	467,694	467,694
From General Fund	<u>16,628,692</u>	<u>9,028,143</u>	<u>-</u>	<u>9,028,143</u>	<u>(7,600,549)</u>
Total other financing sources (uses)	<u>16,628,692</u>	<u>9,495,837</u>	<u>-</u>	<u>9,495,837</u>	<u>(7,132,855)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,068,243</u>	<u>2,427,594</u>	<u>\$ 9,495,837</u>	<u>\$ 9,495,837</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>7,068,243</u>		
End of year - June 30			<u>\$ 9,495,837</u>		

***This page was left blank intentionally.***



## **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.

***This page was left blank intentionally.***



## CLEVELAND COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Nonmajor Governmental Funds			
	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Totals June 30, 2023
<b>Assets:</b>				
Cash and investments	\$ 2,529,751	\$ 12,112,339	\$ 6,205,898	\$ 20,847,988
Accounts receivable, net	458,253	6,424,803	-	6,883,056
Taxes receivable, net	141,255	-	-	141,255
Prepaid items	119,494	117,257	1,500	238,251
Restricted cash	8,303,154	6,920,928	-	15,224,082
Total assets	<u>\$ 11,551,907</u>	<u>\$ 25,575,327</u>	<u>\$ 6,207,398</u>	<u>\$ 43,334,632</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 247,471	\$ 4,490,155	\$ -	\$ 4,737,626
Due to other funds	-	207,035	-	207,035
Unearned revenue	7,368,091	967,656	-	8,335,747
Total liabilities	<u>7,615,562</u>	<u>5,664,846</u>	<u>-</u>	<u>13,280,408</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	141,255	-	-	141,255
Total deferred inflows of resources	<u>141,255</u>	<u>-</u>	<u>-</u>	<u>141,255</u>
<b>Fund Balances:</b>				
Non-spendable:				
Prepays	119,494	117,257	1,500	238,251
Restricted				
Stabilization for State statute	458,253	6,424,803	-	6,883,056
Restricted, all other	3,217,343	5,953,975	-	9,171,318
Committed	-	6,749,919	-	6,749,919
Assigned	-	4,950,000	6,205,898	11,155,898
Unassigned	-	(4,285,473)	-	(4,285,473)
Total fund balances	<u>3,795,090</u>	<u>19,910,481</u>	<u>6,207,398</u>	<u>29,912,969</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,551,907</u>	<u>\$ 25,575,327</u>	<u>\$ 6,207,398</u>	<u>\$ 43,334,632</u>

## CLEVELAND COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Governmental Funds			
	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Totals June 30, 2023
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,010,368	\$ -	\$ -	\$ 4,010,368
Other taxes and licenses	1,567,601	5,027,986	-	6,595,587
Restricted intergovernmental revenues	3,391,705	19,796,383	1,908,895	25,096,983
Sales and services	402,560	-	-	402,560
Investment earnings	99,228	405,836	-	505,064
Miscellaneous	-	1,538,062	-	1,538,062
Total revenues	<u>9,471,462</u>	<u>26,768,267</u>	<u>1,908,895</u>	<u>38,148,624</u>
<b>Expenditures:</b>				
General government	380,566	3,343,964	-	3,724,530
Public safety	5,902,610	167,518	-	6,070,128
Human services	359,711	2,373,122	-	2,732,833
Economic and physical development	-	9,376,391	-	9,376,391
Debt service:				
Principal repayments	-	334,256	6,839,576	7,173,832
Interest	-	16,262	1,308,583	1,324,845
Total expenditures	<u>6,642,887</u>	<u>33,886,126</u>	<u>8,148,159</u>	<u>48,677,172</u>
Revenues over (under) expenditures	<u>2,828,575</u>	<u>(7,117,859)</u>	<u>(6,239,264)</u>	<u>(10,528,548)</u>
<b>Other Financing Sources (Uses):</b>				
Lease and IT Subscription Proceeds	-	1,151,026	-	1,151,026
Transfers from:				
General Fund	-	6,029,130	4,194,216	10,223,346
Capital Reserve Fund	-	3,487,330	-	3,487,330
School Capital Reserve Fund	-	-	3,952,446	3,952,446
Reimbursement Resolution	-	639,524	-	639,524
Transfers to:				
General Fund	(1,790,158)	(2,440,378)	-	(4,230,536)
County General Capital Projects Fund	-	(4,126,854)	-	(4,126,854)
Debt Service Fund	-	(3,952,446)	-	(3,952,446)
Total other financing sources (uses)	<u>(1,790,158)</u>	<u>787,332</u>	<u>8,146,662</u>	<u>7,143,836</u>
Net change in fund balances	1,038,417	(6,330,527)	1,907,398	(3,384,712)
<b>Fund Balances:</b>				
Fund balance, beginning	<u>2,756,673</u>	<u>26,241,008</u>	<u>4,300,000</u>	<u>33,297,681</u>
End of year - June 30	<u>\$ 3,795,090</u>	<u>\$ 19,910,481</u>	<u>\$ 6,207,398</u>	<u>\$ 29,912,969</u>

## **Nonmajor Governmental Funds**

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

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

***This page was left blank intentionally.***



**CLEVELAND COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2023**

	Nonmajor Special Revenue Funds						
	Emergency Telephone System Fund (E-911)	Fire Districts Fund	American Rescue Plan Act Fund	Fines and Forfeiture Fund	Representative Payee Fund	Opioid Settlement Funds	Totals June 30, 2023
<b>Assets:</b>							
Cash and investments	\$ 1,155,909	\$ 1,178,141	\$ -	\$ -	\$ 195,701	\$ -	\$ 2,529,751
Accounts receivable, net	42,359	393,900	-	21,994	-	-	458,253
Taxes receivable, net	-	141,255	-	-	-	-	141,255
Prepaid items	92,024	27,470	-	-	-	-	119,494
Restricted cash	-	-	7,368,091	-	-	935,063	8,303,154
Total assets	\$ 1,290,292	\$ 1,740,766	\$ 7,368,091	\$ 21,994	\$ 195,701	\$ 935,063	\$ 11,551,907
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 247,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,471
Unearned revenue	-	-	7,368,091	-	-	-	7,368,091
Total liabilities	247,471	-	7,368,091	-	-	-	7,615,562
<b>Deferred Inflows of Resources:</b>							
Taxes receivable	-	141,255	-	-	-	-	141,255
Total deferred inflows of resources	-	141,255	-	-	-	-	141,255
<b>Fund Balances:</b>							
Non-spendable:							
Prepays	92,024	27,470	-	-	-	-	119,494
Restricted:							
Stabilization for State statute	42,359	393,900	-	21,994	-	-	458,253
Restricted, all other	908,438	1,178,141	-	-	195,701	935,063	3,217,343
Unassigned	-	-	-	-	-	-	-
Total fund balances	1,042,821	1,599,511	-	21,994	195,701	935,063	3,795,090
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,290,292	\$ 1,740,766	\$ 7,368,091	\$ 21,994	\$ 195,701	\$ 935,063	\$ 11,551,907

# CLEVELAND COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds						
	Emergency Telephone System Fund (E-911)	Fire Districts Fund	American Rescue Plan Act Fund	Fines and Forfeiture Fund	Representative Payee Fund	Opioid Settlement Fund	Totals June 30, 2023
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ 4,010,368	\$ -	\$ -	\$ -	\$ -	\$ 4,010,368
Other taxes and licenses	142,799	1,424,802	-	-	-	-	1,567,601
Restricted intergovernmental revenues	-	-	2,144,437	-	312,205	935,063	3,391,705
Sales and services	-	-	-	402,560	-	-	402,560
Investment earnings	43,673	55,555	-	-	-	-	99,228
Total revenues	186,472	5,490,725	2,144,437	402,560	312,205	935,063	9,471,462
<b>Expenditures:</b>							
General government	-	-	-	380,566	-	-	380,566
Public safety	386,338	5,161,993	354,279	-	-	-	5,902,610
Human Services	-	-	-	-	359,711	-	359,711
Total expenditures	386,338	5,161,993	354,279	380,566	359,711	-	6,642,887
Revenues over (under) expenditures	(199,866)	328,732	1,790,158	21,994	(47,506)	935,063	2,828,575
<b>Other Financing Sources (Uses):</b>							
Transfers from (to):							
General Fund	-	-	(1,790,158)	-	-	-	(1,790,158)
Total other financing sources (uses)	-	-	(1,790,158)	-	-	-	(1,790,158)
Net change in fund balances	(199,866)	328,732	-	21,994	(47,506)	935,063	1,038,417
<b>Fund Balances:</b>							
Beginning of year - July 1	1,242,687	1,270,779	-	-	243,207	-	2,756,673
End of year - June 30	1,042,821	\$ 1,599,511	\$ -	\$ 21,994	\$ 195,701	\$ 935,063	\$ 3,795,090

## 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, 2023**

	2023		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
User fees	\$ -	\$ 142,799	\$ 142,799
Investment income	300	43,673	43,373
Total revenues	<u>300</u>	<u>186,472</u>	<u>186,172</u>
<b>Expenditures:</b>			
Public safety:			
Operations	1,164,780	129,203	1,035,577
Capital expenditures	<u>257,135</u>	<u>257,135</u>	<u>-</u>
Total expenditures	<u>1,421,915</u>	<u>386,338</u>	<u>1,035,577</u>
Revenues over (under) expenditures	<u>(1,421,615)</u>	<u>(199,866)</u>	<u>1,221,749</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>1,421,615</u>	<u>-</u>	<u>(1,421,615)</u>
Total other financing sources (uses)	<u>1,421,615</u>	<u>-</u>	<u>(1,421,615)</u>
Net change in fund balance	<u>\$ -</u>	<u>(199,866)</u>	<u>\$ (199,866)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>1,242,687</u>	
End of year - June 30		<u>\$ 1,042,821</u>	

**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, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,789,650	\$ 4,010,368	\$ 220,718
Unrestricted intergovernmental	1,455,450	1,424,802	(30,648)
Investment income	10,000	55,555	45,555
Total revenues	<u>5,255,100</u>	<u>5,490,725</u>	<u>235,625</u>
<b>Expenditures:</b>			
Capital outlay:			
Public safety	<u>5,255,100</u>	<u>5,161,993</u>	<u>93,107</u>
Total expenditures	<u>5,255,100</u>	<u>5,161,993</u>	<u>93,107</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>328,732</u>	<u>\$ 328,732</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>1,270,779</u>	
End of year, June 30		<u>\$ 1,599,511</u>	

## 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, 2023

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 9,512,529	\$ 2,144,437	\$ (7,368,092)	\$ 9,512,529
Total revenues	<u>9,512,529</u>	<u>2,144,437</u>	<u>(7,368,092)</u>	<u>9,512,529</u>
<b>Expenditures:</b>				
Public safety	<u>9,512,529</u>	<u>354,279</u>	<u>9,158,250</u>	<u>484,386</u>
Total expenditures	<u>9,512,529</u>	<u>354,279</u>	<u>9,158,250</u>	<u>484,386</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,790,158</u>	<u>1,790,158</u>	<u>9,028,143</u>
<b>Other Financing Sources (Uses):</b>				
Transfers To:				
General Fund	<u>-</u>	<u>(1,790,158)</u>	<u>(1,790,158)</u>	<u>(9,028,143)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,790,158)</u>	<u>(1,790,158)</u>	<u>(9,028,143)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

## 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, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Sales and Services	\$ 1,200,000	\$ 402,560	\$ (797,440)
Total revenues	<u>1,200,000</u>	<u>402,560</u>	<u>(797,440)</u>
<b>Expenditures:</b>			
General Government	<u>1,200,000</u>	<u>380,566</u>	<u>819,434</u>
Total expenditures	<u>1,200,000</u>	<u>380,566</u>	<u>819,434</u>
Revenues over (under) expenditures	<u>\$ -</u>	21,994	<u>\$ 21,994</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ 21,994</u>	

## CLEVELAND COUNTY, NORTH CAROLINA

**REPRESENTATIVE PAYEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 350,000	\$ 312,205	\$ (37,795)
Total revenues	<u>350,000</u>	<u>312,205</u>	<u>(37,795)</u>
<b>Expenditures:</b>			
Human Services	<u>350,000</u>	<u>359,711</u>	<u>(9,711)</u>
Total expenditures	<u>350,000</u>	<u>359,711</u>	<u>(9,711)</u>
 Net change in fund balance	 <u>\$ -</u>	 (47,506)	 <u>\$ (47,506)</u>
 <b>Fund Balance:</b>			
Beginning of year, July 1		<u>243,207</u>	
End of year, June 30		<u>\$ 195,701</u>	

## CLEVELAND COUNTY, NORTH CAROLINA

**OPIOID SETTLEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 277,102	\$ 935,063	\$ 657,961
Total revenues	<u>277,102</u>	<u>935,063</u>	<u>657,961</u>
<b>Expenditures:</b>			
Human Services	<u>277,102</u>	<u>-</u>	<u>277,102</u>
Total expenditures	<u>277,102</u>	<u>-</u>	<u>277,102</u>
 Net change in fund balance	 <u>\$ -</u>	 935,063	 <u>\$ 935,063</u>
 <b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ 935,063</u>	

## **Nonmajor Governmental Funds**

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

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

***This page was left blank intentionally.***



**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS**  
**JUNE 30, 2023**

<b>Nonmajor Capital Project Funds</b>					
	<b>General Capital Project Fund</b>	<b>Public Shooting Range Capital Project Fund</b>	<b>Capital Reserve Fund</b>	<b>Economic Development Capital Project Fund</b>	<b>Enterprise Resource Planning Capital Project Fund</b>
<b>Assets:</b>					
Cash and investments	\$ -	\$ 1,181	\$ 4,950,000	\$ -	\$ 26,847
Accounts receivable, net	57,030	11,740	-	-	-
Prepaid Expense	117,257	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	<u>\$ 174,287</u>	<u>\$ 12,921</u>	<u>\$ 4,950,000</u>	<u>\$ -</u>	<u>\$ 26,847</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 38,814	\$ -	\$ -	\$ -	\$ 26,847
Due to other funds	135,473	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>174,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,847</u>
<b>Fund Balances:</b>					
Non-spendable					
Prepays	117,257	-	-	-	-
Restricted					
Stabilization for State statute	57,030	11,740	-	-	-
Restricted, all other	-	-	-	-	-
Committed	-	1,181	-	-	-
Assigned	-	-	4,950,000	-	-
Unassigned	(174,287)	-	-	-	-
Total fund balances	<u>-</u>	<u>12,921</u>	<u>4,950,000</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 174,287</u>	<u>\$ 12,921</u>	<u>\$ 4,950,000</u>	<u>\$ -</u>	<u>\$ 26,847</u>

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS**  
**JUNE 30, 2023**

	<b>Nonmajor Capital Project Funds</b>				
	<b>Reimbursement Resolution Capital Reserve Fund</b>	<b>School Capital Reserve Fund</b>	<b>Board of Elections Capital Project Fund</b>	<b>Shell Building IV Capital Project Fund</b>	<b>DSS Colocation Capital Project Fund</b>
<b>Assets:</b>					
Cash and investments	\$ 6,977,600	\$ -	\$ 4,300	\$ 683	\$ 151,728
Accounts receivable, net	-	2,244,847	-	-	65,216
Prepaid Expense	-	-	-	-	-
Restricted cash	-	5,953,292	-	-	-
Total assets	<u>\$ 6,977,600</u>	<u>\$ 8,198,139</u>	<u>\$ 4,300</u>	<u>\$ 683</u>	<u>\$ 216,944</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 228,862	\$ -	\$ 4,300	\$ -	\$ 216,944
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>228,862</u>	<u>-</u>	<u>4,300</u>	<u>-</u>	<u>216,944</u>
<b>Fund Balances:</b>					
Non-spendable					
Prepays	-	-	-	-	-
Restricted					
Stabilization for State statute	-	2,244,847	-	-	65,216
Restricted, all other	-	5,953,292	-	683	-
Committed	6,748,738	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(65,216)
Total fund balances	<u>6,748,738</u>	<u>8,198,139</u>	<u>-</u>	<u>683</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,977,600</u>	<u>\$ 8,198,139</u>	<u>\$ 4,300</u>	<u>\$ 683</u>	<u>\$ 216,944</u>

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS  
JUNE 30, 2023**

	<b>Nonmajor Capital Project Funds</b>					
	<b>Public School Building Capital Fund</b>	<b>CCHD Erosion Control Project Fund</b>	<b>Broad River Greenway Improvements Fund</b>	<b>911 Call Center Project Fund</b>	<b>Cleveland County Fair Capital Project Fund</b>	<b>Totals June 30, 2023</b>
<b>Assets:</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,112,339
Accounts receivable, net	3,974,388	-	-	71,562	20	6,424,803
Prepaid Expense	-	-	-	-	-	117,257
Restricted cash	-	-	-	-	967,636	6,920,928
<b>Total assets</b>	<b>\$ 3,974,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,562</b>	<b>\$ 967,656</b>	<b>\$ 25,575,327</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 3,974,388	\$ -	\$ -	\$ -	\$ -	\$ 4,490,155
Due to other funds	-	-	-	71,562	-	207,035
Unearned revenue	-	-	-	-	967,656	967,656
<b>Total liabilities</b>	<b>3,974,388</b>	<b>-</b>	<b>-</b>	<b>71,562</b>	<b>967,656</b>	<b>5,664,846</b>
<b>Fund Balances:</b>						
Non-spendable						
Prepays	-	-	-	-	-	117,257
Restricted						
Stabilization for State statute	3,974,388	-	-	71,562	20	6,424,803
Restricted, all other	-	-	-	-	-	5,953,975
Committed	-	-	-	-	-	6,749,919
Assigned	-	-	-	-	-	4,950,000
Unassigned	(3,974,388)	-	-	(71,562)	(20)	(4,285,473)
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,910,481</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,974,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,562</b>	<b>\$ 967,656</b>	<b>\$ 25,575,327</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor Capital Projects Funds				
	General Capital Project Fund	Public Shooting Range Capital Project Fund	Capital Reserve Fund	Economic Development Capital Project Fund	Enterprise Resource Planning Capital Project Fund
<b>Revenues:</b>					
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	-	442,927	-	-	-
Investment earnings	-	-	31,015	-	-
Local revenues	405	7,500	510,000	-	-
Total revenues	405	450,427	541,015	-	-
<b>Expenditures:</b>					
Current:					
General government	2,927,344	-	-	-	163,643
Public safety	-	-	-	-	-
Human services	-	-	-	-	-
Economic and physical development	-	669,934	-	69,600	-
Education	-	-	-	-	-
Debt service:					
Principal repayments	334,256	-	-	-	-
Interest	16,262	-	-	-	-
Total expenditures	3,277,862	669,934	-	69,600	163,643
Revenues over (under) expenditures	(3,277,457)	(219,507)	541,015	(69,600)	(163,643)
<b>Other Financing Sources (Uses):</b>					
Lease and IT Subscription Proceeds	1,151,026	-	-	-	-
Transfers from:					
General Fund	-	-	3,696,315	-	-
Capital Reserve Fund	2,126,431	219,507	-	-	-
Reimbursement Resolution CRF	-	-	-	69,600	163,643
Transfers to:					
General Fund	-	-	-	-	-
County General Capital Projects Fund	-	-	(3,487,330)	-	-
Debt Service Fund	-	-	-	-	-
Total other financing sources (uses)	3,277,457	219,507	208,985	69,600	163,643
Net change in fund balances	-	-	750,000	-	-
<b>Fund Balances:</b>					
Beginning of year - July 1	-	12,921	4,200,000	-	-
End of year - June 30	\$ -	\$ 12,921	\$ 4,950,000	\$ -	\$ -

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor Capital Projects Funds				
	Reimbursement Resolution Capital Reserve Fund	School Capital Reserve Fund	Board of Elections Capital Project Fund	Shell Building IV Capital Project Fund	DSS Colocation Capital Project Fund
<b>Revenues:</b>					
Other taxes and licenses	\$ -	\$ 5,027,986	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	-	974,938	-	-	-
Investment earnings	127,508	246,867	-	446	-
Local revenues	1,008,590	11,567	-	-	-
Total revenues	1,136,098	6,261,358	-	446	-
<b>Expenditures:</b>					
Current:					
General government	-	-	252,977	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	1,996,075
Economic and physical development	457,720	-	-	8,017,560	-
Education	-	-	-	-	-
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	457,720	-	252,977	8,017,560	1,996,075
Revenues over (under) expenditures	678,378	6,261,358	(252,977)	(8,017,114)	(1,996,075)
<b>Other Financing Sources (Uses):</b>					
Lease and IT Subscription Proceeds	-	-	-	-	-
Transfers from:					
General Fund	-	2,332,815	-	-	-
Capital Reserve Fund	-	-	252,977	-	692,459
Reimbursement Resolution CRF	-	-	-	-	-
Transfers to:					
General Fund	-	(2,440,378)	-	-	-
County General Capital Projects Fund	(639,524)	-	-	-	-
Debt Service Fund	-	(3,952,446)	-	-	-
Total other financing sources (uses)	(639,524)	(4,060,009)	252,977	-	692,459
Net change in fund balances	38,854	2,201,349	-	(8,017,114)	(1,303,616)
<b>Fund Balances:</b>					
Beginning of year - July 1	6,709,884	5,996,790	-	8,017,797	1,303,616
End of year - June 30	\$ 6,748,738	\$ 8,198,139	\$ -	\$ 683	\$ -

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Nonmajor Capital Projects Funds</b>					
	<b>Public School Building Capital Fund</b>	<b>CCHD Erosion Control Project Fund</b>	<b>Broad River Greenway Improvements Fund</b>	<b>911 Call Center Capital Project Fund</b>	<b>Cleveland County Fair Capital Project Fund</b>	<b>Totals June 30, 2023</b>
<b>Revenues:</b>						
Other taxes and licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,027,986
Restricted intergovernmental revenues	18,274,613	-	-	71,562	32,343	19,796,383
Investment earnings	-	-	-	-	-	405,836
Local revenues	-	-	-	-	-	1,538,062
Total revenues	<u>18,274,613</u>	<u>-</u>	<u>-</u>	<u>71,562</u>	<u>32,343</u>	<u>26,768,267</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	3,343,964
Public safety	-	-	-	167,518	-	167,518
Human services	-	377,047	-	-	-	2,373,122
Economic and physical development	-	-	29,234	-	132,343	9,376,391
Education	18,274,613	-	-	-	-	18,274,613
Debt service:						
Principal repayments	-	-	-	-	-	334,256
Interest	-	-	-	-	-	16,262
Total expenditures	<u>18,274,613</u>	<u>377,047</u>	<u>29,234</u>	<u>167,518</u>	<u>132,343</u>	<u>33,886,126</u>
Revenues over (under) expenditures	<u>-</u>	<u>(377,047)</u>	<u>(29,234)</u>	<u>(95,956)</u>	<u>(100,000)</u>	<u>(7,117,859)</u>
<b>Other Financing Sources (Uses):</b>						
Lease and IT Subscription Proceeds	-	-	-	-	-	1,151,026
Transfers from:						
General Fund	-	-	-	-	-	6,029,130
Capital Reserve Fund	-	-	-	95,956	100,000	3,487,330
Reimbursement Resolution CRF	-	377,047	29,234	-	-	639,524
Transfers to:						
General Fund	-	-	-	-	-	(2,440,378)
County General Capital Projects Fund	-	-	-	-	-	(4,126,854)
Debt Service Fund	-	-	-	-	-	(3,952,446)
Total other financing sources (uses)	<u>-</u>	<u>377,047</u>	<u>29,234</u>	<u>95,956</u>	<u>100,000</u>	<u>787,332</u>
Net change in fund balances	-	-	-	-	-	(6,330,527)
<b>Fund Balances:</b>						
Beginning of year - July 1	-	-	-	-	-	26,241,008
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,910,481</u>

## CLEVELAND COUNTY, NORTH CAROLINA

**GENERAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Local Revenues	\$ -	\$ 405	\$ 405
Total revenues	-	405	405
<b>Expenditures:</b>			
Capital outlay:			
General government	2,526,479	2,927,344	(400,865)
Debt Service:			
Principal	-	334,256	(334,256)
Interest	-	16,262	(16,262)
Total expenditures	2,526,479	3,277,862	(751,383)
Revenues over (under) expenditures	(2,526,479)	(3,277,457)	(750,978)
<b>Other Financing Sources (Uses):</b>			
Lease and IT Subscription Proceeds	-	1,151,026	1,151,026
Transfers in:			
From Capital Reserve Fund	2,302,358	2,126,431	(175,927)
From School Capital Reserve Fund	100,000	-	(100,000)
Appropriated fund balance	124,121	-	(124,121)
Total other financing sources (uses)	2,526,479	3,277,457	750,978
Net change in fund balance	\$ -	-	\$ -
<b>Fund Balance:</b>			
Beginning of year - July 1		-	
End of year - June 30		\$ -	

## CLEVELAND COUNTY, NORTH CAROLINA

**PUBLIC SHOOTING RANGE CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>		
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 4,405,305	\$ 3,249,130	\$ 442,927	\$ 3,692,057
Local Revenues	7,500	215,000	7,500	222,500
Total revenues	<u>4,412,805</u>	<u>3,464,130</u>	<u>450,427</u>	<u>3,914,557</u>
<b>Expenditures:</b>				
Capital outlay:				
Economic development	5,452,641	4,775,207	669,934	5,445,141
Total expenditures	<u>5,452,641</u>	<u>4,775,207</u>	<u>669,934</u>	<u>5,445,141</u>
Revenues over (under) expenditures	<u>(1,039,836)</u>	<u>(1,311,077)</u>	<u>(219,507)</u>	<u>(1,530,584)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
From Capital Reserve Fund	1,039,836	1,323,998	219,507	1,543,505
Total other financing sources (uses)	<u>1,039,836</u>	<u>1,323,998</u>	<u>219,507</u>	<u>1,543,505</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,921</u>	<u>-</u>	<u>\$ 12,921</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>12,921</u>	
End of year - June 30			<u>\$ 12,921</u>	

## CLEVELAND COUNTY, NORTH CAROLINA

## CAPITAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Local revenues	\$ 100,000	\$ 510,000	\$ 410,000
Investment income	-	31,015	31,015
Total revenues	100,000	541,015	441,015
<b>Other Financing Sources (Uses):</b>			
Transfers from:			
General Fund	2,400,000	3,696,315	1,296,315
Transfers to:			
Capital Projects Funds	(3,547,329)	(3,487,330)	59,999
Appropriated fund balance	1,047,329	-	(1,047,329)
Total other financing sources (uses)	(100,000)	208,985	308,985
Net change in fund balance	\$ -	750,000	\$ 750,000
<b>Fund Balance:</b>			
Beginning of year - July 1		4,200,000	
End of year - June 30		\$ 4,950,000	

## CLEVELAND COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>		
	<b><u>Authorization</u></b>	<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	<b><u>Total to Date</u></b>
<b>Expenditures:</b>				
Capital outlay:				
Economic Development	\$ 947,814	\$ 837,041	\$ 69,600	\$ 906,641
Total expenditures	<u>947,814</u>	<u>837,041</u>	<u>69,600</u>	<u>906,641</u>
Revenues over (under) expenditures	<u>(947,814)</u>	<u>(837,041)</u>	<u>(69,600)</u>	<u>(906,641)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
From Reimbursement Resolution	<u>947,814</u>	<u>837,041</u>	<u>69,600</u>	<u>906,641</u>
Total other financing sources (uses)	<u>947,814</u>	<u>837,041</u>	<u>69,600</u>	<u>906,641</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>-</u>	
End of year - June 30			<u>\$ -</u>	

## CLEVELAND COUNTY, NORTH CAROLINA

ENTERPRISE RESOURCE PLANNING SOFTWARE CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>					
Capital outlay:					
General Government	\$ 1,326,530	\$ 770,443	\$ 163,643	\$ 934,086	\$ 392,444
Total expenditures	<u>1,326,530</u>	<u>770,443</u>	<u>163,643</u>	<u>934,086</u>	<u>392,444</u>
Revenues over (under) expenditures	<u>(1,326,530)</u>	<u>(770,443)</u>	<u>(163,643)</u>	<u>(934,086)</u>	<u>392,444</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Reimbursement Resolution	<u>1,326,530</u>	<u>770,443</u>	<u>163,643</u>	<u>934,086</u>	<u>(392,444)</u>
Total other financing sources (uses)	<u>1,326,530</u>	<u>770,443</u>	<u>163,643</u>	<u>934,086</u>	<u>(392,444)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

## 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, 2023**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive (Negative)</b>
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ 31,538	\$ -	\$ 31,538	\$ 31,538
Investment earnings	-	165,861	127,508	293,369	293,369
Local Revenues	-	25,000	1,008,590	1,033,590	1,033,590
Total revenues	-	222,399	1,136,098	1,358,497	1,358,497
<b>Expenditures:</b>					
Capital outlay:					
Economic development	16,140,106	10,496,931	457,720	10,954,651	5,185,455
Total expenditures	16,140,106	10,496,931	457,720	10,954,651	5,185,455
Revenues over (under) expenditures	(16,140,106)	(10,274,532)	678,378	(9,596,154)	6,543,952
<b>Other Financing Sources (Uses):</b>					
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)	(4,410,492)	(639,524)	(5,050,016)	337,475
Appropriated fund balance	1,551,764	-	-	-	(1,551,764)
Total other financing sources (uses)	16,140,106	16,984,416	(639,524)	16,344,892	204,786
Net change in fund balance	\$ -	\$ 6,709,884	38,854	\$ 6,748,738	\$ 6,748,738
<b>Fund Balance:</b>					
Beginning of year - July 1			6,709,884		
End of year - June 30			\$ 6,748,738		

## 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, 2023**

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Other taxes and licenses	\$ 4,300,000	\$ 5,027,986	\$ 727,986
Restricted intergovernmental	600,000	974,938	374,938
Investment earnings	-	246,867	246,867
Local revenues	-	11,567	11,567
Total revenues	<u>4,900,000</u>	<u>6,261,358</u>	<u>1,361,358</u>
Revenues over (under) expenditures	<u>4,900,000</u>	<u>6,261,358</u>	<u>1,361,358</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from:			
General Fund	1,169,010	2,332,815	(1,163,805)
Transfers to:			
Capital Projects Funds	-	-	-
General Fund	(3,705,002)	(2,440,378)	(1,264,624)
Debt Service Fund	-	(3,952,446)	3,952,446
Appropriated fund balance	<u>(2,364,008)</u>	<u>-</u>	<u>(2,364,008)</u>
Total other financing sources (uses)	<u>(4,900,000)</u>	<u>(4,060,009)</u>	<u>(839,991)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,201,349</u>	<u>\$ 2,201,349</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>5,996,790</u>	
End of year - June 30		<u>\$ 8,198,139</u>	

## CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY BOARD OF ELECTIONS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Capital outlay:					
General Government	750,000	21,600	252,977	274,577	475,423
Total expenditures	750,000	21,600	252,977	274,577	475,423
Revenues over (under) expenditures	(750,000)	(21,600)	(252,977)	(274,577)	475,423
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Capital Reserve Fund	750,000	21,600	252,977	274,577	(475,423)
Total other financing sources (uses)	750,000	21,600	252,977	274,577	(475,423)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

## CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY SHELL BUILDING IV CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 237	\$ 446	\$ 683	\$ 683
Total revenues	-	237	446	683	683
<b>Expenditures:</b>					
Capital outlay:					
Economic Development	8,500,000	482,440	8,017,560	8,500,000	-
Total expenditures	8,500,000	482,440	8,017,560	8,500,000	-
Revenues over (under) expenditures	(8,500,000)	(482,203)	(8,017,114)	(8,499,317)	683
<b>Other Financing Sources (Uses):</b>					
Installment Proceeds	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	8,500,000	8,500,000	-	8,500,000	-
Net change in fund balance	\$ -	\$ 8,017,797	(8,017,114)	\$ 683	\$ 683
<b>Fund Balance:</b>					
Beginning of year - July 1			8,017,797		
End of year - June 30			\$ 683		

## CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY DSS COLOCATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Expenditures:</b>					
Capital outlay:					
Human Services	\$ 4,194,227	\$ 2,196,384	\$ 1,996,075	\$ 4,192,459	\$ 1,768
Total expenditures	<u>4,194,227</u>	<u>2,196,384</u>	<u>1,996,075</u>	<u>4,192,459</u>	<u>1,768</u>
Revenues over (under) expenditures	<u>(4,194,227)</u>	<u>(2,196,384)</u>	<u>(1,996,075)</u>	<u>(4,192,459)</u>	<u>1,768</u>
<b>Other Financing Sources (Uses):</b>					
Installment Proceeds	3,500,000	3,500,000	-	3,500,000	-
Transfers in:					
From Capital Reserve Fund	<u>694,227</u>	<u>-</u>	<u>692,459</u>	<u>692,459</u>	<u>1,384,918</u>
Total other financing sources (uses)	<u>4,194,227</u>	<u>3,500,000</u>	<u>692,459</u>	<u>4,192,459</u>	<u>1,384,918</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,303,616</u>	<u>(1,303,616)</u>	<u>\$ -</u>	<u>\$ 1,386,686</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>1,303,616</u>		
End of year - June 30			<u>\$ -</u>		

**CLEVELAND COUNTY, NORTH CAROLINA**

**CLEVELAND COUNTY PUBLIC SCHOOL BUILDING CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues:</b>					
Restricted Intergovernmental					
Public School Capital	\$ 28,500,000	\$ -	\$ 18,274,613	\$ 18,274,613	\$ (10,225,387)
Total revenues	<u>28,500,000</u>	<u>-</u>	<u>18,274,613</u>	<u>18,274,613</u>	<u>(10,225,387)</u>
<b>Expenditures:</b>					
Capital outlay:					
Education	28,500,000	-	18,274,613	18,274,613	10,225,387
Total expenditures	<u>28,500,000</u>	<u>-</u>	<u>18,274,613</u>	<u>18,274,613</u>	<u>10,225,387</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		

## CLEVELAND COUNTY, NORTH CAROLINA

**CLEVELAND COUNTY CCHD EROSION CONTROL PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures:</b>					
Capital outlay:					
Human Services	\$ 400,000	\$ -	\$ 377,047	\$ 377,047	\$ 22,953
Total expenditures	<u>400,000</u>	<u>-</u>	<u>377,047</u>	<u>377,047</u>	<u>22,953</u>
Revenues over (under) expenditures	<u>(400,000)</u>	<u>-</u>	<u>(377,047)</u>	<u>(377,047)</u>	<u>22,953</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Reimbursement Resolution	400,000	-	377,047	377,047	(22,953)
Total other financing sources (uses)	<u>400,000</u>	<u>-</u>	<u>377,047</u>	<u>377,047</u>	<u>(22,953)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

**CLEVELAND COUNTY, NORTH CAROLINA**

**CLEVELAND COUNTY BROAD RIVER GREENWAY IMPROVEMENTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b><u>Authorization</u></b>	<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	<b><u>Total to Date</u></b>	<b><u>Positive</u></b> <b><u>(Negative)</u></b>
<b>Expenditures:</b>					
Capital outlay:					
Economic and Physical Development	\$ 275,000	\$ -	\$ 29,234	\$ 29,234	\$ 245,766
Total expenditures	<u>275,000</u>	<u>-</u>	<u>29,234</u>	<u>29,234</u>	<u>245,766</u>
Revenues over (under) expenditures	<u>(275,000)</u>	<u>-</u>	<u>(29,234)</u>	<u>(29,234)</u>	<u>245,766</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Reimbursement Resolution	275,000	-	29,234	29,234	(245,766)
Total other financing sources (uses)	<u>275,000</u>	<u>-</u>	<u>29,234</u>	<u>29,234</u>	<u>(245,766)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

**CLEVELAND COUNTY, NORTH CAROLINA**

**CLEVELAND COUNTY E911 CALL CENTER PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Project</b>	<b>Actual</b>			<b>Variance</b>
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues:</b>					
Restricted Intergovernmental	\$ -	\$ -	\$ 71,562	\$ 71,562	\$ 71,562
Total revenues	-	-	71,562	71,562	71,562
<b>Expenditures:</b>					
Capital outlay:					
Public Safety	\$ 1,177,207	\$ -	\$ 167,518	\$ 167,518	\$ 1,009,689
Total expenditures	1,177,207	-	167,518	167,518	1,009,689
Revenues over (under) expenditures	(1,177,207)	-	(95,956)	(95,956)	1,081,251
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Capital Reserve Fund	1,177,207	-	95,956	95,956	(1,081,251)
Total other financing sources (uses)	1,177,207	-	95,956	95,956	(1,081,251)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

**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, 2023**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>					
Restricted Intergovernmental	\$ 1,000,000	\$ -	\$ 32,343	\$ 32,343	\$ (967,657)
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>32,343</u>	<u>32,343</u>	<u>(967,657)</u>
<b>Expenditures:</b>					
Capital outlay:					
Economic and Physical Development	1,100,000	-	132,343	132,343	967,657
Total expenditures	<u>1,100,000</u>	<u>-</u>	<u>132,343</u>	<u>132,343</u>	<u>967,657</u>
Revenues over (under) expenditures	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
From Capital Reserve Fund	100,000	-	100,000	100,000	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

***This page was left blank intentionally.***



## **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.

***This page was left blank intentionally.***



## 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, 2023

	2023		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Restricted intergovernmental	\$ 2,059,328	\$ 1,908,895	\$ (150,433)
Total revenues	<u>2,059,328</u>	<u>1,908,895</u>	<u>(150,433)</u>
<b>Expenditures:</b>			
Debt service:			
Principal repayments	9,011,116	6,839,576	2,171,540
Interest and fees	<u>1,312,086</u>	<u>1,308,583</u>	<u>3,503</u>
Total expenditures	<u>10,323,202</u>	<u>8,148,159</u>	<u>2,175,043</u>
Revenues over (under) expenditures	<u>(8,263,874)</u>	<u>(6,239,264)</u>	<u>2,024,610</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in:			
From General Fund	5,408,872	4,194,216	(1,214,656)
From School Capital Reserve Fund	<u>2,855,002</u>	<u>3,952,446</u>	<u>1,097,444</u>
Total other financing sources (uses)	<u>8,263,874</u>	<u>8,146,662</u>	<u>(117,212)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,907,398</u>	<u>\$ 1,907,398</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>4,300,000</u>	
End of year - June 30		<u>\$ 6,207,398</u>	

***This page was left blank intentionally.***



## **Enterprise Fund**

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

### *Individual Fund Description:*

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

***This page was left blank intentionally.***



## CLEVELAND COUNTY, NORTH CAROLINA

## SOLID WASTE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Operating revenues:			
Fees for service	\$ 8,688,823	\$ 9,398,600	\$ 709,777
Non-operating revenues:			
Other taxes and fees	732,435	872,370	139,935
Sale of capital asset	-	531	531
Interest income	-	244,253	244,253
Total revenues	9,421,258	10,515,754	1,094,496
<b>Expenditures:</b>			
Salaries and employee benefits	3,092,136	3,036,311	55,825
Other operating expenditures	5,369,103	3,953,686	1,415,417
Capital outlay	1,816,039	1,491,866	324,173
Total expenditures	10,277,278	8,481,863	1,795,415
Revenue over (under) expenditures	(856,020)	2,033,891	(700,919)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(1,743,481)	(515,335)	1,228,146
Appropriated retained earnings	2,599,501	-	(2,599,501)
Total other financing sources (uses)	856,020	(515,335)	(1,371,355)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,518,556	\$ 1,518,556

## Reconciliation of Modified Accrual Basis to Full Accrual Basis:

## Reconciling items:

Decrease in deferred outflows of resources - OPEB	(61,306)
Increase in deferred inflows of resources -OPEB	(114,460)
Increase in OPEB liability	140,689
Capital outlay, capitalized	1,491,866
Change in accrued vacation	(25,207)
Post-closure care costs	(938,740)
Increase in deferred outflows of resources - pensions	455,793
Increase in net pension liability	(1,148,807)
Decrease in deferred inflows of resources - pensions	566,605
Depreciation	(1,002,038)
Total reconciling items	(635,605)
Change in net position	\$ 882,951

***This page was left blank intentionally.***



## **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.

***This page was left blank intentionally.***



**CLEVELAND COUNTY, NORTH CAROLINA****CUSTODIAL FUNDS****COMBINING STATEMENT OF FIDUCIARY NET POSITION****JUNE 30, 2023**

	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 291,738	\$ 107,855	\$ 399,593
Taxes receivable for other governments, net	965,748	-	965,748
Other receivables	-	7,543	7,543
Total assets	<u>1,257,486</u>	<u>115,398</u>	<u>1,372,884</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	-	6,358	6,358
Due to other governments	291,472	-	291,472
Total liabilities	<u>291,472</u>	<u>6,358</u>	<u>297,830</u>
<b>Net Position</b>			
Restricted for:			
Individuals, organizations, and other governments	<u>966,014</u>	<u>109,040</u>	<u>1,075,054</u>
Total net position	<u>\$ 966,014</u>	<u>\$ 109,040</u>	<u>\$ 1,075,054</u>

**CLEVELAND COUNTY, NORTH CAROLINA****CUSTODIAL FUNDS****COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>Additions</b>			
Ad valorem taxes for other governments	\$ 24,116,188	\$ -	\$ 24,116,188
Collections on behalf of inmates	-	800,929	800,929
Total additions	<u>24,116,188</u>	<u>800,929</u>	<u>24,917,117</u>
<b>Deductions</b>			
Tax distributions to other governments	24,123,309	-	24,123,309
Payments on behalf of inmates	-	771,178	771,178
Total deductions	<u>24,123,309</u>	<u>771,178</u>	<u>24,894,487</u>
Net increase (decrease) in fiduciary net position	(7,121)	29,751	22,630
Net position, beginning	<u>973,135</u>	<u>79,289</u>	<u>1,052,424</u>
Net position, ending	<u>\$ 966,014</u>	<u>\$ 109,040</u>	<u>\$ 1,075,054</u>

## **Additional Financial Data**

This section contains additional information on taxes receivable, the tax levy, and schedule of revenues and expenditures for Cleveland County as of June 30, 2023.

***This page was left blank intentionally.***



## CLEVELAND COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2023

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2022</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2023</b>
2022-2023	\$ -	\$ 76,149,025	\$ 74,839,400	\$ 1,309,625
2021-2022	1,021,541	-	553,886	467,655
2020-2021	522,216	-	163,004	359,212
2019-2020	421,760	-	92,773	328,987
2018-2019	239,263	-	53,922	185,341
2017-2018	150,305	-	29,327	120,978
2016-2017	100,977	-	20,855	80,122
2015-2016	89,265	-	18,268	70,997
2014-2015	86,034	-	13,663	72,371
2013-2014	63,214	-	8,314	54,900
2012-2013	52,190	-	52,190	-
Total	<u>\$ 2,746,765</u>	<u>\$ 76,149,025</u>	<u>\$ 75,845,602</u>	<u>3,050,188</u>

Less: allowance for uncollectible accounts: General Fund (743,549)

Ad valorem taxes receivable net: General Fund \$ 2,306,639

**Reconciliation with Revenues:**

Ad valorem taxes - General Fund \$ 75,473,828

## Reconciling items:

Interest	(438,074)
Adjustments and abatements	703,867
Other miscellaneous adjustments	(248,901)
Incentivized paybacks	302,692
Amounts written off per Statute of Limitations	<u>52,190</u>

Total collections and credits \$ 75,845,602

## CLEVELAND COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 9,966,548,945	0.6875	\$ 68,520,024	\$ 61,609,870	\$ 6,910,154
Total	<u>9,966,548,945</u>		<u>68,520,024</u>	<u>61,609,870</u>	<u>6,910,154</u>
<b>Discoveries:</b>					
Current year taxes	<u>1,212,053,527</u>	0.6875	<u>8,332,868</u>	<u>8,332,868</u>	<u>-</u>
Total	<u>1,212,053,527</u>		<u>8,332,868</u>	<u>8,332,868</u>	<u>-</u>
<b>Abatements</b>	<u>(102,380,655)</u>	0.6875	<u>(703,867)</u>	<u>(703,867)</u>	<u>-</u>
Total property valuation	<u>\$ 11,076,221,818</u>				
<b>Net Levy</b>			76,149,025	69,238,871	6,910,154
Uncollected taxes at June 30, 2023			<u>(1,309,625)</u>	<u>(1,309,625)</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 74,839,400</u>	<u>\$ 67,929,246</u>	<u>\$ 6,910,154</u>
<b>Current Levy Collection Percentage</b>			<u>98.28%</u>	<u>98.11%</u>	<u>100.00%</u>

## **Statistical Section**

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

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

***This page was left blank intentionally.***



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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 85,821,431	\$ 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
Restricted	14,779,333	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
Unrestricted	6,497	(3,827,118)	(7,345,176)	4,700,168	(4,027,666)	(3,033,611)	5,480,597	11,294,543	23,902,557	23,082,557
Total governmental activities	\$ 100,607,261	\$ 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
<b>Business-type activities</b>										
Net investment in capital assets	\$ 16,036,546	\$ 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
Unrestricted	(7,624,633)	(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)
Total business-type activities	\$ 8,411,913	\$ 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
<b>Primary government</b>										
Net investment in capital assets	\$ 101,857,977	\$ 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
Restricted	14,779,333	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
Unrestricted	(7,618,136)	(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
Total primary government net position	\$ 109,019,174	\$ 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

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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 10,940,284	\$ 9,192,572	\$ 11,020,393	\$ 11,852,530	\$ 13,385,504	\$ \$16,206,681	\$ \$19,866,977	\$ \$18,153,438	\$ 18,877,490	\$ 12,784,906
Public safety	22,277,558	23,023,383	25,934,833	25,546,272	29,382,033	31,238,186	34,113,907	39,328,539	35,321,446	48,337,683
Human services	39,910,173	37,343,610	38,328,743	36,826,648	34,213,345	35,995,884	35,659,097	34,605,901	36,417,270	36,753,772
Education	26,785,459	28,527,582	30,170,441	30,252,460	32,706,674	32,645,084	33,471,594	36,165,259	39,452,041	54,350,996
Economic and physical development	3,825,642	4,887,922	5,553,981	8,076,066	17,169,078	7,211,865	5,954,351	5,913,415	7,070,035	14,679,651
Cultural and recreation	2,015,097	698,756	1,673,852	688,520	1,761,508	1,503,021	1,136,245	470,975	1,104,310	865,200
Interest on long term debt	1,494,721	1,791,022	1,904,752	1,741,975	2,411,379	2,247,146	2,065,998	1,891,833	1,319,872	1,344,909
Total governmental activities	107,248,934	105,464,847	114,586,995	114,984,471	131,029,521	127,047,867	132,268,169	136,529,360	139,562,464	169,117,117
Business-type activities:										
Landfill	5,145,318	4,679,344	4,862,707	5,927,192	7,916,155	6,380,315	16,996,569	8,281,509	8,146,905	9,116,937
Conference center	-	-	-	-	-	-	-	-	-	-
Total business-type activities	5,145,318	4,679,344	4,862,707	5,927,192	7,916,155	6,380,315	16,996,569	8,281,509	8,146,905	9,116,937
Total primary government expenses	\$ 112,394,252	\$ 110,144,191	\$ 119,449,702	\$ 120,911,663	\$ 138,945,676	\$ 133,428,182	\$ 149,264,738	\$ 144,810,869	\$ 147,709,369	\$ 178,234,054
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 2,634,580	\$ 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
Public safety	2,625,778	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
Human services	11,883	-	-	3,817,502	3,950,570	3,831,593	3,726,656	15,416,673	3,958,393	5,760,252
Economic and physical development	4,000,223	3,939,136	5,340,699	370,675	226,392	238,696	317,471	399,903	412,721	281,161
Cultural and recreation	-	-	-	-	-	-	-	-	-	18,557
Operating grants and contributions:										
General government	3,889,131	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
Public safety	305,039	369,245	155,891	355,316	258,388	464,295	561,328	662,005	2,312,137	3,174,179
Human services	17,987,419	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
Education	-	-	1,231,021	-	-	-	-	-	-	-
Economic and physical development	739,658	107,025	-	-	-	-	-	-	-	726,464
Cultural and recreation	-	-	-	184,000	33,000	33,768	1,717	28,393	-	304,129
Capital grants and contributions:										
General government	1,044,258	450,760	40,542	-	-	-	-	1,752,082	-	-
Public safety	59,411	298,438	183,461	-	1,088,296	1,861,658	-	-	450,000	9,999,106
Human services	3,663,827	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	1,462,777	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
Economic and physical development	1,008,897	-	2,063,691	1,670,321	1,167,046	2,345,007	1,122,124	-	-	32,343
Cultural and recreation	-	-	-	-	-	-	25,384	424,641	-	-
Total governmental activities program revenues	39,432,881	39,583,914	43,083,452	36,026,476	37,743,380	39,614,630	\$36,027,746	\$43,666,482	52,671,354	83,324,761
Business-type activities:										
Charges for services	5,998,475	5,976,341	5,746,746	5,996,327	7,037,731	7,404,183	7,475,752	7,754,153	8,587,643	9,398,600
Operating grants and contributions	54,445	108,734	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	3,700	-	-	-	-	-	-	-
Total business-type activities program revenues	6,052,920	6,085,075	5,750,446	5,996,327	7,037,731	7,404,183	7,475,752	7,754,153	8,587,643	9,398,600
Total primary government program revenues	\$ 45,485,801	\$ 45,668,989	\$ 48,833,898	\$ 42,022,803	\$ 44,781,111	\$ 47,018,813	\$ 44,103,498	\$ 51,420,635	\$ 61,258,997	\$ 92,723,361

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

	Fiscal Year				Fiscal Year					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (67,816,053)	\$ (65,880,933)	\$ (71,503,543)	\$ (78,357,995)	\$ (93,286,141)	\$ (87,433,237)	\$ (95,640,423)	\$ (92,862,878)	\$ (86,891,110)	\$ (85,792,356)
Business-type activities	907,602	1,405,731	887,739	69,135	(878,424)	1,023,868	(9,520,817)	(527,356)	440,738	281,663
Total primary government net (expense)/revent	\$ (66,908,451)	\$ (64,475,202)	\$ (70,615,804)	\$ (78,288,860)	\$ (94,164,565)	\$ (86,409,369)	\$ (105,161,240)	\$ (93,390,234)	\$ (86,450,372)	\$ (85,510,693)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 60,502,800	\$ 59,587,494	\$ 60,047,655	\$ 61,266,854	\$ 63,400,076	\$ 66,988,662	\$ 70,909,731	\$ 73,371,750	\$ 76,854,064	\$ 79,974,882
Local option sales tax	12,625,637	17,202,034	17,561,662	19,434,159	21,425,575	21,292,439	20,666,648	24,177,027	27,280,539	28,269,805
Other taxes and licenses	-	-	-	360,205	122,392	127,770	223,981	-	145,907	1,993,728
Grants and contributions not restricted	-	-	-	-	-	-	-	-	-	-
Investment earnings	110,873	188,580	278,703	595,379	839,841	1,316,562	1,608,680	362,361	89,142	2,537,792
Miscellaneous	-	-	-	568,882	687,665	750,305	1,645,121	2,019,378	1,016,181	2,506,802
Special item:										
Gain/(loss) on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	104,481	125,966	432,320	-	-	-	1,287,188	515,335	515,335	515,335
Total governmental activities:	\$ 73,343,791	\$ 77,104,074	\$ 78,320,340	\$ 82,225,479	\$ 86,475,549	\$ 90,475,738	\$ 96,341,349	\$ 100,445,851	\$ 105,901,168	\$ 115,798,344
Business-type activities:										
Investment earnings	328	1,004	13,557	31,524	26,814	77,333	59,933	777	8,816	244,253
Miscellaneous	-	515,482	652,263	711,838	644,313	788,587	578,540	627,732	829,038	872,370
Transfers	(104,481)	(125,967)	(432,320)	-	-	-	(1,287,188)	(515,335)	(515,335)	(515,335)
Total business-type activities	(104,153)	390,519	233,500	743,362	671,127	865,920	(648,715)	113,174	322,519	601,288
Total primary government	\$ 73,239,638	\$ 77,494,593	\$ 78,553,840	\$ 82,968,841	\$ 87,146,676	\$ 91,341,658	\$ 95,692,634	\$ 100,559,025	\$ 106,223,687	\$ 116,399,632
<b>Change in Net Position</b>										
Governmental activities	\$ 5,527,738	\$ 11,223,141	\$ 6,816,797	\$ 3,867,484	\$ (6,810,592)	\$ 3,042,501	\$ 700,926	\$ 7,582,973	\$ 19,010,058	\$ 30,005,988
Business-type activities	803,449	1,796,250	1,121,239	812,497	(207,297)	1,889,788	(10,169,532)	(414,182)	763,257	882,951
Total primary government	\$ 6,331,187	\$ 13,019,391	\$ 7,938,036	\$ 4,679,981	\$ (7,017,889)	\$ 4,932,289	\$ (9,468,606)	\$ 7,168,791	\$ 19,773,315	\$ 30,888,939

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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Non-spendable:										
Inventories	\$ 104,177	\$ 144,859	\$ 172,014	\$ 92,666	\$ 106,556	\$ 108,852	\$ 109,512	\$ 102,436	\$ 148,826	\$ 219,264
Long-Term receivable	-	-	-	91,764	73,412	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	3,428	-
Prepaid items	221,001	241,229	201,261	880,263	339,516	396,008	507,947	376,937	451,522	423,354
Restricted:										
Stabilization for State statute	7,531,900	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
Register of Deeds	-	-	-	76,671	121,964	172,918	189,798	189,798	189,798	137,557
Restricted, all other	705,424	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
Committed:										
Construction	19,015,426	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	5,633,347	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
Assigned all other	1,500,000	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
Unassigned:	14,345,778	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
<b>Total General Fund</b>	<b>\$ 49,057,053</b>	<b>\$ 44,286,066</b>	<b>\$ 38,510,687</b>	<b>\$ 39,620,247</b>	<b>\$ 40,870,422</b>	<b>\$ 41,814,971</b>	<b>\$ 43,358,346</b>	<b>\$ 47,604,888</b>	<b>\$ 52,415,667</b>	<b>\$ 61,116,538</b>
<b>All Other Governmental Funds</b>										
Non-spendable:										
Prepaid items	\$ 5,386	\$ -	\$ 43,573	\$ 10,856	\$ 71,930	\$ 51,164	\$ 79,798	\$ 122,851	\$ 329,319	\$ 238,251
Restricted:										
Stabilization for State statute	1,422,178	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
Restricted, all other	3,298,716	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
Committed:										
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
Assigned all other:	-	-	-	2,269,942	2,881,403	2,794,155	2,881,711	5,994,552	8,469,035	11,155,898
Unassigned:	(1,979,061)	(126,577)	(901,293)	(348,897)	(916,195)	(1,662,935)	3,370,082	140,028	785,700	(4,285,473)
<b>Total all other governmental funds</b>	<b>2,747,219</b>	<b>6,952,805</b>	<b>9,899,346</b>	<b>43,275,135</b>	<b>20,819,936</b>	<b>20,142,172</b>	<b>24,408,844</b>	<b>23,805,759</b>	<b>40,365,924</b>	<b>39,408,806</b>
<b>Total fund balances</b>	<b>\$ 51,804,272</b>	<b>\$ 51,238,871</b>	<b>\$ 48,410,033</b>	<b>\$ 82,895,382</b>	<b>\$ 61,690,358</b>	<b>\$ 61,957,143</b>	<b>\$ 67,767,190</b>	<b>\$ 71,410,647</b>	<b>\$ 92,781,591</b>	<b>\$ 100,525,344</b>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes:										
Property	\$ 60,197,991	\$ 59,299,996	\$ 60,146,105	\$ 61,374,504	\$ 63,302,733	\$ 67,057,925	\$ 70,356,321	\$ 73,526,131	\$ 76,773,555	\$ 79,484,196
Sales	11,927,085	17,202,034	17,561,662	19,434,159	21,425,575	21,292,439	20,666,648	24,177,027	27,280,539	28,269,805
Other	698,552	513,548	-	-	-	-	-	-	-	1,557,687
Total taxes	72,823,628	77,015,578	77,707,767	80,808,663	84,728,308	88,350,364	91,022,969	97,703,158	104,054,094	109,311,688
Intergovernmental	28,254,914	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
Permits and fees	4,662,137	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
Sales and services	5,450,492	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
Investment earnings	110,873	188,579	278,704	595,379	839,841	1,316,562	1,619,141	362,361	89,142	2,537,792
Miscellaneous	812,707	910,103	2,346,817	661,389	1,086,004	750,305	1,645,121	2,019,378	1,053,716	2,506,802
Total revenues	112,114,751	116,733,442	120,494,151	118,994,008	123,687,956	129,290,323	131,236,764	142,891,597	156,815,419	198,270,086
<b>Expenditures</b>										
General government	8,786,762	9,331,755	10,675,904	11,067,806	12,971,595	14,107,263	16,073,171	16,585,069	18,738,894	12,352,605
Public safety	20,626,911	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
Human services	33,749,480	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
Education	26,785,458	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
Economic and physical development	7,704,794	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
Culture and recreation	1,721,106	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
Capital outlay	4,545,366	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
Debt service:										
Principal	3,473,237	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
Interest	1,920,901	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
Total expenditures	109,314,015	120,330,027	123,755,309	118,283,804	144,288,682	130,755,084	134,799,315	139,291,724	154,945,353	194,448,834
Revenues over (under) expenditures	2,800,736	(3,596,585)	(3,261,158)	710,204	(20,600,726)	(1,464,761)	(3,562,551)	3,599,873	1,870,066	3,821,252
<b>Other Financing Sources (Uses)</b>										
Transfers in	24,865,333	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
Transfers out	(24,760,852)	(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)
Proceeds from leases / IT Subscriptions	-	-	-	425,145	26,440	70,138	525,410	1,529,550	110,543	2,962,030
Installment financing proceeds	-	-	-	33,350,000	-	-	7,560,000	34,631,000	12,000,000	445,136
Payment to bond escrow agent	-	-	-	-	-	-	-	(36,738,188)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	6,875,000	-
Total other financing sources (uses)	104,481	125,967	432,320	33,775,145	541,775	585,473	9,372,598	(62,303)	19,500,878	3,922,501
Net change in fund balances	\$ 2,905,217	\$ (3,470,618)	\$ (2,828,838)	\$ 34,485,349	\$ (20,058,951)	\$ (879,288)	\$ 5,810,047	\$ 3,537,570	\$ 21,370,944	\$ 7,743,753
Debt Service / Operating Non-Capital Ratio	5.15%	4.92%	4.66%	4.34%	6.11%	6.39%	5.81%	4.51%	8.96%	5.77%

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

<b>Fiscal Year</b>	<b>Commercial Real Property</b>	<b>Real Personal Property</b>	<b>Industrial Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (3)</b>	<b>Estimated Actual Value (4)</b>
2014	\$ 6,044,768,405	\$ 1,725,042,756	\$ 705,256,339	\$8,475,067,500	0.7200	\$ 5,013,002,426
2015	6,919,697,664	1,675,189,181	741,430,862	9,336,317,707	0.7200	5,517,763,765
2016 (5)	5,949,760,853	1,464,352,946	813,084,179	8,227,197,978	0.7200	4,862,274,005
2017	4,750,457,635	3,209,409,209	472,393,562	8,432,260,406	0.7200	8,634,057,316
2018	4,787,922,158	3,211,020,704	476,124,638	8,475,067,500	0.7200	9,048,102,044
2019	4,898,007,974	3,936,446,342	501,863,391	9,336,317,707	0.7200	10,193,539,465
2020	4,944,214,260	4,045,593,160	594,239,381	9,584,046,801	0.7200	10,416,188,733
2021	5,043,098,545	4,126,505,023	606,124,169	9,775,727,737	0.7200	10,624,512,508
2022	6,437,744,232	2,073,661,347	692,875,043	9,567,282,807	0.6875	10,620,159,386
2023	6,553,453,803	2,285,161,852	701,120,178	9,948,316,068	0.6875	10,799,671,900

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

Notes:

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

(This ratio only applies to real property)

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

\* Indicates valuation was included in Commercial Property Valuation

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cleveland County	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ .0069	\$ .0069
<b>Municipality Rates:</b>										
Town of Grover	0.0038	0.0039	0.0039	0.0039	0.0039	0.0039	0.0044	0.0045	0.0045	0.0047
City of Kings Mountain	0.0040	0.0040	0.0040	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0048
City of Kings Mountain Municiple Service District	0.0024	0.0024	0.0024	0.0027	0.0027	0.0027	0.0024	0.0024	0.0024	0.0024
Town of Lattimore	0.0018	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022
Town of Kingstown	0.0035	0.0035	0.0035	0.0035	0.0035	0.0048	0.0048	0.0048	0.0048	0.0048
Town of Fallston	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Earl	0.0017	0.0017	0.0017	0.0017	0.0017	0.0018	0.0018	0.0018	0.0018	0.0018
Town of Polkville	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Lawndale	0.0023	0.0023	0.0023	0.0023	0.0023	0.0023	0.0035	0.0035	0.0035	0.0035
Town of Casar	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005
Town of Waco	0.0017	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0023	0.0023
City of Shelby	0.0044	0.0044	0.0044	0.0050	0.0050	0.0052	0.0052	0.0052	0.0052	0.0052
Uptown Shelby Municiple Revitilization	0.0022	0.0022	0.0022	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025
Town of Boiling Springs	0.0029	0.0032	0.0032	0.0033	0.0037	0.0038	0.0039	0.0039	0.0037	0.0038
Town of Patterson Springs	N/A	N/A	N/A	N/A	0.0015	0.0015	0.0015	0.0015	0.0015	0.0015
Town of Belwood	N/A	N/A	N/A	N/A	N/A	0.0005	0.0005	0.0005	0.0005	0.0005
<b>Fire Districts:</b>										
County Fire	0.0005	0.0005	0.0005	0.0005	0.0009	0.0009	0.0009	0.0009	0.0009	0.0009
Fallston Fire	0.0005	0.0005	0.0005	0.0005	N/A	N/A	N/A	N/A	N/A	N/A
Lattimore Fire	0.0004	0.0005	0.0005	0.0005	0.0009	0.0009	0.0009	0.0009	0.0009	0.0009
Rippy Fire	0.0005	0.0005	0.0005	0.0005	0.0009	0.0009	0.0009	0.0009	0.0009	0.0009
<b>Sanitary Water District</b>										
	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002

Source: Cleveland County Tax Collector  
**\*Fallston Fire went in with the main County Fire taxing district in FY 2018.**

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

Taxpayer	Type of Business	Fiscal Year 2022				Fiscal Year 2013			
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Duke Energy Corp	Electric Utility	\$ 819,088,818	1	7.4%		\$ 534,081,690	1	6.65%	
Clearwater Paper Corporation	Paper products	528,932,974	2	4.8%		239,941,035	3	0.00%	
Carolina Power Partners LLC	Electric Utility	378,643,456	3	3.4%		N/A	N/A	0.00%	
Southern Power Company	Electric Utility	257,976,815	4	2.3%		307,759,299	2	3.83%	
Nippon Electric Glass	Fiberglass Manufacturing	139,481,815	5	1.3%		113,002,123	4	0.00%	
AT&T/Bellsouth	Telecommunication	109,232,137	6	1.0%		75,534,934	7	0.94%	
Wal-Mart	Warehouse/Retail Store	99,847,020	7	0.9%		76,373,806	# 6	0.95%	
Disney Worldwide Services	Entertainment	88,090,367	8	0.8%		91,132,901	5	0.00%	
Public Service Company of NC	Electric Utility	84,439,984	9	0.8%		45,414,865	8	0.00%	
KSM Casting	Specialty Chemicals	67,483,815	10	0.6%		2,123,104	9	0.00%	
Totals		\$ 2,573,217,201		23.28%		\$ 1,485,363,757		12.38%	

**Source: Cleveland County Assessor**

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

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total		Collected within the Fiscal Year of the Levy		Total Collections to Date	
			Adjusted Levy	Amount	Percentage of Original Levy	Amount	Percentage of Adjusted Levy	Uncollected
2014	\$ 58,422,332	\$ (392,434)	\$ 58,029,898	\$ 56,686,171	97.68%	\$ 57,974,998	97.68%	\$ 54,900
2015	58,143,528	(69,534)	58,073,994	57,048,877	98.23%	58,001,623	99.88%	72,371
2016	59,509,987	(274,162)	59,235,825	58,272,377	98.37%	59,164,828	99.88%	70,997
2017	61,013,048	(587,915)	60,425,133	59,552,304	98.56%	60,345,011	99.87%	80,122
2018	61,608,401	(587,915)	61,020,486	60,059,273	98.42%	60,899,508	99.80%	120,978
2019	64,748,877	(253,441)	64,495,436	63,566,623	98.56%	64,310,095	99.71%	185,341
2020	68,596,144	(258,796)	68,337,348	66,938,085	97.95%	68,008,361	99.52%	328,987
2021	70,690,330	(437,916)	70,252,414	69,299,596	98.64%	69,893,202	99.49%	359,212
2022	73,801,747	(355,861)	73,445,886	72,424,345	98.61%	72,978,231	99.36%	467,655
2023	76,852,892	(703,867)	76,149,025	74,839,400	98.28%	74,839,400	98.28%	1,309,625
								\$ 3,050,188

**Source:** Cleveland County Tax Collector

**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					
2014	\$ 600,000	\$ 17,675,000	\$ 22,090,050	\$ -	\$ 33,873	\$ 40,398,923	405	1.24%		
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%		

**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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Limited Obligation Bonds</b>	<b>Total</b>	<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2014	\$ 850,000	\$ 18,760,000	\$ 19,610,000	0.60%	0.28%	197
2015	350,000	16,590,000	16,940,000	0.47%	0.23%	171
2016	100,000	15,505,000	15,605,000	0.41%	0.19%	159
2017	-	14,420,000	14,420,000	0.39%	0.18%	147
2018	-	13,335,000	13,335,000	0.35%	0.16%	136
2019	-	12,250,000	12,250,000	0.32%	0.13%	126
2020	-	11,165,000	11,165,000	0.29%	0.12%	114
2021	-	6,825,000	6,825,000	0.18%	0.07%	69
2022	-	5,690,000	5,690,000	0.15%	0.06%	57
2023	-	4,555,000	4,555,000	0.12%	0.05%	45

**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				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$ 8,029,709,444	\$ 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
Debt Limit, 8% of Assessed Value (Statutory Limitation)	642,376,756	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
Amount of Debt Applicable to Limit:										
Less: Gross debt	40,398,923	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
Total net debt applicable to limit	40,398,923	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
Legal Debt Margin	\$ 601,977,833	\$ 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
Total debt applicable to the limit as a perca	7.35%	6.29%	5.73%	5.10%	9.53%	7.12%	7.34%	6.57%	6.06%	5.57%

**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 incurred for water, sewer, gas or electric power purposes; uncollected special assessments, refunding bonds 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, 2023**

<b>Governmental Unit</b>	<b>Gross Non-Revenue Bonded Debt</b>	<b>Percent Applicable to County</b>	<b>Amount Applicable to Primary Government</b>
Total County direct debt	\$ 46,768,880	100%	\$ 46,768,880
Overlapping:			
Public Schools	-	0%	-
Total overlapping debt	\$ -		-
Total	\$ 46,768,880		\$ 46,768,880

**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**

<b>Year</b>	<b>Population(1)</b>	<b>Personal Income (2) (thousands of dollars)</b>	<b>Median Household Income (2)</b>	<b>Public School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>	<b>Number of Commercial Public Food Inspections Performed(5)</b>	<b>Number of Building Inspections Performed(6)</b>
2014	98,953	3,618,414	36,567	16,374	6.80%	1,038	275
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

**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

\* Information not yet available.

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

<b>Employer</b>	<b>2023</b>		<b>2014</b>	
	<b>Employment Range</b>	<b>Rank</b>	<b>Employment Range</b>	<b>Rank</b>
Cleveland County Board Of Education	1000+	1	1000+	1
Wal-Mart Associates Inc.	1000+	2	1000+	3
Atrium Health	1000+	3	1000+	2
Gardner-Webb University	500-999	9	1000+	4
County Of Cleveland	500-999	4	500-999	5
Baldor Electric Company	N/A	N/A	500-999	6
Electric Glass Fiber America LLC (Formerly PPG Industries)	500-99	10	500-999	7
Cleveland Community College	250-999	12	500-999	8
Clearwater Paper Corporation	500-999	6	N/A	N/A
Ingles Markets Inc	500-999	8	250-499	9
Hanesbrands Inc	500-999	7	250-499	10
Greenheck Fan Corporation	500-999	5	N/A	N/A
Eaton Corporation	N/A	N/A	250-499	11
City of Shelby	250-499	11	N/A	N/A

Source: Cleveland County Chamber of Commerce (704-487-8521); 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										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	85	85	88	89	92	95	102	86	96	112	114
Public safety	272	266	279	286	287	288	294	299	293	318	337
Environmental protection	36	36	36	39	39	38	37	35	36	35	35
Economic and physical development	17	17	18	18	19	19	18	12	15	13	13
Human services	386	403	410	417	420	421	431	322	283	290	294
Cultural and recreation	16	21	23	24	24	25	26	24	23	22	22
Total	812	828	854	873	881	886	908	778	746	790	815

Source: Human Resources Department

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

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

Function	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>General Government</u></b>										
# of registered voters	62,000	58,771	61,180	63,435	64,557	60,779	63,738	66,222	67,594	66,297
<b><u>Public Safety</u></b>										
# of building permits issued	275	262	300	319	324	348	338	427	1,417	1,838
# of calls dispatched	90,588	90,154	95,769	94,568	99,050	110,779	129,464	134,558	123,392	150,396
<b><u>Human Services</u></b>										
# of food & lodging sites inspected	1,171	1,192	1,192	1,187	1,185	1,178	937	918	796	888
# of Health clients served (clinical)	18,226	18,627	16,796	15,813	16,442	16,329	14,089	11,753	13,849	12,364
<b><u>Economic and Physical Development</u></b>										
Number of major subdivision plan reviews	0	0	0	0	0	0	0	0	6	5
<b><u>Cultural and Recreation</u></b>										
Library:										
Book volumes per capita	1.54	1.14	1.19	0.98	1.06	1.03	1.37	3.38	0.99	7.185
Library income per capita (local)	8.64	9.41	9.81	10.41	9.20	10.44	10.47	11.46	11.60	11.15
Library income per capita (total)	10.02	13.27	12.41	12.71	12.33	12.76	12.70	13.70	13.96	14.99
Library visits per capita	1.62	1.86	1.86	1.79	2.66	1.36	1.91	0.68	0.76	0.85
Turnover rate (circulation per book)	1.51	1.88	1.72	1.77	1.87	2.04	2.12	1.95	1.92	1.88
<b><u>Education</u></b>										
Total \$ spent per ADM	\$ 1,736	\$ 1,751	\$ 1,817	\$ 1,903	\$ 1,975	\$ 1,975	\$ 2,110	\$ 2,110	\$ 1,804	\$ 2,135
<b><u>Enterprise Fund - Landfill</u></b>										
Solid waste generated # tons/day	468	477	446	470	495	699	474	479	547	548

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

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

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

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

Function	Fiscal Year					Fiscal Year					Fiscal Year				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013	2014	2015	2016
<b>Public Safety</b>															
Sheriff's Department:															
Stations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Vehicles	128	128	154	165	169	160	164	166	181	180	199	128	128	154	165
Emergency Medical Services:															
Stations	9	9	9	9	9	9	9	9	9	9	13	9	9	9	13
Vehicles	28	30	30	34	34	35	38	45	40	42	45	28	30	30	34
<b>Cultural and Recreation</b>															
Park acreage	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Parks	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Libraries	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Total government-wide assets value	\$ 146,076,511	\$ 147,872,060	\$ 161,888,551	\$ 173,506,273	\$ 182,857,144	\$ 197,967,905	\$ 203,453,604	\$ 208,291,968	\$ 244,007,169	\$ 142,989,794	\$ 164,201,296	\$ 146,076,511	\$ 147,872,060	\$ 161,888,551	\$ 173,506,273

Source: Various County Departments

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

Industry NAICS Sector**	2023				2020				2017			
	Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed		Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed		Annual Wages Paid	Annual Average Number of Employees	% Percentage of Total Labor Force or Employed	
1. Manufacturing (31)	\$ 239,031,537	3,723	10.67%		\$ 380,608,212	6,785	19.34%		\$ 349,217,034	6,488	19.88%	
2. Health Care and Social Assistance (62)	146,451,877	2,565	7.35%		246,967,309	4,972	14.17%		217,290,458	5,042	15.45%	
3. Educational Services (61)	79,226,134	1,794	5.14%		85,007,026	1,951	5.56%		83,729,322	2,214	6.79%	
4. Retail Trade (44)	73,837,521	2,107	6.04%		114,997,979	3,882	11.07%		109,853,785	4,104	12.58%	
5. Transportation and Warehousing (48)	57,566,714	1,195	3.43%		106,089,485	2,574	7.34%		103,400,319	2,563	7.85%	
6. Public Administration (92)	51,852,351	1,012	2.90%		90,454,548	2,049	5.84%		77,667,997	2,034	6.23%	
7. Construction	53,598,440	937	2.69%		84,466,809	1,670	4.76%		81,676,682	1,670	5.12%	
8. Administrative and Support and Waste Management and Remediation Services	34,491,539	943	2.70%		57,823,266	1,982	5.68%		56,587,561	1,921	5.89%	
9. Accommodation and Food Services	28,231,215	1,518	4.35%		48,328,663	2,810	8.01%		41,270,703	2,905	8.90%	
10. Wholesale Trade	28,815,683	486	1.39%		46,236,429	948	2.70%		43,500,635	1,000	3.06%	
11. Professional, Scientific, and Technical Services	30,105,378	439	1.26%		47,528,885	725	2.07%		36,250,156	638	1.96%	
12. Information	20,592,127	193	0.55%		35,546,982	392	1.12%		33,839,570	445	1.36%	
	\$ 843,800,516	16,912	48.48%		\$ 1,085,376,419	28,351	87.66%		\$ 973,708,153	27,496	95.08%	

\*All data in this exhibit was obtained from the Employment Security Commission of North Carolina

\*\* All data is on calendar year end basis.

***This page was left blank intentionally.***



## **COMPLIANCE SECTION**

***This page was left blank intentionally.***





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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023, and the related notes to the financial statements, which collectively comprises Cleveland County's basic financial statements, and have issued our report thereon dated January 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2023-001] that we consider to be significant deficiencies.

Members

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

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cleveland County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2023-001].

### 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  
January 19, 2024



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Members

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

### Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

### Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, 2023-004, 2023-005, 2023-006] to be significant deficiencies.

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 19, 2024



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023. 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, 2023.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Members

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

### Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

### Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-003, 2023-004, 2023-005, 2023-006] to be significant deficiencies.

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

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

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

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

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

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 19, 2024

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>AL No.</u>	<u>Program Name</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, & Children
21.027	Coronavirus State and Local Fiscal Recovery Fund
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 819,345

Auditee qualified as low-risk auditee? X yes \_\_\_ no

State Awards

Internal control over major State programs:

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

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

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

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

---

**Section I - Summary of Auditors' Results (continued)**

---

Identification of major State programs:

Program Name  
Medical Assistance Program  
General Assembly Allocation  
Public School Building Capital Fund  
Building Reuse Program  
State Budget Allocation  
State Capital Infrastructure Fund

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

Auditee qualified as low-risk auditee?   X   yes        no

---

**Section II - Financial Statement Findings**

---

**Finding 2023-001**

**Budget Violation**

NONCOMPLIANCE / SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

Condition: The budget was overspent in the following departments in General Fund: Administration \$20,858, Finance \$1,254, Human Resources \$133,615, Sheriff \$742,234, Emergency Medical Services \$473,046, Emergency Communications \$114, Emergency Medical \$27,910, and Debt Service \$157,578; Representative Payee Fund \$9,711.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The majority of the over-expenditures in the General Fund and General Capital Project Fund related to recording first year balances of new loan proceeds, lease proceeds, or IT subscription proceeds. There was an oversight in the requirement to record the entire proceeds and capital outlay associated with these agreements at inception. The over-expenditure in the Representative Payee Fund was an oversight.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-001.

Recommendation: The finance office should review the General Statutes and GASB Statement more carefully to ensure funds are properly authorized and are properly accounted for.

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

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

---

**Section III - Federal Award Findings and Questioned Costs**

---

**US Department of Treasury**

Program Names: Coronavirus State and Local Fiscal Recovery Fund

AL No.: 21.027

**Finding 2023-002                      Untimely Adoption of Policy**

**SIGNIFICANT DEFICIENCY**

Eligibility

Criteria:                      In accordance with the U.S. Department of Treasury 31 CFR Part 35, Coronavirus State and Local Fiscal Recovery Funds Final Rule and the Uniform Guidance, Eligible Projects Determination & Documentation Policy, Cost Principles/Allowable Costs Policy, Civil Rights Compliance / Nondiscrimination Policy, are required to be adopted as condition of receiving the funds.

Condition:                      The County did not adopt required policies timely.

Effect:                      The County could use the funds for unallowable costs that were prohibited by the Final Rule.

Cause:                      County oversight of the new federal grant requirements to have the stated policies in place.

Recommendation:                      The finance office should review the grant agreement and the Uniform Guidance more carefully to ensure all compliance requirements are met.

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

**US Department of Health and Human Service**

Passed through the NC Dept of Health and Human Services

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

AL No.: 93.778

**Finding 2023-003                      IV-D Cooperation with Child Support**

**SIGNIFICANT DEFICIENCY**

Eligibility

Criteria:                      The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.

Condition:                      There were 1 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

Questioned Costs:                      There was no known affect to eligibility and there were no known questioned costs.

Context:                      We examined 60 from a total of 1,380,866 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:                      For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding:                      This is a repeat finding from the immediate previous audit, 2022-002.

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

---

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

---

Cause:	Error in reading the ACTS report, and ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

**US Department of Health and Human Service**

Passed through the NC Dept of Health and Human Services

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

AL No.: 93.778

**Finding 2023-004                      Inaccurate Information Entry**

**SIGNIFICANT DEFICIENCY**

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
-----------	--

Condition:	There were 1 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
------------	--

Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
-------------------	--

Context:	We examined 60 from a total of 1,380,866 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:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
---------	--

Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-003.
-------------------------------------	---

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

Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
-----------------	--

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

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

---

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

---

**US Department of Health and Human Service**

Passed through the NC Dept of Health and Human Services

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

AL No.: 93.778

**Finding 2023-005**

**Inaccurate Resources Entry**

**SIGNIFICANT DEFICIENCY**

Eligibility

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.
Condition:	There were 1 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from a total of 1,380,866 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:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-004.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Cleveland County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

---

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

---

**US Department of Health and Human Service**

Passed through the NC Dept of Health and Human Services

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

AL No.: 93.778

**Finding 2023-006**

**Inadequate Request for Information**

**SIGNIFICANT DEFICIENCY**

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 10 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 from a total of 1,380,866 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:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-005.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

---

**Section IV - State Award Findings and Questioned Costs**

---

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

AL No.: 93.778

SIGNIFICANT DEFICENCY: Finding 2023-003, 2023-004, 2023-005, 2023-006 also apply to State requirements and State Awards.



# Cleveland County

## NORTH CAROLINA

Corrective Action Plan  
For the Year Ended June 30, 2023

### Section II - Financial Statement Findings

#### Finding 2023-001

Name of Contact Person: Sherrie Geer, Interim Finance Officer

Corrective Action: The current Finance Staff did not realize that budget needed to be in place for GASB 87 and 96 audit entries. We will be mindful and aware of this for any future GASB87 and GASB96 requirements. Administration, Finance, Human Resource, Sheriff, Emergency Medical and Debt Service departments were those affected by the GASB87 and GASB96 requirements. The overspend in Emergency Communications of \$114 was a result of an expense that NC E911 board deemed as an ineligible expense in those Fund 26 (Emergency Phone) funds after the fact. So the expense had to be moved to Emergency Communications dept which caused the overage.

The Representative Payee Fund overage was just an oversight not realized. Finance has notified staff and departments that oversee these funds to make sure sufficient budget is available for planned expenditures.

The Finance Director left the organization at year end (July 2023) and failed to communicate information to remaining staff. In addition to this, Finance Staff has been without Assistant Finance Director since January 2023 and Purchasing agent since May 2022. With onboarding of New Finance Director January 29, 2023 we anticipate department vacancies and needs will be addressed.

Proposed Completion Date: January 31, 2023

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

#### Finding 2023-002

Name of Contact Person: Sherrie Geer, Interim Finance Officer

Corrective Action: The Finance Office has submitted information on policies that need to be adopted to the Manager's Office and Legal department for further review. Policies are being worked on and should be presented to the Board of Commissioner's at the February 6, 2024 meeting. Finance staff and other staff involved will be reminded to make sure grant agreements are read thoroughly to make sure all grant requirements are being met.

Proposed Completion Date: February 6, 2024

#### Finding 2023-003

Name of Contact Person: Alice Wilson, Medicaid Program Administrator



## Cleveland County NORTH CAROLINA

Corrective Action Plan  
For the Year Ended June 30, 2023

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

**Corrective Action:** Lead staff along with Supervision will conduct refresher training regarding when and how to properly send a IV D referral. The county must also ensure that staff is aware of current guidance in Admin letter 13-23 which states that an applicant/beneficiary is not required to cooperate with Child Support during the CCU period however a parent/caretaker can request assistance with establishing child support at which time the worker would assist by keing the referral. While this is a repeat finding it is important to note the decrease in errors found to one error in 2023 compared to 3 found in 2022. The county feels that the specialization model with in the Family & Childrens team has contributed to this reduction and will continue to reduce as we go forward.

**Proposed Completion Date:** Staff training to be completed by 3/31/2024

#### Finding 2023-004

**Name of Contact Person:** Alice Wilson, Medicaid Program Administrator

**Corrective Action:** Lead Staff along with Supervision will conduct refresher training on how to add and remove household members in a case. This area will continue to be a part of the second party checks conducted by lead staff and supervision to ensure accurate entry. Management along with the Medicaid Services Administrator will review the current second party/ QA Analysis policy and update any areas to ensure that supervisors and lead staff are sampling an appropriate amount of work in order to identify any error trends. The county is in the process of specializing all Medicaid staff by function within the program adminisitered. Currently the Family & Childrens Medicaid department has been specialized into a Intake Application team and a Redetermination team. The Adult Medicaid team is working toward this same specialization model with a target completion date of late spring 2024. While this is a repeat finding from 2022 it is important to note the significant decrease in the total number found in 2023 of one error compared to 10 errors found in 2022.

**Proposed Completion Date:** Review of Second Party/QA policy and staff training to be completed by 3/31/2024. Specialization of Adult Medicaid group to be completed by 4/30/2024 if fully staffed.

#### Finding 2023-005

**Name of Contact Person:** Alice Wilson, Medicaid Program Administrator

**Corrective Action:** Lead Staff along with Supervision will conduct refresher training on how to add evidence and update evidence to the Evidence Dashboard on a case. This area will continue to be a part of the second party checks conducted by lead staff and supervision to ensure accurate entry. Management along with the Econ Services Administrator will review the current second party/ QA Analysis policy and update any areas to ensure that supervisors and lead staff are sampling an ample amount of work in order to identify any error trends. The county is working toward specializing the Adult Medicaid by function within the Adult Program and will consist of one team that consist of a Intake Application team and a Redeterminationteam. The county currently has a targeted completion date of late spring 2024. While this is a repeat finding from 2022 it is important to note the significant decrease in the total number found in 2023 of one error compared to 8 errors found in 2022.

**Proposed Completion Date:** Review of Second Party/QA policy and staff training to be completed by 3/31/2024. Specialization of Adult Medicaid group to be completed by 4/30/2024 if fully staffed.



## Cleveland County NORTH CAROLINA

Corrective Action Plan  
For the Year Ended June 30, 2023

---

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

---

#### Finding 2023-006

Name of Contact Person:	Alice Wilson, Medicaid Program Administrator
Corrective Action:	Lead Staff along with Supervision will conduct refresher training on how to run all required electronic data matches and how to thoroughly document a case using the developed case note template. This area will continue to be a part of the second party checks conducted by lead staff and supervision to ensure accurate entry. Management along with the Econ Services Administrator will review the current second party/ QA Analysis policy and update any areas to ensure that supervisors and lead staff are sampling an ample amount of work in order to identify any error trends. The county is working toward specializing the Adult Medicaid by function within the Adult Program and will consist of one team that consist of a Intake Application team and a Redeterminationteam. The county currently has a targeted completion date of late spring 2024. Since many of these errors were found within the Adult Medicaid team the county feels that once specialization for this area is complete we will see a reduction of errors in this area.
Proposed Completion Date:	Review of Second Party/QA policy and staff training to be completed by 3/31/2024. Specialization of Adult Medicaid group to be completed by 4/30/2024 if fully staffed.

---

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

---

Corrective Action Plan for Finding 2023-003, 2023-004, 2023-005, 2023-006 also apply to State Award Findings.

Cleveland County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2023

Finding: 2022-001  
Status: Repeat as finding 2023-001

Finding: 2022-002  
Status: Repeat as finding 2023-003

Finding: 2022-003  
Status: Repeat as finding 2023-004

Finding: 2022-004  
Status: Repeat as finding 2023-005

Finding: 2022-005  
Status: Repeat as finding 2023-006

**Cleveland County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2023**

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	Local Expenditures
<b>Federal Awards:</b>						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: SNAP Cluster						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,081,118	\$ -	\$ -	\$ 1,081,118
FNS - ARPA	10.561		247,612	-	-	-
Total Supplemental Nutrition Assistance Program			1,328,730	-	-	1,081,118
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		755,230	-	-	-
Total U.S. Department of Agriculture			2,083,960	-	-	1,081,118
<u>U.S. Dept. of Justice</u>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		23,100	-	-	-
Bulletproof Vest Partnership Program	16.607		13,298	-	-	-
Crime Victim Assistance	16.575		73,428	-	-	-
Public Safety Partnership and Community Policing Grants	16.710		46,371	-	-	-
Public Safety Partnership and Community Policing Grants	16.710		147,938	-	-	-
Total U.S. Dept. of Justice			304,135	-	-	-
<u>U.S. Dept. of Treasury</u>						
Direct program Coronavirus State and Local Fiscal Recovery Fund	21.027		11,175,574	-	-	-
Passed-through N.C. Department of Natural and Cultural Resources SFRF Nonrecurring Aid to Libraries	21.027		87,033	-	-	-
Total U.S. Dept. of Treasury			11,262,607	-	-	-
<u>U.S. National Endowment for the Arts</u>						
Passed-through N.C. Department of Natural and Cultural Resources Library Services and Technology Act Program	45.310		61,801	-	-	-
Total U.S. National Endowment for the Arts			61,801	-	-	-
<u>U.S. Dept. of Health &amp; Human Services</u>						
Passed-through Isothermal Regional Commission Aging Cluter						
ARPA - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		40,703	7,183	-	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		261,928	15,408	-	-
ARPA - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		31,129	5,493	-	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		109,978	6,469	-	-
Nutrition Services Incentive Program	93.053		32,602	-	-	-
Total Aging Cluter			476,340	34,553	-	-
Passed-through N.C. Dept. of Healt and Human Services Temporary Assistance for Needy Families Cluster						
Division of Social Services: TANF - Work First	93.558		1,810,306	-	-	1,547,594
Division of Public Health TANF - Work First	93.558		16,569	-	-	-
Total TANF Cluster			1,826,875	-	-	1,547,594
AFDC Payments & Penalties	93.560		(45)	(12)	-	(13)
Family Preservation	93.556		27,200	-	-	-
Refugee Assistance Admin	93.566		483	-	-	-

**Cleveland County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2023**

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	Local Expenditures
<u>Foster Care and Adoption Cluster</u>						
Foster Care - Title IV-E	93.658		1,400,190	208,329	-	848,338
Foster Care	N/A		38,785	-	-	112,706
Adoption Assistance	93.659		64,803	-	-	64,803
Total Foster Care and Adoption Cluster			1,503,778	208,329	-	1,025,847
Child Support Enforcement	93.563		1,813,897	(1,081)	-	935,513
Low-Income Home Energy Assistance:						
Administration	93.568		98,806	-	-	-
Energy Assistance Payments	93.568		232,556	-	-	-
Crisis Intervention Program	93.568		301,215	-	-	-
LIEAP - ARPA	93.568		150,776	-	-	-
LIHWAP - ADM	93.568		10,765	-	-	-
LIHWAP - ARPA	93.568		27,756	-	-	-
LIHWAP -ARPA ADM	93.568		40,940	-	-	-
LIHWAP - CAA	93.568		103,855	-	-	-
Total Low-Income Home Energy Assistance			966,669	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		3,433	-	-	1,144
Chafee Foster Care Independence Program	93.674		30,300	2,500	-	-
SSBG - Other Service and Training	93.667		452,593	-	-	150,864
Division of Aging and Adult Services: SSBG	93.667		133,099	3,803	-	-
Division of Social Services: SSBG - State In Home Service Fund	93.667		36,279	-	-	5,183
SSBG - State Adult Day Care	93.667		69,545	14,221	-	23,574
SSBG - APS ARPA	93.667		5,374	-	-	-
Total Social Service Block Grant			696,890	18,024	-	179,621
<u>Administration for Children and Families</u>						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		159,996	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medicaid Cluster						
Medical Assistance Program	93.778		3,742,956	484,339	-	1,370,605
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		89,850	6,284	-	14,666
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		39,642	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-	-
Family Planning Services	93.217		71,475	-	-	-
Immunization Cooperative Agreements	93.268		30,388	-	-	-
COVID-19 Immunization Cooperative Agreements	93.268		112,847	-	-	-
Total Immunization Cooperative Agreements			143,235	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		1,499,827	-	-	-
COVID-19 - Public Health Emergency Response:						
Cooperative Agreement for Emergency Response: Public Health Crisis Response						
	93.354		112,741	-	-	-

**Cleveland County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2023**

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	Local Expenditures
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		67,980	-	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		13,320	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		30,860	-	-	-
HIV Prevention Activities _Health Department Based	93.940		28,000	-	-	-
Preventive Health Services _Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		169,132	16,234	-	-
Total U.S. Dept. of Health and Human Services			13,545,591	769,170	-	5,074,977
<b>U. S. Department of Homeland Security</b>						
Passed-through N.C. Dept. of Public Safety: Division of Emergency Management:						
Emergency Management Performance	97.042		53,407	-	-	-
Total U. S. Department of Homeland Security			53,407	-	-	-
Total Federal Awards			\$ 27,311,501	\$ 769,170	\$ -	\$ 6,156,095
<b>State Awards:</b>						
<b>N.C. Dept. of Administration</b>						
Veterans Service			\$ -	\$ 2,083	\$ -	\$ -
Total N.C. Dept. of Administration			-	2,083	-	-
<b>N.C. Dept. of Cultural and Natural Resources</b>						
Division of State Library						
State Aid to Public Libraries			-	155,295	-	-
Total N.C. Dept. of Cultural and Natural Resources			-	155,295	-	-
<b>N.C. Department of Environmental Quality</b>						
Division of Waste Management						
Soil Conservation State Match			-	33,600	-	-
Electronic Management Program			-	18,238	-	-
Total N.C. Dept. Environmental Quality			-	51,838	-	-
<b>N.C. Dept. of Health and Human Services</b>						
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	86,859	-	-
DCD Smart Start			-	90,052	-	-
AFDC Incent/Prog Integrit			-	6	-	-
State Foster Home			-	113,623	-	86,064
Extended FC/Max Non IV-E			-	86,542	-	-
F/C at Risk Maximization			-	11,010	-	4,134
SFHF Maximization			-	152,767	-	83,461
Non-Allocating Reimbursable			-	-	-	453,217
Work First Non Reimbursable			-	-	-	1,024,628
County Funded Programs			-	-	-	1,022,994
Total Division of Social Service			-	540,859	-	2,674,498
Division of Public Health						
Food and Lodging Fees			-	17,640	-	-
PH Capacity Building			-	149,701	-	-
Public Health Nursing			-	400	-	-
General Communicable Disease Control			-	5,465	-	-
Healthy Community Activities			-	3,747	-	-
Nurse Family Partnership			-	231,170	-	-
Child Health			-	10,516	-	-
STD Drugs			-	844	-	-
Breast and Cervical Cancer Control			-	16,275	-	-
TPPI - Adol. Pregency Prevention Program			-	75,000	-	-
School Nurse Funding Initiative			-	200,000	-	-
Family Plannning - State			-	54,132	-	-
Maternal Health			-	5,387	-	-
Women's Health Service Fund			-	12,775	-	-
TB Control			-	21,097	-	-
County Confinement Facilities Funding			-	41,200	-	-

**Cleveland County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Division of Budget and Analysis						
General Assembly Allocation		S.L. 2022-74	-	984,738	-	-
Total Division of Public Health			-	1,830,087	-	-
Passed-through Isothermal Regional Commission						
Division of Aging						
GO-HCCBG-Access			-	43,420	-	-
GO-HCCBG-Congregate Meals			-	6,289	-	-
GO-HCCBG Home Delivered Meals			-	24,062	-	-
GO-HCCBG-In Home Services			-	203,756	-	-
Total Division of Aging			-	277,527	-	-
State Budget Allocation			-	934,828	-	-
Total N. C. Department of Health and Human Services			-	3,583,301	-	2,674,498
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	974,938	974,938	-
Needs Based Lottery Fund				18,274,613	18,274,613	-
Total Public School Building Capital Fund			-	19,249,551	19,249,551	-
Total N.C. Dept. of Public Instruction			-	19,249,551	19,249,551	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster:						
ROAP Rural General Public Program		DOT-16CL 362282.11.1	-	134,872	-	-
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL 36220.10.11.1	-	112,892	-	-
ROAP WorkFirst Transitional/ Employment		DOT-16CL 36236.11.10.1	-	30,182	-	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	277,946	-	-
Total NC. Dept of Transportation			-	277,946	-	-
<u>N.C. Dept. of Commerce</u>						
Building Reuse Program			-	860,000	860,000	-
One NC Grant			-	150,000	150,000	-
Total of N.C. Dept. of Commerce			-	1,010,000	1,010,000	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs						
JCPC Administration			-	14,383	-	-
Juvenile Medication/Family Centered Treatment/YDI After School Program			-	312,194	312,194	-
Communities in Schools			-	57,870	57,870	-
Roots and Wings			-	13,194	13,194	-
Total Juvenile Crime Prevention Programs			-	397,641	383,258	-
Total N. C. Department of Public Safety			-	397,641	383,258	-
<u>N.C. Office of State Budget and Management</u>						
NC Register of Deeds Grant			-	2,166	-	-
State Budget Allocation		20155	-	1,169,377	726,450	-
State Budget Allocation		20154	-	32,343	-	-
Total State Budget Allocation			-	1,201,720	726,450	-
State Capital Infrastructure Fund		20152	-	9,527,544	-	-
State Capital Infrastructure Fund		20151	-	400,000	-	-
State Capital Infrastructure Fund		20156	-	175,000	-	-
State Capital Infrastructure Fund		20153	-	306,764	-	-
Total State Capital Infrastructure Fund			-	10,409,308	-	-
Total N.C. Office of State Budget and Management			-	11,613,194	726,450	-
<u>N.C. Dept. of Information Technology</u>						
N.C. 911 Board						
PSAP Grant			-	71,562	-	-
Total N.C. Dept. of Information Technology			-	71,562	-	-
Total State Awards			\$ -	\$ 36,412,411	\$ 21,369,259	\$ 2,674,498
Total Federal and State Awards			\$ 27,311,501	\$ 37,181,581	\$ 21,369,259	\$ 8,830,593

**Cleveland County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2023**

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

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, 2023. 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.

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Food and Nutrition Services	10.551	\$ 67,259,117	\$ -
Special Supplemental Nutrition Program for Women Infant a	10.557	2,327,645	-
Temporary Assistance for Needy Families - PEAFF	93.558	142,861	-
Temporary Assistance for Needy Families	93.558	429,187	-
IV-E Adopt & Vendor	93.659	1,150,404	216,776
Children's Health Insurance Program	93.767	600,203	132,227
Medical Assistance Program	93.778	220,732,161	85,230,755
CWS Adopt, Vendor, Guard	N/A	-	199,406
SC/SA Domiciliary Care	N/A	-	599,307



---

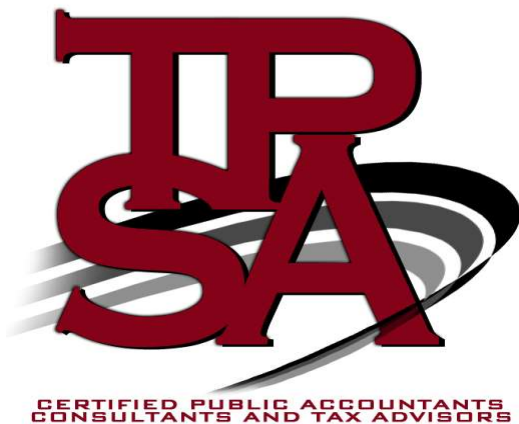
**Cleveland County**  
NORTH CAROLINA

# CLEVELAND COUNTY



## Presentation of Audit Results

Fiscal Year Ended  
June 30, 2023



Alan W. Thompson, CPA  
1626 S Madison Street  
PO Box 398  
Whiteville, NC 28472  
910.642.2109 phone  
910.642.5958 fax  
[www.tpsacpas.com](http://www.tpsacpas.com)

# Cleveland County

## Presentation Agenda

	<u>PAGE(s)</u>
I. GENERAL COMMENTS	
II. REQUIRED COMMUNICATIONS SAS 114	1-3
III. AUDIT RESULTS	4-11
IV. QUESTIONS AND COMMENTS	
V. CLOSE	



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

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

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

January 19, 2024

To the Board of Commissioners  
Cleveland County  
Shelby, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cleveland County for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2023. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cleveland County are described in Note 1 to the financial statements. The County adopted GASB Statement 96, "*Subscription Based Information Technology Arrangements*", effective for fiscal year ending June 30, 2023. We noted no transactions entered into by the Cleveland County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimate(s) or assumptions noted during the audit.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. There are no such disclosures identified.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representation*

We have requested certain representations from management that are included in the management representation letter dated January 19, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Auditing Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Cleveland County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The County was overspent in several departments, primarily as a result of the implementation of GASB 87 and 96. The finding is detailed in the audit report as Finding 2023-001. Additionally, the County did not timely adopt the policies required to be in compliance as it related to the ARPA Funds received (Finding 2023-002). There were also audit findings related to Medicaid which are also discussed in the Schedule of Findings and Questioned Cost as Findings 2023-003 through 2023-006.

The County has issued a significant number of P-cards to employees. Although this seems like a convenient way to conduct business, there are increased risks associated with the use of P-cards (i.e. personal use, etc). Based on our review, the finance staff spends a significant amount of time each month reconciling the P-card transactions. The County should consider if the savings generated by the use of P-cards outweigh the risk and the amount of time spent by finance each month to reconcile these transactions. There were selections we reviewed as part of our testing that did not have itemized receipts or invoices, but only packing slips related to P-cards.

The Local Government Commission (LGC) will no longer initiate communications about concerns or findings (formerly considered unit letters). They have created a spreadsheet that has to be completed and submitted with the audit report. If that worksheet identifies what they consider a "Financial Performance Indicators of Concern" (FPICs), we are required to communicate those items to the Board. The County is required to submit a response within 60 days of the Board meeting in which the financial statements are presented. The detailed audit response should be presented to the entire Board, and signed by the entire Board, Finance Officer, and Manager. The County has two items to address

concerning finding 2023-001 discussed above and in the Schedule of Findings and Questioned Costs in the audit report and the late submission of the audit report, both of which are detailed on the Data Input Worksheet.

#### Other Matters

We applied certain limited procedures to the Schedule of County's Proportionate Share of Net Pension Liability (LGERS), Schedule of County Contributions (LGERS), Schedule of County's Proportionate Share of Net Pension Asset (ROD), Schedule of County Contributions (ROD), Schedule of Changes in Total Pension Liability - Law Enforcement Officer's Special Separation Allowance, and Schedule of Changes in Total OPEB Liability and Related Ratios, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund statement schedules, budgetary schedules, and other schedules, and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Information on the Statistical Tables which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of Cleveland County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

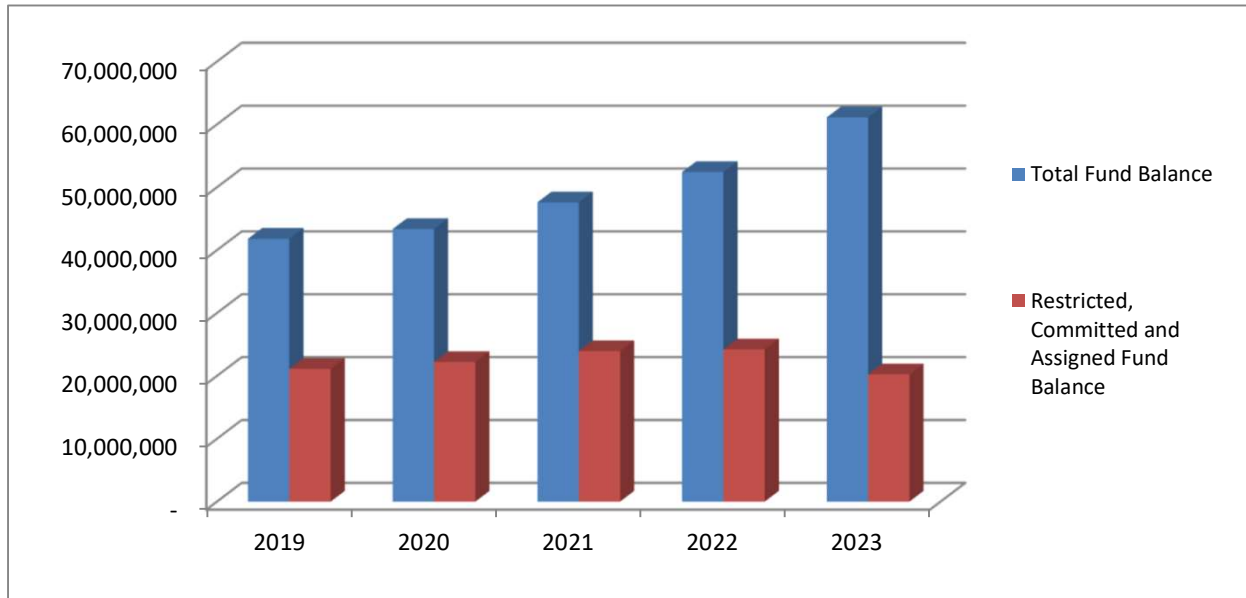
*Thompson, Price, Scott, Adams & Co., P.A.*

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

<b>Cleveland County</b>					
FINANCIAL INFORMATION FOR 5 YEARS					
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Total Fund Balance - General Fund	61,116,538	52,415,667	47,604,888	43,358,346	41,814,971
Unavailable Fund Balance - GF (Restricted for State Statute, Inventories, Prepaids)	12,084,731	14,027,961	12,092,145	8,124,627	9,152,524
Restricted, Committed, and Assigned Fund Balance	20,237,424	24,211,176	23,942,123	22,221,989	21,098,498
General Fund Expenditures (plus transfers out less loan or lease proceeds)	143,906,103	149,202,855	126,044,415	121,748,348	116,661,057
Fund Balance Available as % of General Fund Expenditures	34.07%	25.73%	28.17%	28.94%	28.00%
Unassigned Fund Balance	40,236,496	27,600,715	23,183,392	21,136,357	20,716,473
Unassigned Fund Balance as % of General Fund Expenditures (including Transfers out)	27.96%	18.50%	18.39%	17.36%	17.76%
Revenues over (under) expenditures before transfers					
General Fund	11,922,206	6,517,194	7,570,937	1,543,375	1,979,247
Other Governmental	(8,100,954)	(4,647,128)	(3,971,064)	4,266,672	(3,444,008)
Solid Waste Fund	1,398,286	1,278,592	101,153	(8,882,344)	1,889,788
Cash vs. Fund Balance (Net Position)					
Cash - General	54,892,840	44,970,754	43,183,825	38,400,839	36,744,670
Cash - Other Governmental	101,893,275	97,545,341	31,938,159	23,823,835	18,730,281
Cash - Solid Waste	6,483,152	5,321,249	3,987,324	3,829,510	3,643,841
Fund Balance - General	61,116,538	52,415,667	47,604,888	43,358,346	41,814,971
Fund Balance - Other Governmental Funds	39,408,806	40,365,924	23,805,759	24,408,844	20,142,172
Net Position - Solid Waste	3,736,576	2,853,625	2,090,368	2,504,550	12,674,082
Property Tax Rates	0.6875	0.6875	0.720	0.720	0.720
Collection Percentages	98.28%	98.61%	98.64%	97.95%	98.56%
Collection Percentages (excluding Motor Vehicle)	98.11%	98.47%	98.50%	97.76%	98.42%
Total Property Valuation	11,076,221,818	10,683,037,964	9,757,279,722	9,491,298,333	8,957,699,444
Total Levy Amount	76,149,025	73,445,886	70,252,414	68,337,348	64,495,436
Breakdown of Debt (Excl Compensated Absences, LGERS, & OPEB)					
Governmental - Limited Obligation	4,555,000	5,690,000	6,825,000	11,165,000	12,250,000
Governmental - Installment	39,755,035	45,735,636	42,265,285	43,677,082	40,361,278
Governmental - Contractual	225,514	257,360	287,653	316,391	343,837
Governmental - Leases & IT	2,233,331	93,198	1,933,173	582,019	234,447
	46,768,880	51,776,194	51,311,111	55,740,492	53,189,562

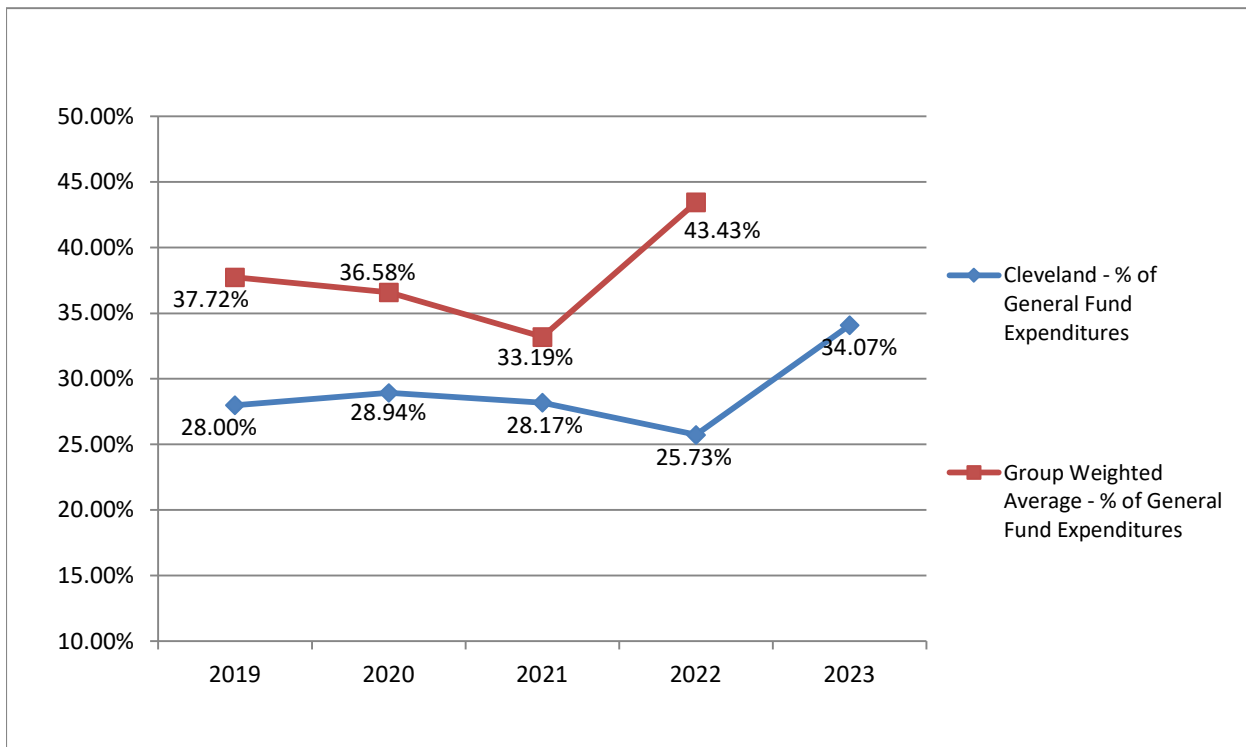
<b>Cleveland County</b>					
FINANCIAL INFORMATION FOR 5 YEARS					
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Breakdown of General Fund Revenues					
Ad Valorem Taxes	75,473,828	72,849,603	70,089,282	67,121,084	63,822,841
Local Option Sales Tax	23,231,905	21,313,402	18,732,836	16,034,052	16,542,035
Intergovernmental Revenue	26,529,213	20,187,311	22,426,345	23,127,352	21,644,705
Permits and Fees	4,692,876	4,870,190	4,958,126	4,766,452	4,699,153
Sales and Services	17,264,628	13,525,812	9,344,541	6,159,742	7,212,000
Investment Earnings	2,032,728	62,903	359,592	1,440,177	1,026,578
Miscellaneous	968,740	910,012	1,855,674	1,376,417	610,782
<b>Total</b>	<b>150,193,918</b>	<b>133,719,233</b>	<b>127,766,396</b>	<b>120,025,276</b>	<b>115,558,094</b>
Breakdown of General Fund Expenditures					
General Government	16,996,633	13,842,507	13,565,699	11,857,287	11,625,687
Public Safety	41,920,996	33,585,034	32,291,394	29,630,164	25,391,553
Cultural & Recreational	1,347,783	1,319,010	1,346,830	1,356,649	1,320,498
Environmental Protection	251,595	189,210	215,620	192,846	167,498
Economic and Physical Development	4,953,412	6,118,904	4,883,700	5,335,404	6,284,388
Human Services	36,053,439	33,111,859	31,912,256	33,735,619	34,799,076
Education	34,788,171	37,980,208	34,782,194	32,346,313	31,401,693
Insurance Settlements	688,580	441,555	1,019,370	1,103,744	2,481,576
Debt Service	1,271,103	613,752	178,396	177,839	106,878
<b>Total</b>	<b>138,271,712</b>	<b>127,202,039</b>	<b>120,195,459</b>	<b>115,735,865</b>	<b>113,578,847</b>

## Cleveland County Analysis of Fund Balance



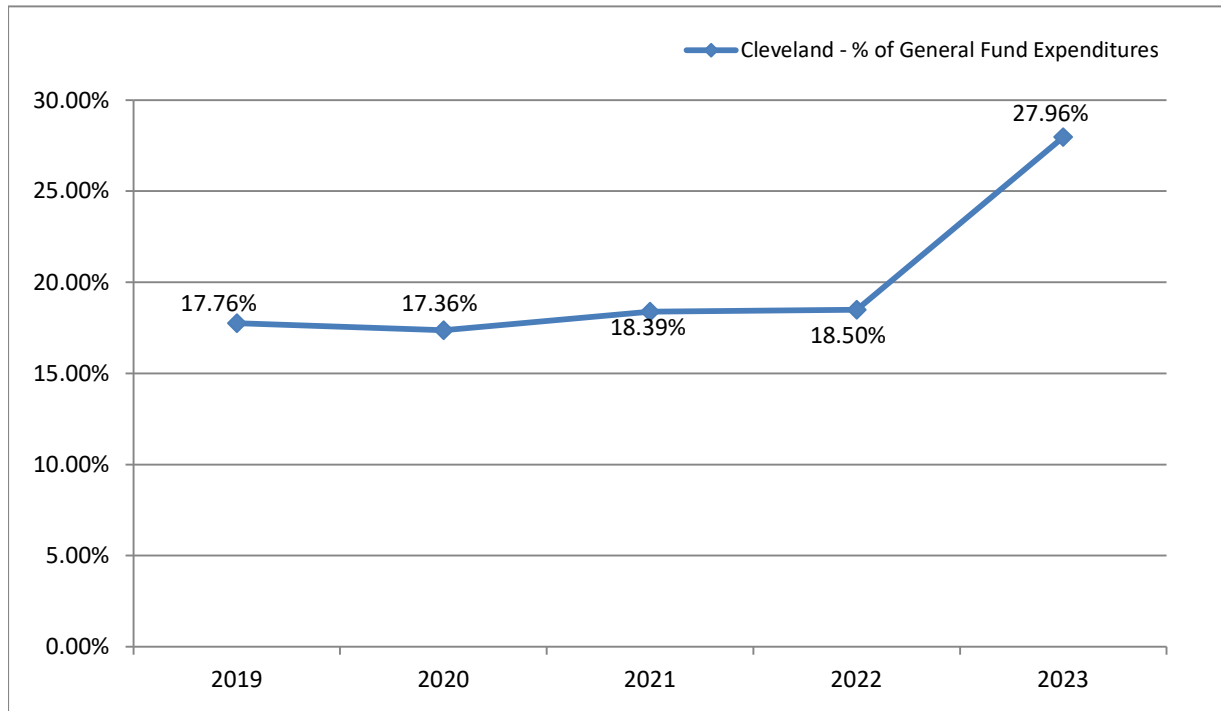
## Cleveland County Analysis of Fund Balance Available

(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



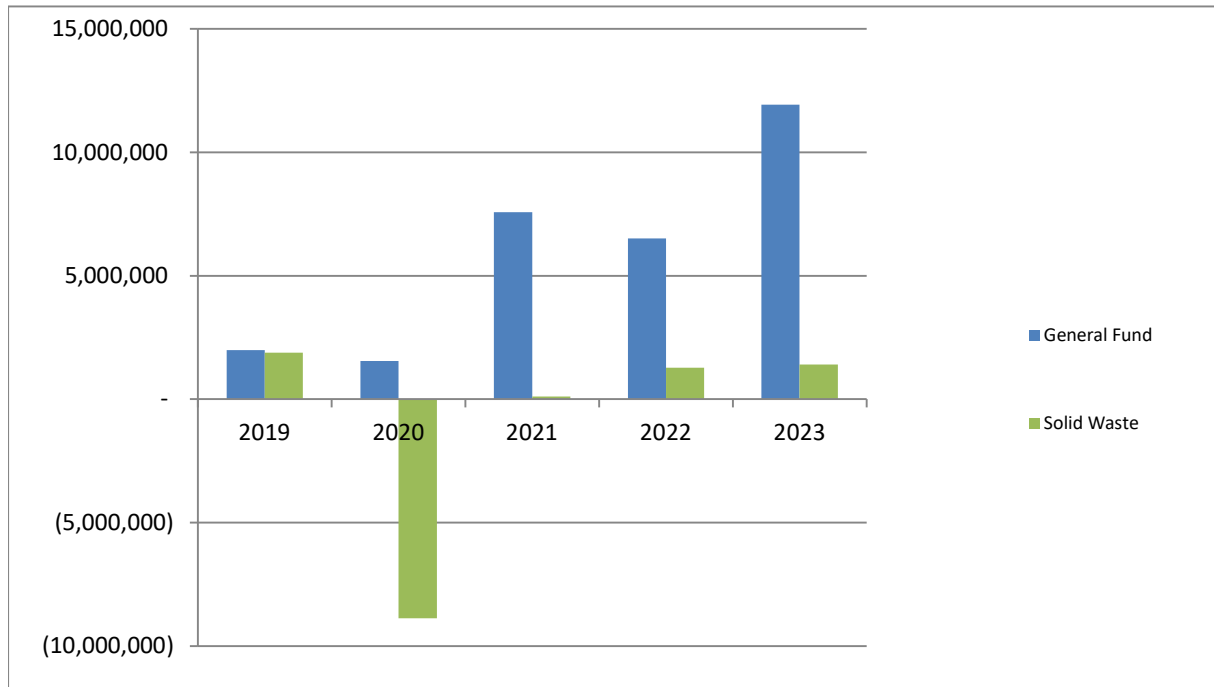
## Cleveland County

### Analysis of Unassigned Fund Balance as a % of General Fund Expenditures



## Cleveland County

### Analysis of Revenues Over (Under) Expenditures before Transfers

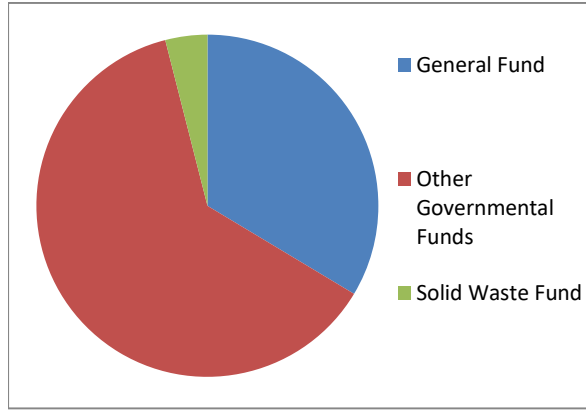


# Cleveland County

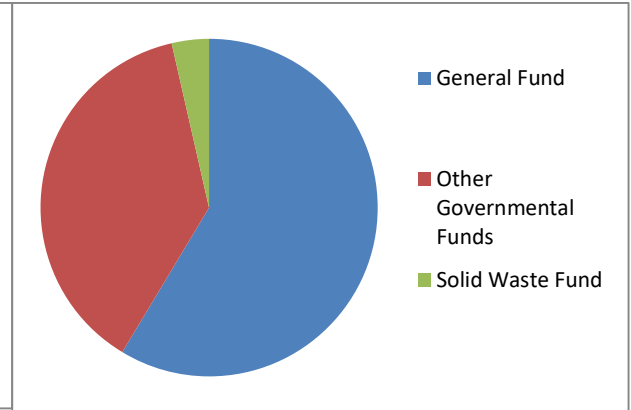
## Analysis of Cash and Fund Balances

### at June 30, 2023

#### CASH BALANCES



#### FUND BALANCES

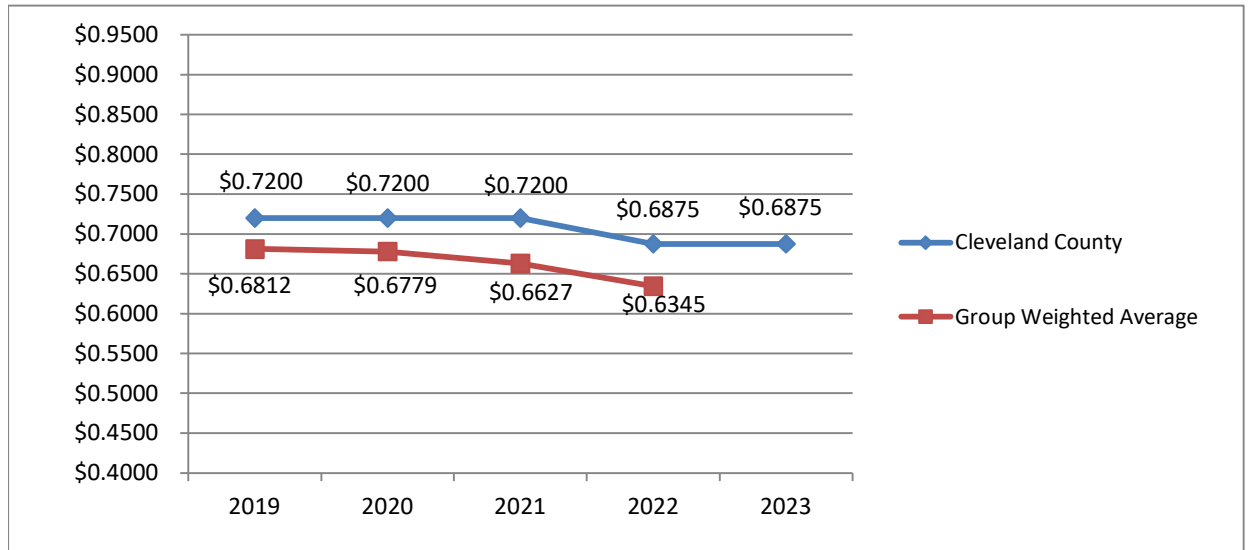


	2023	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 54,892,840	\$ 61,116,538
Other Governmental Funds	101,893,275	39,408,806
Solid Waste Fund	6,483,152	3,736,576
Total	<u>\$ 163,269,267</u>	<u>\$ 104,261,920</u>

## Cleveland County

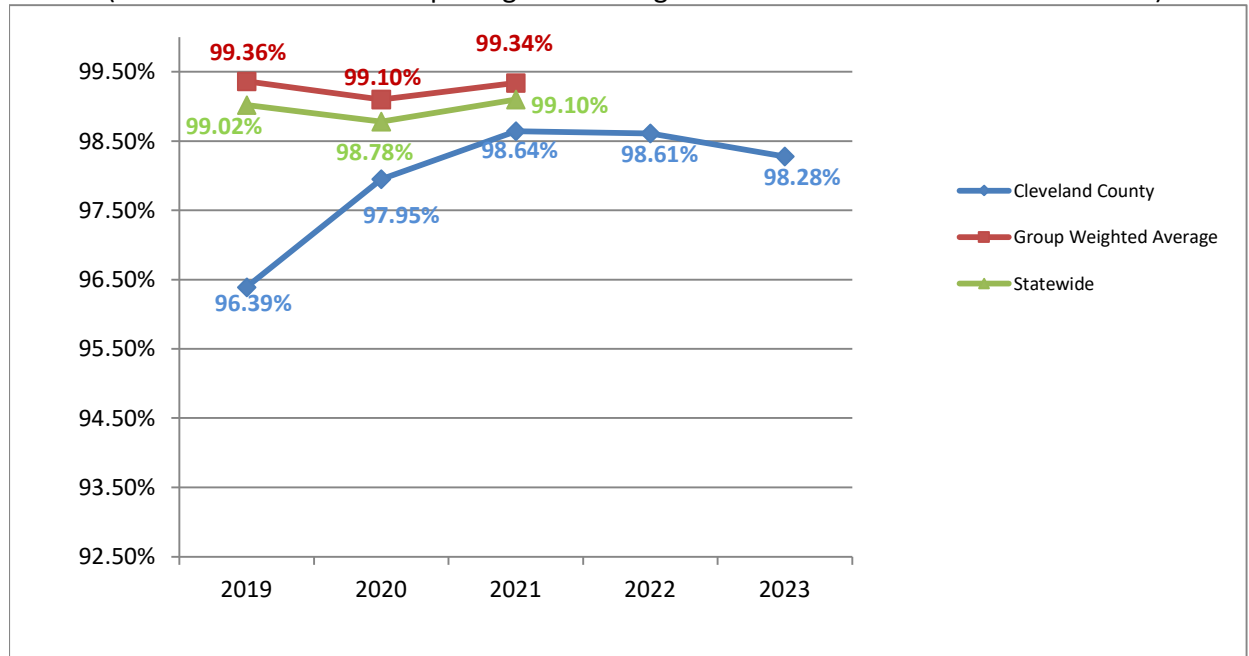
### Property Tax Rates

(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



## Cleveland County Collection Percentages

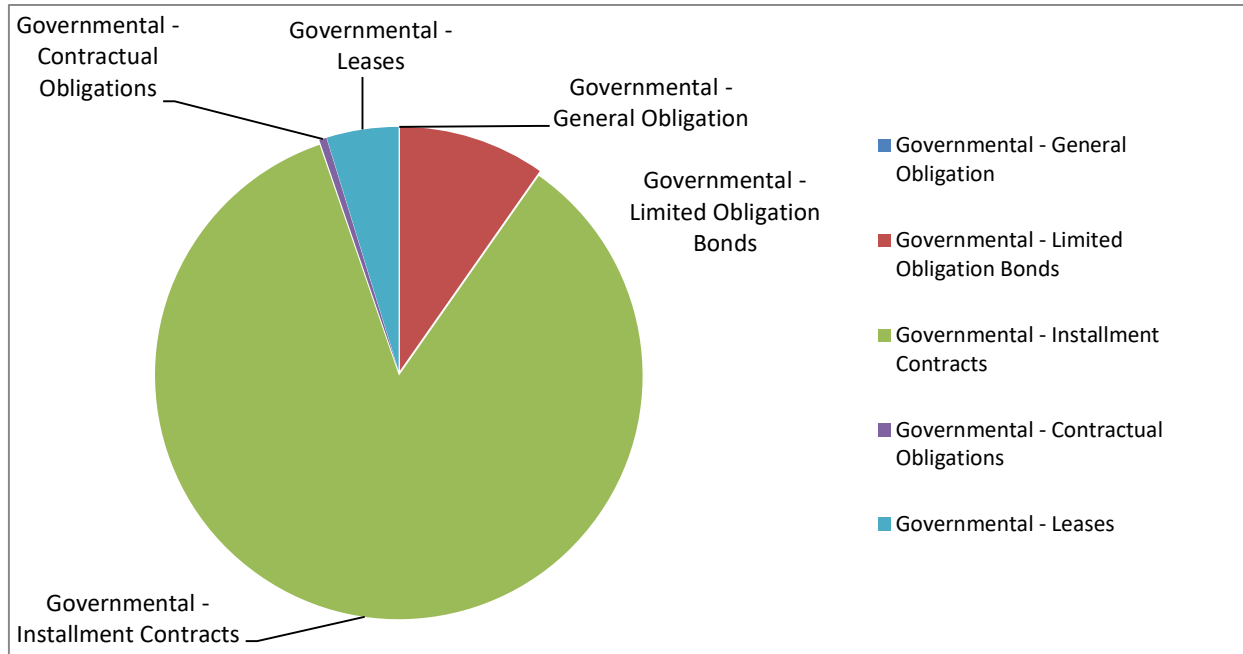
(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



# Cleveland County

## Debt Analysis (excluding Compensated Absences & OPEB)

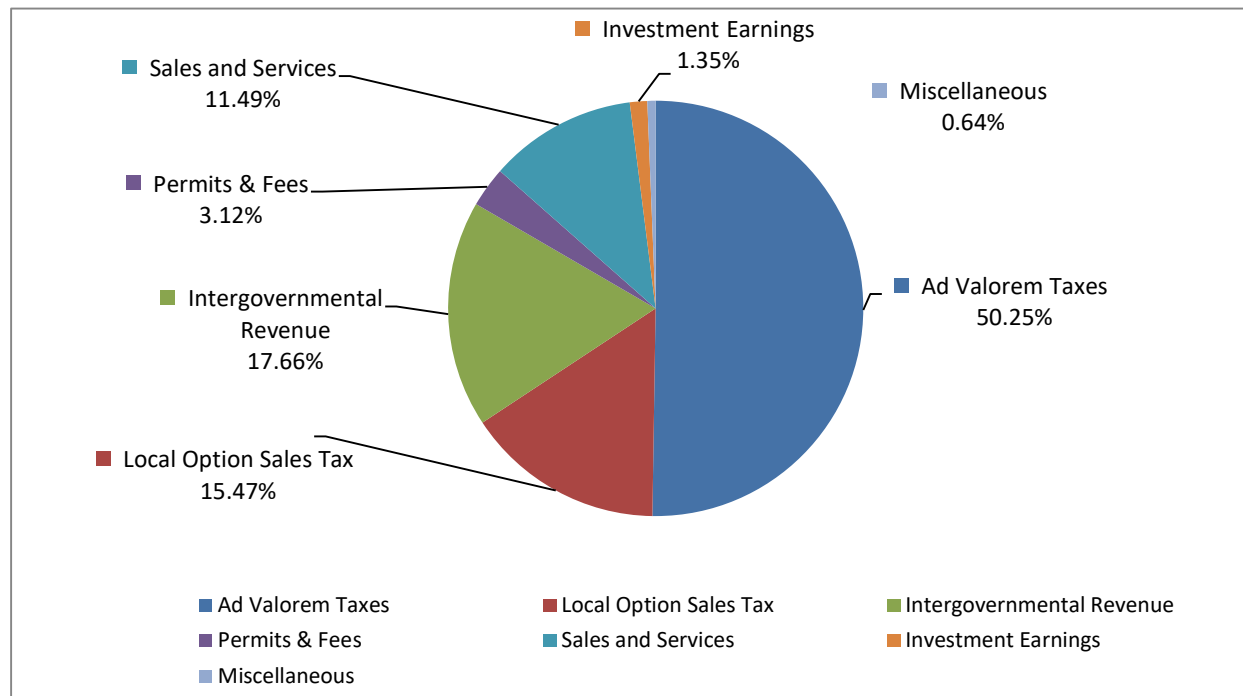
FYE June 30, 2023



# Cleveland County

## Break Down of General Fund Revenue

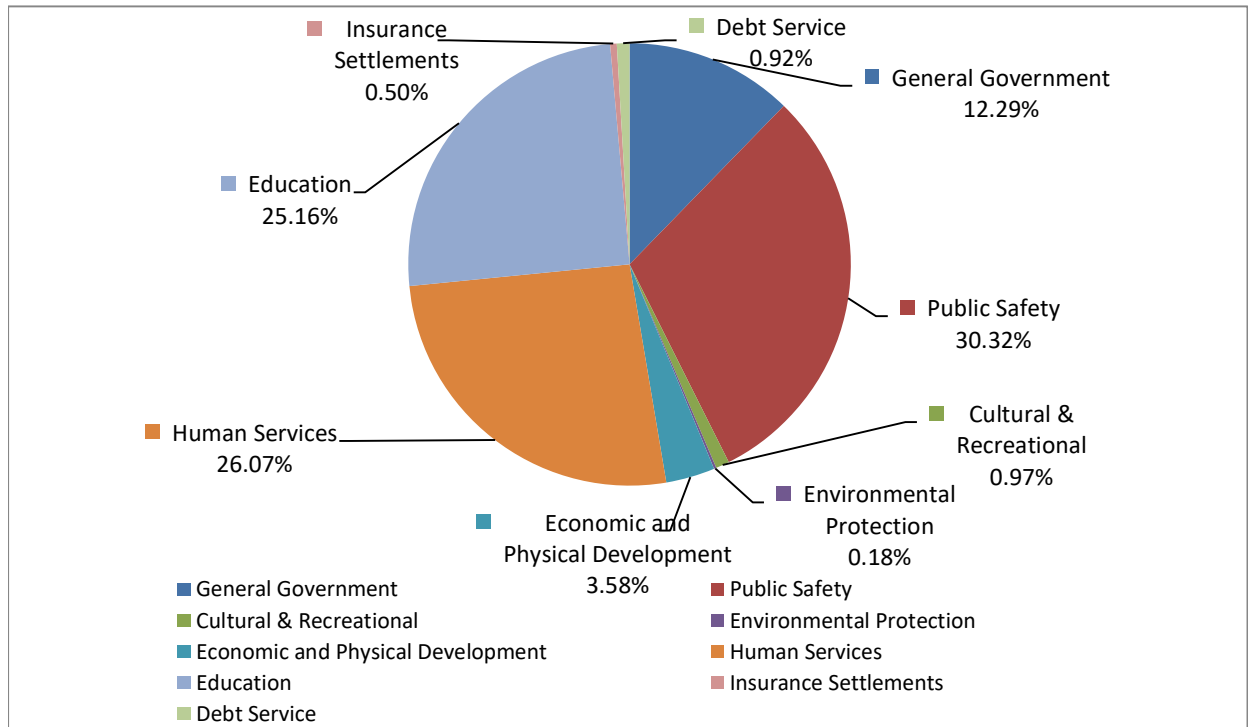
FYE June 30, 2023



# Cleveland County

## Break Down of General Fund Expenditures

### FYE June 30, 2023



## ADDITIONAL REQUIRED COMMUNICATIONS

### Changes to the Audit Process

The Local Government Commission (LGC) will no longer initiate communications about concerns or findings (formerly considered unit letters). They have created a spreadsheet that has to be completed and submitted with the audit report. If that worksheet identifies what they consider a "Financial Performance Indicators of Concern" (FPICs), we are required to communicate those items to the Board.

You are required to submit a response within 60 days of the Board meeting in which the financial statements are presented. The detailed audit response should be presented to the entire Board, and signed by the entire Board, Finance Officer, and Manager.

The responses are required to be uploaded on the LGC's website. Responses were provided in the Corrective Action Plan section of the audit report. These same responses can be used in your response to the LGC concerning these items. You are not required to address the compliance findings. The following are the items that have to be addressed by responding directly to the LGC with a corrective action plan.

GENERAL PERFORMANCE INDICATORS:	2023	Target	
What date was the audit report submitted to the LGC? (Note audit reports are due four months after fiscal year end regardless of the contract submission date.)	1/25/2024		Late

Finding 2023-001      Budget Violation

The budget was overspent in the following departments in General Fund: Administration \$20,858, Finance \$1,254, Human Resources \$133,615, Sheriff \$742,234, Emergency Medical Services \$473,046, Emergency Communications \$114, Emergency Medical \$27,910, and Debt Service \$157,578; Representative Payee Fund \$9,711. The over-expenditures in the General Fund and General Capital Projects Fund were due to not budgeting for GASB 87 and GASB 96 first year entries. The over-expenditure in the Representative Payee Fund was an oversight.

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Cleveland County Fairgrounds Construction Bid Award**

---

**Department:**

**Agenda Title:** Cleveland County Fairgrounds Construction Bid Award

**Agenda Summary:** Jason Falls, Business Development Director

**Proposed Action:**

---

**ATTACHMENTS:**

File Name	Description
<input type="checkbox"/> FAIR_Final_Complete_Contract_Including_Exhibits.pdf	Draft Contract

 **AIA® Document A141® – 2014****Standard Form of Agreement Between Owner and Design-Builder**

**AGREEMENT** made as of the 11th day of March in the year 2024  
(In words, indicate day, month and year.)

**BETWEEN** the Owner:  
(Name, legal status, address and other information)

Cleveland County Board of Commissioners  
County Finance  
PO Box 1210  
Shelby, NC 28151

and the Design-Builder:  
(Name, legal status, address and other information)

Beam Construction Company, Inc.  
PO Box 129  
Cherryville, NC 28021

for the following Project:  
(Name, location and detailed description)

Cleveland County Fairgrounds Project  
1751 E Marion Street  
Shelby, NC 28152  
Renovations to five (5) existing restrooms, a new restroom building, and a new two-bay addition to the fire department.

The Owner and Design-Builder agree as follows.

**ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

## TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	COMPENSATION AND PROGRESS PAYMENTS
3	GENERAL REQUIREMENTS OF THE WORK OF THE DESIGN-BUILD CONTRACT
4	WORK PRIOR TO EXECUTION OF THE DESIGN-BUILD AMENDMENT
5	WORK FOLLOWING EXECUTION OF THE DESIGN-BUILD AMENDMENT
6	CHANGES IN THE WORK
7	OWNER'S RESPONSIBILITIES
8	TIME
9	PAYMENT APPLICATIONS AND PROJECT COMPLETION
10	PROTECTION OF PERSONS AND PROPERTY
11	UNCOVERING AND CORRECTION OF WORK
12	COPYRIGHTS AND LICENSES
13	TERMINATION OR SUSPENSION
14	CLAIMS AND DISPUTE RESOLUTION
15	MISCELLANEOUS PROVISIONS
16	SCOPE OF THE AGREEMENT

## TABLE OF EXHIBITS

A	DESIGN-BUILD AMENDMENT
B	INSURANCE AND BONDS
C	DETAILED SCOPE PER RESTROOM AND FIRE DEPARTMENT BUILDING
D	FLOORPLANS FOR NEW RESTROOM AND 2-BAY ADDITION TO THE FIRE DEPARTMENT BUILDING

## ARTICLE 1 GENERAL PROVISIONS

### § 1.1 Owner's Criteria

This Agreement is based on the Owner's Criteria set forth in this Section 1.1.

*(Note the disposition for the following items by inserting the requested information or a statement such as "not applicable" or "unknown at time of execution." If the Owner intends to provide a set of design documents, and the requested information is contained in the design documents, identify the design documents and insert "see Owner's design documents" where appropriate.)*

#### § 1.1.1 The Owner's program for the Project:

*(Set forth the program, identify documentation in which the program is set forth, or state the manner in which the program will be developed.)*

1. Renovate existing restroom facilities with new plumbing fixtures, ADA compliant toilet in each restroom, paint interior, new light fixtures, unit heaters, and new doors where noted. See attached Exhibit C, incorporated herein by reference for detailed scope per restroom and for renovation of existing fire department building.
2. Build a new restroom building and 2-bay addition to the fire department building per the floorplans in attached Exhibit D, incorporated herein by reference.

**§ 1.1.2** The Owner's design requirements for the Project and related documentation:

*(Identify below, or in an attached exhibit, the documentation that contains the Owner's design requirements, including any performance specifications for the Project.)*

N/A

**§ 1.1.3** The Project's physical characteristics:

*(Identify or describe, if appropriate, size, location, dimensions, or other pertinent information, such as geotechnical reports; site, boundary and topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site; etc.)*

N/A

**§ 1.1.4** The Owner's anticipated Sustainable Objective for the Project, if any:

*(Identify the Owner's Sustainable Objective for the Project such as Sustainability Certification, benefit to the environment, enhancement to the health and well-being of building occupants, or improvement of energy efficiency. If the Owner identifies a Sustainable Objective, incorporate AIA Document A141™-2014, Exhibit C, Sustainable Projects, into this Agreement to define the terms, conditions and Work related to the Owner's Sustainable Objective.)*

N/A

**§ 1.1.5** Incentive programs the Owner intends to pursue for the Project, including those related to the Sustainable Objective, and any deadlines for receiving the incentives that are dependent on, or related to, the Design-Builder's services, are as follows:

*(Identify incentive programs the Owner intends to pursue for the Project and deadlines for submitting or applying for the incentive programs.)*

N/A

**§ 1.1.6** The Owner's budget for the Work to be provided by the Design-Builder is set forth below:

*(Provide total for Owner's budget, and if known, a line item breakdown of costs.)*

See attached Exhibit A, AIA Document A141 – 2014 Design-Build Amendment, incorporated herein by reference.

**§ 1.1.7** The Owner's design and construction milestone dates:

.1 Design phase milestone dates:

.2 Submission of Design-Builder Proposal:

.3 Phased completion dates:

Toilet Renovations – July 1, 2024

Restroom Building – exterior finishes and sitework complete August 1, 2024

Fire Department addition – exterior finishes and sitework complete August 1, 2024

.4 Substantial Completion date:

Init.

Restroom Building (new construction)– September 1, 2024  
Fire Department addition (new construction) – September 1, 2024

**.5 Other milestone dates:**

**§ 1.1.8** The Owner requires the Design-Builder to retain the following Architect, Consultants and Contractors at the Design-Builder's cost:

*(List name, legal status, address and other information.)*

**.1 Architect**

Talley & Smith Architecture, Inc.  
409 E. Marion Street  
Shelby, NC 28150

**.2 Consultants**

**.3 Contractors**

**§ 1.1.9** Additional Owner's Criteria upon which the Agreement is based:

*(Identify special characteristics or needs of the Project not identified elsewhere, such as historic preservation requirements.)*

**§ 1.1.10** The Design-Builder shall confirm that the information included in the Owner's Criteria complies with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

**§ 1.1.10.1** If the Owner's Criteria conflicts with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Design-Builder shall notify the Owner of the conflict.

**§ 1.1.11** If there is a change in the Owner's Criteria, the Owner and the Design-Builder shall execute a Modification in accordance with Article 6.

**§ 1.1.12** If the Owner and Design-Builder intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions. Unless otherwise agreed, the parties will use AIA Document E203™–2013 to establish the protocols for the development, use, transmission, and exchange of digital data and building information modeling.

**§ 1.2 Project Team**

**§ 1.2.1** The Owner identifies the following representative in accordance with Section 7.1.1:

*(List name, address and other information.)*

Blake Myers  
Facilities Project Manager  
Cleveland County Maintenance  
403 Pinkney Street  
Shelby, NC 28150  
704-751-7344

Jason Falls  
Business Development Director  
1800 E Marion Street  
Shelby, NC 28152

**§ 1.2.2** The persons or entities, in addition to the Owner's representative, who are required to review the Design-Builder's Submittals are as follows:  
*(List name, address and other information.)*

N/A

**§ 1.2.3** The Owner will retain the following consultants and separate contractors:  
*(List discipline, scope of work, and, if known, identify by name and address.)*

Materials testing and special inspections as needed

**§ 1.2.4** The Design-Builder identifies the following representative in accordance with Section 3.1.2:  
*(List name, address and other information.)*

Jason Clontz  
Beam Construction Company, Inc.  
PO Box 129  
Cherryville, NC 28021  
704-473-5292  
jclontz@beamconstrucion.com

**§ 1.2.5** Neither the Owner's nor the Design-Builder's representative shall be changed without ten days' written notice to the other party.

### **§ 1.3 Binding Dispute Resolution**

For any Claim subject to, but not resolved by, mediation pursuant to Section 14.3, the method of binding dispute resolution shall be the following:

*(Check the appropriate box. If the Owner and Design-Builder do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

- ☒ [ X ] Arbitration pursuant to Section 14.4
- ☐ [ ] Litigation in a court of competent jurisdiction
- ☐ [ ] Other: *(Specify)*

### **§ 1.4 Definitions**

**§ 1.4.1 Design-Build Documents.** The Design-Build Documents consist of this Agreement between Owner and Design-Builder and its attached Exhibits (hereinafter, the "Agreement"); other documents listed in this Agreement; and Modifications issued after execution of this Agreement. A Modification is (1) a written amendment to the Contract signed by both parties, including the Design-Build Amendment, (2) a Change Order, or (3) a Change Directive.

**§ 1.4.2 The Contract.** The Design-Build Documents form the Contract. The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Design-Build Documents shall not be construed to create a contractual relationship of any kind between any persons or entities other than the Owner and the Design-Builder.

**§ 1.4.3 The Work.** The term "Work" means the design, construction and related services required to fulfill the Design-Builder's obligations under the Design-Build Documents, whether completed or partially completed, and includes all labor, materials, equipment and services provided or to be provided by the Design-Builder. The Work may constitute the whole or a part of the Project.

**§ 1.4.4 The Project.** The Project is the total design and construction of which the Work performed under the Design-Build Documents may be the whole or a part, and may include design and construction by the Owner and by separate contractors.

**§ 1.4.5 Instruments of Service.** Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Design-Builder, Contractor(s), Architect, and Consultant(s) under their respective agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, digital models and other similar materials.

**§ 1.4.6 Submittal.** A Submittal is any submission to the Owner for review and approval demonstrating how the Design-Builder proposes to conform to the Design-Build Documents for those portions of the Work for which the Design-Build Documents require Submittals. Submittals include, but are not limited to, shop drawings, product data, and samples. Submittals are not Design-Build Documents unless incorporated into a Modification.

**§ 1.4.7 Owner.** The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representative.

**§ 1.4.8 Design-Builder.** The Design-Builder is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The term "Design-Builder" means the Design-Builder or the Design-Builder's authorized representative.

**§ 1.4.9 Consultant.** A Consultant is a person or entity providing professional services for the Design-Builder for all or a portion of the Work, and is referred to throughout the Design-Build Documents as if singular in number. To the extent required by the relevant jurisdiction, the Consultant shall be lawfully licensed to provide the required professional services.

**§ 1.4.10 Architect.** The Architect is a person or entity providing design services for the Design-Builder for all or a portion of the Work, and is lawfully licensed to practice architecture in the applicable jurisdiction. The Architect is referred to throughout the Design-Build Documents as if singular in number.

**§ 1.4.11 Contractor.** A Contractor is a person or entity performing all or a portion of the construction, required in connection with the Work, for the Design-Builder. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor is referred to throughout the Design-Build Documents as if singular in number and means a Contractor or an authorized representative of the Contractor.

**§ 1.4.12 Confidential Information.** Confidential Information is information containing confidential or business proprietary information that is clearly marked as "confidential."

**§ 1.4.13 Contract Time.** Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, as set forth in the Design-Build Amendment for Substantial Completion of the Work.

**§ 1.4.14 Day.** The term "day" as used in the Design-Build Documents shall mean calendar day unless otherwise specifically defined.

**§ 1.4.15 Contract Sum.** The Contract Sum is the amount to be paid to the Design-Builder for performance of the Work after execution of the Design-Build Amendment, as identified in Article A.1 of the Design-Build Amendment.

## ARTICLE 2 COMPENSATION AND PROGRESS PAYMENTS

### § 2.1 Compensation for Work Performed Prior To Execution of Design-Build Amendment

§ 2.1.1 Unless otherwise agreed, payments for Work performed prior to Execution of the Design-Build Amendment shall be made monthly. For the Design-Builder's performance of Work prior to the execution of the Design-Build Amendment, the Owner shall compensate the Design-Builder as follows:

*(Insert amount of, or basis for, compensation, including compensation for any Sustainability Services, or indicate the exhibit in which the information is provided. If there will be a limit on the total amount of compensation for Work performed prior to the execution of the Design-Build Amendment, state the amount of the limit.)*

Pre-construction and design fees.

§ 2.1.2 The hourly billing rates for services of the Design-Builder and the Design-Builder's Architect, Consultants and Contractors, if any, are set forth below.

*(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

N/A

Individual or Position

Rate

N/A

N/A

### § 2.1.3 Compensation for Reimbursable Expenses Prior To Execution of Design-Build Amendment

§ 2.1.3.1 Reimbursable Expenses are in addition to compensation set forth in Section 2.1.1 and 2.1.2 and include expenses, directly related to the Project, incurred by the Design-Builder and the Design-Builder's Architect, Consultants, and Contractors, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, standard form documents;
- .5 Postage, handling and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner;
- .8 All taxes levied on professional services and on reimbursable expenses; and
- .9 Other Project-related expenditures, if authorized in advance by the Owner.

§ 2.1.3.2 For Reimbursable Expenses, the compensation shall be the expenses the Design-Builder and the Design-Builder's Architect, Consultants and Contractors incurred, plus an administrative fee of eight percent ( 8 %) of the expenses incurred.

### § 2.1.4 Payments to the Design-Builder Prior To Execution of Design-Build Amendment

§ 2.1.4.1 Payments are due and payable upon presentation of the Design-Builder's invoice. Amounts unpaid N/A ( N/A ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Design-Builder.

*(Insert rate of monthly or annual interest agreed upon.)*

N/A %

§ 2.1.4.2 Records of Reimbursable Expenses and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times for a period of two years following execution of the Design-Build Amendment or termination of this Agreement, whichever occurs first.

### § 2.2 Contract Sum and Payment for Work Performed After Execution of Design-Build Amendment

For the Design-Builder's performance of the Work after execution of the Design-Build Amendment, the Owner shall pay to the Design-Builder the Contract Sum in current funds as agreed in the Design-Build Amendment.

## ARTICLE 3 GENERAL REQUIREMENTS OF THE WORK OF THE DESIGN-BUILD CONTRACT

### § 3.1 General

§ 3.1.1 The Design-Builder shall comply with any applicable licensing requirements in the jurisdiction where the Project is located.

§ 3.1.2 The Design-Builder shall designate in writing a representative who is authorized to act on the Design-Builder's behalf with respect to the Project.

§ 3.1.3 The Design-Builder shall perform the Work in accordance with the Design-Build Documents. The Design-Builder shall not be relieved of the obligation to perform the Work in accordance with the Design-Build Documents by the activities, tests, inspections or approvals of the Owner.

§ 3.1.3.1 The Design-Builder shall perform the Work in compliance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities. If the Design-Builder performs Work contrary to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, the Design-Builder shall assume responsibility for such Work and shall bear the costs attributable to correction.

§ 3.1.3.2 Neither the Design-Builder nor any Contractor, Consultant, or Architect shall be obligated to perform any act which they believe will violate any applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities. If the Design-Builder determines that implementation of any instruction received from the Owner, including those in the Owner's Criteria, would cause a violation of any applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Design-Builder shall notify the Owner in writing. Upon verification by the Owner that a change to the Owner's Criteria is required to remedy the violation, the Owner and the Design-Builder shall execute a Modification in accordance with Article 6.

§ 3.1.4 The Design-Builder shall be responsible to the Owner for acts and omissions of the Design-Builder's employees, Architect, Consultants, Contractors, and their agents and employees, and other persons or entities performing portions of the Work.

§ 3.1.5 **General Consultation.** The Design-Builder shall schedule and conduct periodic meetings with the Owner to review matters such as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.6 When applicable law requires that services be performed by licensed professionals, the Design-Builder shall provide those services through qualified, licensed professionals. The Owner understands and agrees that the services of the Design-Builder's Architect and the Design-Builder's other Consultants are performed in the sole interest of, and for the exclusive benefit of, the Design-Builder.

§ 3.1.7 The Design-Builder, with the assistance of the Owner, shall prepare and file documents required to obtain necessary approvals of governmental authorities having jurisdiction over the Project.

### § 3.1.8 Progress Reports

§ 3.1.8.1 The Design-Builder shall keep the Owner informed of the progress and quality of the Work. On a monthly basis, or otherwise as agreed to by the Owner and Design-Builder, the Design-Builder shall submit written progress reports to the Owner, showing estimated percentages of completion and other information identified below:

- .1 Work completed for the period;
- .2 Project schedule status;
- .3 Submittal schedule and status report, including a summary of outstanding Submittals;
- .4 Responses to requests for information to be provided by the Owner;
- .5 Approved Change Orders and Change Directives;
- .6 Pending Change Order and Change Directive status reports;
- .7 Tests and inspection reports;
- .8 Status report of Work rejected by the Owner;
- .9 Status of Claims previously submitted in accordance with Article 14;
- .10 Cumulative total of the Cost of the Work to date including the Design-Builder's compensation and Reimbursable Expenses, if any;
- .11 Current Project cash-flow and forecast reports; and
- .12 Additional information as agreed to by the Owner and Design-Builder.

§ 3.1.8.2 In addition, where the Contract Sum is the Cost of the Work with or without a Guaranteed Maximum Price, the Design-Builder shall include the following additional information in its progress reports:

- .1 Design-Builder's work force report;
- .2 Equipment utilization report; and
- .3 Cost summary, comparing actual costs to updated cost estimates.

*(Paragraphs deleted)*

§ 3.1.10 **Certifications.** Upon the Owner's written request, the Design-Builder shall obtain from the Architect, Consultants, and Contractors, and furnish to the Owner, certifications with respect to the documents and services provided by the Architect, Consultants, and Contractors (a) that, to the best of their knowledge, information and belief, the documents or services to which the certifications relate (i) are consistent with the Design-Build Documents, except to the extent specifically identified in the certificate, and (ii) comply with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities governing the design of the Project; and (b) that the Owner and its consultants shall be entitled to rely upon the accuracy of the representations and statements contained in the certifications. The Design-Builder's Architect, Consultants, and Contractors shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of their services.

§ 3.1.11 **Design-Builder's Submittals**

§ 3.1.11.1 Prior to submission of any Submittals, the Design-Builder shall prepare a Submittal schedule, and shall submit the schedule for the Owner's approval. The Owner's approval shall not unreasonably be delayed or withheld. The Submittal schedule shall (1) be coordinated with the Design-Builder's schedule provided in Section 3.1.9.1, (2) allow the Owner reasonable time to review Submittals, and (3) be periodically updated to reflect the progress of the Work. If the Design-Builder fails to submit a Submittal schedule, the Design-Builder shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of Submittals.

§ 3.1.11.2 By providing Submittals the Design-Builder represents to the Owner that it has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such Submittals with the requirements of the Work and of the Design-Build Documents.

§ 3.1.11.3 The Design-Builder shall perform no portion of the Work for which the Design-Build Documents require Submittals until the Owner has approved the respective Submittal.

§ 3.1.11.4 The Work shall be in accordance with approved Submittals except that the Design-Builder shall not be relieved of its responsibility to perform the Work consistent with the requirements of the Design-Build Documents. The Work may deviate from the Design-Build Documents only if the Design-Builder has notified the Owner of a deviation from the Design-Build Documents at the time of the Submittal and a Modification is executed authorizing the identified deviation. The Design-Builder shall not be relieved of responsibility for errors or omissions in Submittals by the Owner's approval of the Submittals.

§ 3.1.11.5 All professional design services or certifications to be provided by the Design-Builder, including all drawings, calculations, specifications, certifications, shop drawings and other Submittals, shall contain the signature and seal of the licensed design professional preparing them. Submittals related to the Work designed or certified by the licensed design professionals, if prepared by others, shall bear the licensed design professional's written approval. The Owner and its consultants shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

§ 3.1.12 **Warranty.** The Design-Builder warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Design-Build Documents require or permit otherwise. The Design-Builder further warrants that the Work will conform to the requirements of the Design-Build Documents and will be free from defects, except for those inherent in the quality of the Work or otherwise expressly permitted by the Design-Build Documents. Work, materials, or equipment not conforming to these requirements may be considered defective. The Design-Builder's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or normal wear

and tear and normal usage. If required by the Owner, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

*(Paragraphs deleted)*

#### **§ 3.1.14 Indemnification**

**§ 3.1.14.1** To the fullest extent permitted by law, the Design-Builder shall indemnify and hold harmless the Owner, including the Owner's agents and employees, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, but only to the extent caused by the negligent acts or omissions of the Design-Builder, Architect, a Consultant, a Contractor, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.1.14.

**§ 3.1.14.2** The indemnification obligation under this Section 3.1.14 shall be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for Design-Builder, Architect, a Consultant, a Contractor, or anyone directly or indirectly employed by them, under workers' compensation acts, disability benefit acts or other employee benefit acts.

#### **§ 3.1.15 Contingent Assignment of Agreements**

**§ 3.1.15.1** Each agreement for a portion of the Work is assigned by the Design-Builder to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause, pursuant to Sections 13.1.4 or 13.2.2, and only for those agreements that the Owner accepts by written notification to the Design-Builder and the Architect, Consultants, and Contractors whose agreements are accepted for assignment; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of an agreement, the Owner assumes the Design-Builder's rights and obligations under the agreement.

**§ 3.1.15.2** Upon such assignment, if the Work has been suspended for more than 30 days, the compensation under the assigned agreement shall be equitably adjusted for increases in cost resulting from the suspension.

**§ 3.1.15.3** Upon such assignment to the Owner under this Section 3.1.15, the Owner may further assign the agreement to a successor design-builder or other entity. If the Owner assigns the agreement to a successor design-builder or other entity, the Owner shall nevertheless remain legally responsible for all of the successor design-builder's or other entity's obligations under the agreement.

**§ 3.1.16 Design-Builder's Insurance and Bonds.** The Design-Builder shall purchase and maintain insurance and provide bonds as set forth in Exhibit B.

### **ARTICLE 4 WORK PRIOR TO EXECUTION OF THE DESIGN-BUILD AMENDMENT**

#### **§ 4.1 General**

**§ 4.1.1** Any information submitted by the Design-Builder, and any interim decisions made by the Owner, shall be for the purpose of facilitating the design process and shall not modify the Owner's Criteria unless the Owner and Design-Builder execute a Modification.

**§ 4.1.2** The Design-Builder shall advise the Owner on proposed site use and improvements, selection of materials, and building systems and equipment. The Design-Builder shall also provide the Owner with recommendations, consistent with the Owner's Criteria, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

#### **§ 4.2 Evaluation of the Owner's Criteria**

**§ 4.2.1** The Design-Builder shall schedule and conduct meetings with the Owner and any other necessary individuals or entities to discuss and review the Owner's Criteria as set forth in Section 1.1. The Design-Builder shall thereafter

again meet with the Owner to discuss a preliminary evaluation of the Owner's Criteria. The preliminary evaluation shall address possible alternative approaches to design and construction of the Project and include the Design-Builder's recommendations, if any, with regard to accelerated or fast-track scheduling, procurement, or phased construction. The preliminary evaluation shall consider cost information, constructability, and procurement and construction scheduling issues.

§ 4.2.2 After the Design-Builder meets with the Owner and presents the preliminary evaluation, the Design-Builder shall provide a written report to the Owner, summarizing the Design-Builder's evaluation of the Owner's Criteria. The report shall also include

- .2 a preliminary estimate of the Cost of the Work, and, if necessary, recommendations to adjust the Owner's Criteria to conform to the Owner's budget;
- .4 the following:  
*(List additional information, if any, to be included in the Design-Builder's written report.)*

§ 4.2.3 The Owner shall review the Design-Builder's written report and, if acceptable, provide the Design-Builder with written consent to proceed to the development of the Preliminary Design as described in Section 4.3. The consent to proceed shall not be understood to modify the Owner's Criteria unless the Owner and Design-Builder execute a Modification.

### § 4.3 Preliminary Design

§ 4.3.1 Upon the Owner's issuance of a written consent to proceed under Section 4.2.3, the Design-Builder shall prepare and submit a Preliminary Design to the Owner. The Preliminary Design shall include a report identifying any deviations from the Owner's Criteria, and shall include the following:

- .1 Confirmation of the allocations of program functions;
- .2 Site plan;
- .3 Building plans, sections and elevations;
- .4 Structural system;
- .5 Selections of major building systems, including but not limited to mechanical, electrical and plumbing systems; and
- .6 Outline specifications or sufficient drawing notes describing construction materials.

The Preliminary Design may include some combination of physical study models, perspective sketches, or digital modeling.

§ 4.3.2 The Owner shall review the Preliminary Design and, if acceptable, provide the Design-Builder with written consent to proceed to development of the Design-Builder's Proposal. The Preliminary Design shall not modify the Owner's Criteria unless the Owner and Design-Builder execute a Modification.

### § 4.4 Design-Builder's Proposal

§ 4.4.1 Upon the Owner's issuance of a written consent to proceed under Section 4.3.2, the Design-Builder shall prepare and submit the Design-Builder's Proposal to the Owner. The Design-Builder's Proposal shall include the following:

- .1 A list of the Preliminary Design documents and other information, including the Design-Builder's clarifications, assumptions and deviations from the Owner's Criteria, upon which the Design-Builder's Proposal is based;
- .2 The proposed Contract Sum, including the compensation method and, if based upon the Cost of the Work plus a fee, a written statement of estimated cost organized by trade categories, allowances, contingencies, Design-Builder's Fee, and other items that comprise the Contract Sum;
- .3 The proposed date the Design-Builder shall achieve Substantial Completion;
- .4 An enumeration of any qualifications and exclusions, if applicable;
- .5 A list of the Design-Builder's key personnel, Contractors and suppliers; and
- .6 The date on which the Design-Builder's Proposal expires.

§ 4.4.2 Submission of the Design-Builder's Proposal shall constitute a representation by the Design-Builder that it has visited the site and become familiar with local conditions under which the Work is to be completed.

§ 4.4.3 If the Owner and Design-Builder agree on a proposal, the Owner and Design-Builder shall execute the Design-Build Amendment setting forth the terms of their agreement.

## **ARTICLE 5 WORK FOLLOWING EXECUTION OF THE DESIGN-BUILD AMENDMENT**

### **§ 5.1 Construction Documents**

§ 5.1.1 Upon the execution of the Design-Build Amendment, the Design-Builder shall prepare Construction Documents. The Construction Documents shall establish the quality levels of materials and systems required. The Construction Documents shall be consistent with the Design-Build Documents.

§ 5.1.2 The Design-Builder shall provide the Construction Documents to the Owner for the Owner's information. If the Owner discovers any deviations between the Construction Documents and the Design-Build Documents, the Owner shall promptly notify the Design-Builder of such deviations in writing. The Construction Documents shall not modify the Design-Build Documents unless the Owner and Design-Builder execute a Modification. The failure of the Owner to discover any such deviations shall not relieve the Design-Builder of the obligation to perform the Work in accordance with the Design-Build Documents.

### **§ 5.2 Construction**

§ 5.2.1 **Commencement.** Except as permitted in Section 5.2.2, construction shall not commence prior to execution of the Design-Build Amendment.

§ 5.2.2 If the Owner and Design-Builder agree in writing, construction may proceed prior to the execution of the Design-Build Amendment. However, such authorization shall not waive the Owner's right to reject the Design-Builder's Proposal.

§ 5.2.3 The Design-Builder shall supervise and direct the Work, using the Design-Builder's best skill and attention. The Design-Builder shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work under the Contract, unless the Design-Build Documents give other specific instructions concerning these matters.

§ 5.2.4 The Design-Builder shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

### **§ 5.3 Labor and Materials**

§ 5.3.1 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services, necessary for proper execution and completion of the Work, whether temporary or permanent, and whether or not incorporated or to be incorporated in the Work.

§ 5.3.2 When a material or system is specified in the Design-Build Documents, the Design-Builder may make substitutions only in accordance with Article 6.

§ 5.3.3 The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Work. The Design-Builder shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

### **§ 5.4 Taxes**

The Design-Builder shall pay sales, consumer, use and similar taxes, for the Work provided by the Design-Builder, that are legally enacted when the Design-Build Amendment is executed, whether or not yet effective or merely scheduled to go into effect.

### **§ 5.5 Permits, Fees, Notices and Compliance with Laws**

§ 5.5.1 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall secure and pay for the building permit as well as any other permits, fees, licenses, and inspections by government agencies, necessary for proper execution of the Work and Substantial Completion of the Project.

**§ 5.5.2** The Design-Builder shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, applicable to performance of the Work.

**§ 5.5.3 Concealed or Unknown Conditions.** If the Design-Builder encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Design-Build Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Design-Build Documents, the Design-Builder shall promptly provide notice to the Owner before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Owner shall promptly investigate such conditions and, if the Owner determines that they differ materially and cause an increase or decrease in the Design-Builder's cost of, or time required for, performance of any part of the Work, shall recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Owner determines that the conditions at the site are not materially different from those indicated in the Design-Build Documents and that no change in the terms of the Contract is justified, the Owner shall promptly notify the Design-Builder in writing, stating the reasons. If the Design-Builder disputes the Owner's determination or recommendation, the Design-Builder may proceed as provided in Article 14.

**§ 5.5.4** If, in the course of the Work, the Design-Builder encounters human remains, or recognizes the existence of burial markers, archaeological sites, or wetlands, not indicated in the Design-Build Documents, the Design-Builder shall immediately suspend any operations that would affect them and shall notify the Owner. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Design-Builder shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 14.

## **§ 5.6 Allowances**

**§ 5.6.1** The Design-Builder shall include in the Contract Sum all allowances stated in the Design-Build Documents. Items covered by allowances shall be supplied for such amounts, and by such persons or entities as the Owner may direct, but the Design-Builder shall not be required to employ persons or entities to whom the Design-Builder has reasonable objection.

**§ 5.6.2** Unless otherwise provided in the Design-Build Documents,

- .1 allowances shall cover the cost to the Design-Builder of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 the Design-Builder's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts, shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 5.6.2.1 and (2) changes in Design-Builder's costs under Section 5.6.2.2.

**§ 5.6.3** The Owner shall make selections of materials and equipment with reasonable promptness for allowances requiring Owner selection.

## **§ 5.7 Key Personnel, Contractors and Suppliers**

**§ 5.7.1** The Design-Builder shall not employ personnel, or contract with Contractors or suppliers to whom the Owner has made reasonable and timely objection. The Design-Builder shall not be required to contract with anyone to whom the Design-Builder has made reasonable and timely objection.

**§ 5.7.2** If the Design-Builder changes any of the personnel, Contractors or suppliers identified in the Design-Build Amendment, the Design-Builder shall notify the Owner and provide the name and qualifications of the new personnel, Contractor or supplier. The Owner may reply within 14 days to the Design-Builder in writing, stating (1) whether the Owner has reasonable objection to the proposed personnel, Contractor or supplier or (2) that the Owner requires

additional time to review. Failure of the Owner to reply within the 14-day period shall constitute notice of no reasonable objection.

**§ 5.7.3** Except for those persons or entities already identified or required in the Design-Build Amendment, the Design-Builder, as soon as practicable after execution of the Design-Build Amendment, shall furnish in writing to the Owner the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Owner may reply within 14 days to the Design-Builder in writing stating (1) whether the Owner has reasonable objection to any such proposed person or entity or (2) that the Owner requires additional time for review. Failure of the Owner to reply within the 14-day period shall constitute notice of no reasonable objection.

**§ 5.7.3.1** If the Owner has reasonable objection to a person or entity proposed by the Design-Builder, the Design-Builder shall propose another to whom the Owner has no reasonable objection. If the rejected person or entity was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute person or entity's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Design-Builder has acted promptly and responsively in submitting names as required.

#### **§ 5.8 Documents and Submittals at the Site**

The Design-Builder shall maintain at the site for the Owner one copy of the Design-Build Documents and a current set of the Construction Documents, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Submittals. The Design-Builder shall deliver these items to the Owner in accordance with Section 9.10.2 as a record of the Work as constructed.

#### **§ 5.9 Use of Site**

The Design-Builder shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Design-Build Documents, and shall not unreasonably encumber the site with materials or equipment.

#### **§ 5.10 Cutting and Patching**

The Design-Builder shall not cut, patch or otherwise alter fully or partially completed construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Design-Builder shall not unreasonably withhold from the Owner or a separate contractor the Design-Builder's consent to cutting or otherwise altering the Work.

#### **§ 5.11 Cleaning Up**

**§ 5.11.1** The Design-Builder shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Design-Builder shall remove waste materials, rubbish, the Design-Builder's tools, construction equipment, machinery and surplus materials from and about the Project.

*(Paragraph deleted)*

#### **§ 5.12 Access to Work**

The Design-Builder shall provide the Owner and its separate contractors and consultants access to the Work in preparation and progress wherever located. The Design-Builder shall notify the Owner regarding Project safety criteria and programs, which the Owner, and its contractors and consultants, shall comply with while at the site.

*(Paragraphs deleted)*

#### **§ 5.14 Mutual Responsibility**

**§ 5.14.1** The Design-Builder shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Design-Builder's construction and operations with theirs as required by the Design-Build Documents.

**§ 5.14.2** If part of the Design-Builder's Work depends upon construction or operations by the Owner or a separate contractor, the Design-Builder shall, prior to proceeding with that portion of the Work, prepare a written report to the Owner, identifying apparent discrepancies or defects in the construction or operations by the Owner or separate

contractor that would render it unsuitable for proper execution and results of the Design-Builder's Work. Failure of the Design-Builder to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Design-Builder's Work, except as to defects not then reasonably discoverable.

**§ 5.14.3** The Design-Builder shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Design-Builder's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Design-Builder for costs the Design-Builder incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

**§ 5.14.4** The Design-Builder shall promptly remedy damage the Design-Builder wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

**§ 5.14.5** The Owner and each separate contractor shall have the same responsibilities for cutting and patching the Work as the Design-Builder has with respect to the construction of the Owner or separate contractors in Section 5.10.

### **§ 5.15 Owner's Right to Clean Up**

If a dispute arises among the Design-Builder, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and will allocate the cost among those responsible.

## **ARTICLE 6 CHANGES IN THE WORK**

### **§ 6.1 General**

**§ 6.1.1** Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order or Change Directive, subject to the limitations stated in this Article 6 and elsewhere in the Design-Build Documents.

**§ 6.1.2** A Change Order shall be based upon agreement between the Owner and Design-Builder. The Owner may issue a Change Directive without agreement by the Design-Builder.

**§ 6.1.3** Changes in the Work shall be performed under applicable provisions of the Design-Build Documents, and the Design-Builder shall proceed promptly, unless otherwise provided in the Change Order or Change Directive.

### **§ 6.2 Change Orders**

A Change Order is a written instrument signed by the Owner and Design-Builder stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation; and
- .3 The extent of the adjustment, if any, in the Contract Time.

### **§ 6.3 Change Directives**

**§ 6.3.1** A Change Directive is a written order signed by the Owner directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation, or Contract Time. The Owner may by Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation, and Contract Time being adjusted accordingly.

**§ 6.3.2** A Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

**§ 6.3.3** If the Change Directive provides for an adjustment to the Contract Sum or, if prior to execution of the Design-Build Amendment, an adjustment in the Design-Builder's compensation, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Design-Build Documents or subsequently agreed upon;

- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 6.3.7.

**§ 6.3.4** If unit prices are stated in the Design-Build Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Design-Builder, the applicable unit prices shall be equitably adjusted.

**§ 6.3.5** Upon receipt of a Change Directive, the Design-Builder shall promptly proceed with the change in the Work involved and advise the Owner of the Design-Builder's agreement or disagreement with the method, if any, provided in the Change Directive for determining the proposed adjustment in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation, or Contract Time.

**§ 6.3.6** A Change Directive signed by the Design-Builder indicates the Design-Builder's agreement therewith, including adjustment in Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation, and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

**§ 6.3.7** If the Design-Builder does not respond promptly or disagrees with the method for adjustment in the Contract Sum or, if prior to execution of the Design-Build Amendment, the method for adjustment in the Design-Builder's compensation, the Owner shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 6.3.3.3, the Design-Builder shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Design-Build Documents, costs for the purposes of this Section 6.3.7 shall be limited to the following:

- .1 Additional costs of professional services;
- .2 Costs of labor, including social security, unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .3 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .4 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Design-Builder or others;
- .5 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .6 Additional costs of supervision and field office personnel directly attributable to the change.

**§ 6.3.8** The amount of credit to be allowed by the Design-Builder to the Owner for a deletion or change that results in a net decrease in the Contract Sum or, if prior to execution of the Design-Build Amendment, in the Design-Builder's compensation, shall be actual net cost. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

**§ 6.3.9** Pending final determination of the total cost of a Change Directive to the Owner, the Design-Builder may request payment for Work completed under the Change Directive in Applications for Payment. The Owner will make an interim determination for purposes of certification for payment for those costs deemed to be reasonably justified. The Owner's interim determination of cost shall adjust the Contract Sum or, if prior to execution of the Design-Build Amendment, the Design-Builder's compensation, on the same basis as a Change Order, subject to the right of Design-Builder to disagree and assert a Claim in accordance with Article 14.

**§ 6.3.10** When the Owner and Design-Builder agree with a determination concerning the adjustments in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Owner and Design-Builder shall execute a Change Order. Change Orders may be issued for all or any part of a Change Directive.

## **ARTICLE 7 OWNER'S RESPONSIBILITIES**

### **§ 7.1 General**

**§ 7.1.1** The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all Project matters requiring the Owner's approval or authorization.

**§ 7.1.2** The Owner shall render decisions in a timely manner and in accordance with the Design-Builder's schedule agreed to by the Owner. The Owner shall furnish to the Design-Builder, within 15 days after receipt of a written request, information necessary and relevant for the Design-Builder to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

### **§ 7.2 Information and Services Required of the Owner**

**§ 7.2.1** The Owner shall furnish information or services required of the Owner by the Design-Build Documents with reasonable promptness.

**§ 7.2.2** The Owner shall provide, to the extent under the Owner's control and if not required by the Design-Build Documents to be provided by the Design-Builder, the results and reports of prior tests, inspections or investigations conducted for the Project involving structural or mechanical systems; chemical, air and water pollution; hazardous materials; or environmental and subsurface conditions and information regarding the presence of pollutants at the Project site. Upon receipt of a written request from the Design-Builder, the Owner shall also provide surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site under the Owner's control.

**§ 7.2.3** The Owner shall promptly obtain easements, zoning variances, and legal authorizations or entitlements regarding site utilization where essential to the execution of the Project.

**§ 7.2.4** The Owner shall cooperate with the Design-Builder in securing building and other permits, licenses and inspections.

**§ 7.2.5** The services, information, surveys and reports required to be provided by the Owner under this Agreement, shall be furnished at the Owner's expense, and except as otherwise specifically provided in this Agreement or elsewhere in the Design-Build Documents or to the extent the Owner advises the Design-Builder to the contrary in writing, the Design-Builder shall be entitled to rely upon the accuracy and completeness thereof. In no event shall the Design-Builder be relieved of its responsibility to exercise proper precautions relating to the safe performance of the Work.

**§ 7.2.6** If the Owner observes or otherwise becomes aware of a fault or defect in the Work or non-conformity with the Design-Build Documents, the Owner shall give prompt written notice thereof to the Design-Builder.

**§ 7.2.7** Prior to the execution of the Design-Build Amendment, the Design-Builder may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Design-Build Documents and the Design-Builder's Proposal. Thereafter, the Design-Builder may only request such evidence if (1) the Owner fails to make payments to the Design-Builder as the Design-Build Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Design-Builder identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Design-Builder.

**§ 7.2.8** Except as otherwise provided in the Design-Build Documents or when direct communications have been specially authorized, the Owner shall communicate through the Design-Builder with persons or entities employed or retained by the Design-Builder.

**§ 7.2.9** Unless required by the Design-Build Documents to be provided by the Design-Builder, the Owner shall, upon request from the Design-Builder, furnish the services of geotechnical engineers or other consultants for investigation of subsurface, air and water conditions when such services are reasonably necessary to properly carry out the design services furnished by the Design-Builder. In such event, the Design-Builder shall specify the services required. Such

services may include, but are not limited to, test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, and necessary operations for anticipating subsoil conditions. The services of geotechnical engineer(s) or other consultants shall include preparation and submission of all appropriate reports and professional recommendations.

**§ 7.2.10** The Owner shall purchase and maintain insurance as set forth in Exhibit B.

### **§ 7.3 Submittals**

**§ 7.3.1** The Owner shall review and approve or take other appropriate action on Submittals. Review of Submittals is not conducted for the purpose of determining the accuracy and completeness of other details, such as dimensions and quantities; or for substantiating instructions for installation or performance of equipment or systems; or for determining that the Submittals are in conformance with the Design-Build Documents, all of which remain the responsibility of the Design-Builder as required by the Design-Build Documents. The Owner's action will be taken in accordance with the submittal schedule approved by the Owner or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Owner's judgment to permit adequate review. The Owner's review of Submittals shall not relieve the Design-Builder of the obligations under Sections 3.1.11, 3.1.12, and 5.2.3. The Owner's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Owner, of any construction means, methods, techniques, sequences or procedures. The Owner's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

**§ 7.3.2** Upon review of the Submittals required by the Design-Build Documents, the Owner shall notify the Design-Builder of any non-conformance with the Design-Build Documents the Owner discovers.

**§ 7.4** Visits to the site by the Owner shall not be construed to create an obligation on the part of the Owner to make on-site inspections to check the quality or quantity of the Work. The Owner shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, because these are solely the Design-Builder's rights and responsibilities under the Design-Build Documents.

**§ 7.5** The Owner shall not be responsible for the Design-Builder's failure to perform the Work in accordance with the requirements of the Design-Build Documents. The Owner shall not have control over or charge of, and will not be responsible for acts or omissions of the Design-Builder, Architect, Consultants, Contractors, or their agents or employees, or any other persons or entities performing portions of the Work for the Design-Builder.

**§ 7.6** The Owner has the authority to reject Work that does not conform to the Design-Build Documents. The Owner shall have authority to require inspection or testing of the Work in accordance with Section 15.5.2, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Owner nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Owner to the Design-Builder, the Architect, Consultants, Contractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

**§ 7.7** The Owner shall determine the date or dates of Substantial Completion in accordance with Section 9.8 and the date of final completion in accordance with Section 9.10.

### **§ 7.8 Owner's Right to Stop Work**

If the Design-Builder fails to correct Work which is not in accordance with the requirements of the Design-Build Documents as required by Section 11.2 or persistently fails to carry out Work in accordance with the Design-Build Documents, the Owner may issue a written order to the Design-Builder to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Design-Builder or any other person or entity, except to the extent required by Section 5.13.1.3.

### **§ 7.9 Owner's Right to Carry Out the Work**

If the Design-Builder defaults or neglects to carry out the Work in accordance with the Design-Build Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from

payments then or thereafter due the Design-Builder the reasonable cost of correcting such deficiencies. If payments then or thereafter due the Design-Builder are not sufficient to cover such amounts, the Design-Builder shall pay the difference to the Owner.

## **ARTICLE 8 TIME**

### **§ 8.1 Progress and Completion**

**§ 8.1.1** Time limits stated in the Design-Build Documents are of the essence of the Contract. By executing the Design-Build Amendment the Design-Builder confirms that the Contract Time is a reasonable period for performing the Work.

**§ 8.1.2** The Design-Builder shall not, except by agreement of the Owner in writing, commence the Work prior to the effective date of insurance, other than property insurance, required by this Contract. The Contract Time shall not be adjusted as a result of the Design-Builder's failure to obtain insurance required under this Contract.

**§ 8.1.3** The Design-Builder shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

### **§ 8.2 Delays and Extensions of Time**

**§ 8.2.1** If the Design-Builder is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or of a consultant or separate contractor employed by the Owner; or by changes ordered in the Work by the Owner; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Design-Builder's control; or by delay authorized by the Owner pending mediation and binding dispute resolution or by other causes that the Owner determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Owner may determine.

**§ 8.2.2** Claims relating to time shall be made in accordance with applicable provisions of Article 14.

**§ 8.2.3** This Section 8.2 does not preclude recovery of damages for delay by either party under other provisions of the Design-Build Documents.

## **ARTICLE 9 PAYMENT APPLICATIONS AND PROJECT COMPLETION**

### **§ 9.1 Contract Sum**

The Contract Sum is stated in the Design-Build Amendment.

### **§ 9.2 Schedule of Values**

Where the Contract Sum is based on a stipulated sum or Guaranteed Maximum Price, the Design-Builder, prior to the first Application for Payment after execution of the Design-Build Amendment shall submit to the Owner a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

### **§ 9.3 Applications for Payment**

**§ 9.3.1** At least ten days before the date established for each progress payment, the Design-Builder shall submit to the Owner an itemized Application for Payment for completed portions of the Work. The application shall be notarized, if required, and supported by data substantiating the Design-Builder's right to payment as the Owner may require, such as copies of requisitions from the Architect, Consultants, Contractors, and material suppliers, and shall reflect retainage if provided for in the Design-Build Documents.

**§ 9.3.1.1** As provided in Section 6.3.9, Applications for Payment may include requests for payment on account of changes in the Work that have been properly authorized by Change Directives, or by interim determinations of the Owner, but not yet included in Change Orders.

**§ 9.3.1.2** Applications for Payment shall not include requests for payment for portions of the Work for which the Design-Builder does not intend to pay the Architect, Consultant, Contractor, material supplier, or other persons or entities providing services or work for the Design-Builder, unless such Work has been performed by others whom the Design-Builder intends to pay.

**§ 9.3.2** Unless otherwise provided in the Design-Build Documents, payments shall be made for services provided as well as materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Design-Builder with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

**§ 9.3.3** The Design-Builder warrants that title to all Work, other than Instruments of Service, covered by an Application for Payment will pass to the Owner no later than the time of payment. The Design-Builder further warrants that, upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Design-Builder's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Design-Builder, Architect, Consultants, Contractors, material suppliers, or other persons or entities entitled to make a claim by reason of having provided labor, materials and equipment relating to the Work.

#### **§ 9.4 Certificates for Payment**

The Owner shall, within seven days after receipt of the Design-Builder's Application for Payment, issue to the Design-Builder a Certificate for Payment indicating the amount the Owner determines is properly due, and notify the Design-Builder in writing of the Owner's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

#### **§ 9.5 Decisions to Withhold Certification**

**§ 9.5.1** The Owner may withhold a Certificate for Payment in whole or in part to the extent reasonably necessary to protect the Owner due to the Owner's determination that the Work has not progressed to the point indicated in the Design-Builder's Application for Payment, or the quality of the Work is not in accordance with the Design-Build Documents. If the Owner is unable to certify payment in the amount of the Application, the Owner will notify the Design-Builder as provided in Section 9.4. If the Design-Builder and Owner cannot agree on a revised amount, the Owner will promptly issue a Certificate for Payment for the amount that the Owner deems to be due and owing. The Owner may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary to protect the Owner from loss for which the Design-Builder is responsible because of

- .1 defective Work, including design and construction, not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Design-Builder;
- .3 failure of the Design-Builder to make payments properly to the Architect, Consultants, Contractors or others, for services, labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Design-Build Documents.

**§ 9.5.2** When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

*(Paragraph deleted)*

#### **§ 9.6 Progress Payments**

**§ 9.6.1** After the Owner has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Design-Build Documents.

**§ 9.6.2** The Design-Builder shall pay each Architect, Consultant, Contractor, and other person or entity providing services or work for the Design-Builder no later than the time period required by applicable law, but in no event more than seven days after receipt of payment from the Owner the amount to which the Architect, Consultant, Contractor, and other person or entity providing services or work for the Design-Builder is entitled, reflecting percentages actually retained from payments to the Design-Builder on account of the portion of the Work performed by the Architect, Consultant, Contractor, or other person or entity. The Design-Builder shall, by appropriate agreement with each

Architect, Consultant, Contractor, and other person or entity providing services or work for the Design-Builder, require each Architect, Consultant, Contractor, and other person or entity providing services or work for the Design-Builder to make payments to subconsultants and subcontractors in a similar manner.

**§ 9.6.3** The Owner will, on request and if practicable, furnish to the Architect, a Consultant, Contractor, or other person or entity providing services or work for the Design-Builder, information regarding percentages of completion or amounts applied for by the Design-Builder and action taken thereon by the Owner on account of portions of the Work done by such Architect, Consultant, Contractor or other person or entity providing services or work for the Design-Builder.

**§ 9.6.4** The Owner has the right to request written evidence from the Design-Builder that the Design-Builder has properly paid the Architect, Consultants, Contractors, or other person or entity providing services or work for the Design-Builder, amounts paid by the Owner to the Design-Builder for the Work. If the Design-Builder fails to furnish such evidence within seven days, the Owner shall have the right to contact the Architect, Consultants, and Contractors to ascertain whether they have been properly paid. The Owner shall have no obligation to pay or to see to the payment of money to a Consultant or Contractor, except as may otherwise be required by law.

**§ 9.6.5** Design-Builder payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

**§ 9.6.6** A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Design-Build Documents.

**§ 9.6.7** Unless the Design-Builder provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Design-Builder for Work properly performed by the Architect, Consultants, Contractors and other person or entity providing services or work for the Design-Builder, shall be held by the Design-Builder for the Architect and those Consultants, Contractors, or other person or entity providing services or work for the Design-Builder, for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Design-Builder, shall create any fiduciary liability or tort liability on the part of the Design-Builder for breach of trust or shall entitle any person or entity to an award of punitive damages against the Design-Builder for breach of the requirements of this provision.

## **§ 9.7 Failure of Payment**

If the Owner does not issue a Certificate for Payment, through no fault of the Design-Builder, within the time required by the Design-Build Documents, then the Design-Builder may, upon seven additional days' written notice to the Owner, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Design-Build Documents.

## **§ 9.8 Substantial Completion**

**§ 9.8.1** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or utilize the Work for its intended use. The date of Substantial Completion is the date certified by the Owner in accordance with this Section 9.8.

**§ 9.8.2** When the Design-Builder considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Design-Builder shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Design-Builder to complete all Work in accordance with the Design-Build Documents.

**§ 9.8.3** Upon receipt of the Design-Builder's list, the Owner shall make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Owner's inspection discloses any item, whether or not included on the Design-Builder's list, which is not sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Design-Builder shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Owner. In such case, the Design-Builder shall then submit a request for another inspection by the Owner to determine Substantial Completion.

**§ 9.8.4** Prior to issuance of the Certificate of Substantial Completion under Section 9.8.5, the Owner and Design-Builder shall discuss and then determine the parties' obligations to obtain and maintain property insurance following issuance of the Certificate of Substantial Completion.

**§ 9.8.5** When the Work or designated portion thereof is substantially complete, the Design-Builder will prepare for the Owner's signature a Certificate of Substantial Completion that shall, upon the Owner's signature, establish the date of Substantial Completion; establish responsibilities of the Owner and Design-Builder for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Design-Builder shall finish all items on the list accompanying the Certificate. Warranties required by the Design-Build Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

**§ 9.8.6** The Certificate of Substantial Completion shall be submitted by the Design-Builder to the Owner for written acceptance of responsibilities assigned to it in the Certificate. Upon the Owner's acceptance, and consent of surety, if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Design-Build Documents.

## **§ 9.9 Partial Occupancy or Use**

**§ 9.9.1** The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Design-Builder, provided such occupancy or use is consented to, by endorsement or otherwise, by the insurer providing property insurance and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Design-Builder have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Design-Build Documents. When the Design-Builder considers a portion substantially complete, the Design-Builder shall prepare and submit a list to the Owner as provided under Section 9.8.2. Consent of the Design-Builder to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Design-Builder.

**§ 9.9.2** Immediately prior to such partial occupancy or use, the Owner and Design-Builder shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

**§ 9.9.3** Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Design-Build Documents.

## **§ 9.10 Final Completion and Final Payment**

**§ 9.10.1** Upon receipt of the Design-Builder's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Owner will promptly make such inspection. When the Owner finds the Work acceptable under the Design-Build Documents and the Contract fully performed, the Owner will, subject to Section 9.10.2, promptly issue a final Certificate for Payment.

**§ 9.10.2** Neither final payment nor any remaining retained percentage shall become due until the Design-Builder submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work, for which the Owner or the Owner's property might be responsible or encumbered, (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Design-Build Documents to remain in force after final payment is currently in effect, (3) a written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Design-Build Documents, (4) consent of surety, if any, to final payment, (5) as-constructed record copy of the Construction Documents marked to indicate field changes and selections made during construction, (6) manufacturer's warranties, product data, and maintenance and operations manuals, and (7) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, or releases and waivers of liens, claims, security interests, or encumbrances, arising out of the Contract, to the extent and in such form as may be designated by the Owner. If an Architect, a Consultant, or a Contractor, or other person or entity providing services or work for the Design-Builder, refuses to furnish a release or waiver required by the Owner, the Design-Builder may furnish a bond satisfactory to the Owner to indemnify the Owner against such liens, claims, security interests, or encumbrances. If

such liens, claims, security interests, or encumbrances remains unsatisfied after payments are made, the Design-Builder shall refund to the Owner all money that the Owner may be compelled to pay in discharging such liens, claims, security interests, or encumbrances, including all costs and reasonable attorneys' fees.

**§ 9.10.3** If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Design-Builder or by issuance of Change Orders affecting final completion, the Owner shall, upon application by the Design-Builder, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Design-Build Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Design-Builder to the Owner prior to issuance of payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

**§ 9.10.4** The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Design-Build Documents; or
- .3 terms of special warranties required by the Design-Build Documents.

**§ 9.10.5** Acceptance of final payment by the Design-Builder shall constitute a waiver of claims by the Design-Builder except those previously made in writing and identified by the Design-Builder as unsettled at the time of final Application for Payment.

## **ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY**

### **§ 10.1 Safety Precautions and Programs**

The Design-Builder shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

### **§ 10.2 Safety of Persons and Property**

**§ 10.2.1** The Design-Builder shall be responsible for precautions for the safety of, and reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Design-Builder or the Architect, Consultants, or Contractors, or other person or entity providing services or work for the Design-Builder; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, or structures and utilities not designated for removal, relocation or replacement in the course of construction.

**§ 10.2.2** The Design-Builder shall comply with, and give notices required by, applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property, or their protection from damage, injury or loss.

**§ 10.2.3** The Design-Builder shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations, and notify owners and users of adjacent sites and utilities of the safeguards and protections.

**§ 10.2.4** When use or storage of explosives or other hazardous materials or equipment, or unusual methods, are necessary for execution of the Work, the Design-Builder shall exercise utmost care, and carry on such activities under supervision of properly qualified personnel.

**§ 10.2.5** The Design-Builder shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Design-Build Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3, caused in whole or in part by the Design-Builder, the Architect, a Consultant, a Contractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Design-Builder is responsible under Sections 10.2.1.2 and 10.2.1.3; except damage or loss attributable to acts or omissions of the Owner, or anyone directly or indirectly employed by the Owner, or by anyone for whose acts the Owner may be liable,

and not attributable to the fault or negligence of the Design-Builder. The foregoing obligations of the Design-Builder are in addition to the Design-Builder's obligations under Section 3.1.14.

**§ 10.2.6** The Design-Builder shall designate a responsible member of the Design-Builder's organization, at the site, whose duty shall be the prevention of accidents. This person shall be the Design-Builder's superintendent unless otherwise designated by the Design-Builder in writing to the Owner.

**§ 10.2.7** The Design-Builder shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

**§ 10.2.8 Injury or Damage to Person or Property.** If the Owner or Design-Builder suffers injury or damage to person or property because of an act or omission of the other, or of others for whose acts such party is legally responsible, written notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

### **§ 10.3 Hazardous Materials**

**§ 10.3.1** The Design-Builder is responsible for compliance with any requirements included in the Design-Build Documents regarding hazardous materials. If the Design-Builder encounters a hazardous material or substance not addressed in the Design-Build Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Design-Builder, the Design-Builder shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner in writing.

**§ 10.3.2** Upon receipt of the Design-Builder's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Design-Builder and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Design-Build Documents, the Owner shall furnish in writing to the Design-Builder the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Design-Builder will promptly reply to the Owner in writing stating whether or not the Design-Builder has reasonable objection to the persons or entities proposed by the Owner. If the Design-Builder has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Design-Builder has no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Design-Builder. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Design-Builder's reasonable additional costs of shut-down, delay and start-up.

**§ 10.3.3** To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Design-Builder, the Architect, Consultants, and Contractors, and employees of any of them, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area, if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to, or destruction of, tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

**§ 10.3.4** The Owner shall not be responsible under this Section 10.3 for materials or substances the Design-Builder brings to the site unless such materials or substances are required by the Owner's Criteria. The Owner shall be responsible for materials or substances required by the Owner's Criteria, except to the extent of the Design-Builder's fault or negligence in the use and handling of such materials or substances.

**§ 10.3.5** The Design-Builder shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Design-Builder brings to the site and negligently handles, or (2) where the Design-Builder fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Design-Builder, the Design-Builder is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Design-Build Documents, the Owner shall indemnify the Design-Builder for all cost and expense thereby incurred.

#### § 10.4 Emergencies

In an emergency affecting safety of persons or property, the Design-Builder shall act, at the Design-Builder's discretion, to prevent threatened damage, injury or loss.

### ARTICLE 11 UNCOVERING AND CORRECTION OF WORK

#### § 11.1 Uncovering of Work

The Owner may request to examine a portion of the Work that the Design-Builder has covered to determine if the Work has been performed in accordance with the Design-Build Documents. If such Work is in accordance with the Design-Build Documents, the Owner and Design-Builder shall execute a Change Order to adjust the Contract Time and Contract Sum, as appropriate. If such Work is not in accordance with the Design-Build Documents, the costs of uncovering and correcting the Work shall be at the Design-Builder's expense and the Design-Builder shall not be entitled to a change in the Contract Time unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs and the Contract Time will be adjusted as appropriate.

#### § 11.2 Correction of Work

§ 11.2.1 **Before or After Substantial Completion.** The Design-Builder shall promptly correct Work rejected by the Owner or failing to conform to the requirements of the Design-Build Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for any design consultant employed by the Owner whose expenses and compensation were made necessary thereby, shall be at the Design-Builder's expense.

#### § 11.2.2 After Substantial Completion

§ 11.2.2.1 In addition to the Design-Builder's obligations under Section 3.1.12, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Design-Build Documents, any of the Work is found not to be in accordance with the requirements of the Design-Build Documents, the Design-Builder shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Design-Builder a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of the Work, if the Owner fails to notify the Design-Builder and give the Design-Builder an opportunity to make the correction, the Owner waives the rights to require correction by the Design-Builder and to make a claim for breach of warranty. If the Design-Builder fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner, the Owner may correct it in accordance with Section 7.9.

*(Paragraph deleted)*

§ 11.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Design-Builder pursuant to this Section 11.2.

§ 11.2.3 The Design-Builder shall remove from the site portions of the Work that are not in accordance with the requirements of the Design-Build Documents and are neither corrected by the Design-Builder nor accepted by the Owner.

§ 11.2.4 The Design-Builder shall bear the cost of correcting destroyed or damaged construction of the Owner or separate contractors, whether completed or partially completed, caused by the Design-Builder's correction or removal of Work that is not in accordance with the requirements of the Design-Build Documents.

§ 11.2.5 Nothing contained in this Section 11.2 shall be construed to establish a period of limitation with respect to other obligations the Design-Builder has under the Design-Build Documents. Establishment of the one-year period for correction of Work as described in Section 11.2.2 relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time within which the obligation to comply with the Design-Build

Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations other than specifically to correct the Work.

### **§ 11.3 Acceptance of Nonconforming Work**

If the Owner prefers to accept Work that is not in accordance with the requirements of the Design-Build Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

## **ARTICLE 12 COPYRIGHTS AND LICENSES**

**§ 12.1** Drawings, specifications, and other documents furnished by the Design-Builder, including those in electronic form, are Instruments of Service. The Design-Builder, and the Architect, Consultants, Contractors, and any other person or entity providing services or work for any of them, shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements, or for similar purposes in connection with the Project, is not to be construed as publication in derogation of the reserved rights of the Design-Builder and the Architect, Consultants, and Contractors, and any other person or entity providing services or work for any of them.

**§ 12.2** The Design-Builder and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

**§ 12.3** Upon execution of the Agreement, the Design-Builder grants to the Owner a limited, irrevocable and non-exclusive license to use the Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under the Design-Build Documents. The license granted under this section permits the Owner to authorize its consultants and separate contractors to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project. If the Design-Builder rightfully terminates this Agreement for cause as provided in Section 13.1.4 or 13.2.1 the license granted in this Section 12.3 shall terminate.

**§ 12.3.1** The Design-Builder shall obtain non-exclusive licenses from the Architect, Consultants, and Contractors, that will allow the Design-Builder to satisfy its obligations to the Owner under this Article 12. The Design-Builder's licenses from the Architect and its Consultants and Contractors shall also allow the Owner, in the event this Agreement is terminated for any reason other than the default of the Owner or in the event the Design-Builder's Architect, Consultants, or Contractors terminate their agreements with the Design-Builder for cause, to obtain a limited, irrevocable and non-exclusive license solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner (1) agrees to pay to the Architect, Consultant or Contractor all amounts due, and (2) provide the Architect, Consultant or Contractor with the Owner's written agreement to indemnify and hold harmless the Architect, Consultant or Contractor from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's alteration or use of the Instruments of Service.

**§ 12.3.2** In the event the Owner alters the Instruments of Service without the author's written authorization or uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Design-Builder, Architect, Consultants, Contractors and any other person or entity providing services or work for any of them, from all claims and causes of action arising from or related to such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Design-Builder, Architect, Consultants, Contractors and any other person or entity providing services or work for any of them, from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's alteration or use of the Instruments of Service under this Section 12.3.2. The terms of this Section 12.3.2 shall not apply if the Owner rightfully terminates this Agreement for cause under Sections 13.1.4 or 13.2.2.

## **ARTICLE 13 TERMINATION OR SUSPENSION**

### **§ 13.1 Termination or Suspension Prior to Execution of the Design-Build Amendment**

**§ 13.1.1** If the Owner fails to make payments to the Design-Builder for Work prior to execution of the Design-Build Amendment in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Design-Builder's option, cause for suspension of performance of services under this Agreement. If the Design-Builder elects to suspend the Work, the Design-Builder shall give seven days' written notice to the Owner before suspending the Work. In the event of a suspension of the Work, the Design-Builder shall have no liability to the Owner for delay or damage caused by the suspension of the Work. Before resuming the Work, the Design-Builder shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

**§ 13.1.2** If the Owner suspends the Project, the Design-Builder shall be compensated for the Work performed prior to notice of such suspension. When the Project is resumed, the Design-Builder shall be compensated for expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

**§ 13.1.3** If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Design-Builder, the Design-Builder may terminate this Agreement by giving not less than seven days' written notice.

**§ 13.1.4** Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

*(Paragraph deleted)*

**§ 13.1.6** In the event of termination not the fault of the Design-Builder, the Design-Builder shall be compensated for Work performed prior to termination, together with Reimbursable Expenses then due and any other expenses directly attributable to termination for which the Design-Builder is not otherwise compensated. In no event shall the Design-Builder's compensation under this Section 13.1.6 be greater than the compensation set forth in Section 2.1.

### **§ 13.2 Termination or Suspension Following Execution of the Design-Build Amendment**

#### **§ 13.2.1 Termination by the Design-Builder**

**§ 13.2.1.1** The Design-Builder may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Design-Builder, the Architect, a Consultant, or a Contractor, or their agents or employees, or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, for any of the following reasons:

- .1** Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2** An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3** Because the Owner has not issued a Certificate for Payment and has not notified the Design-Builder of the reason for withholding certification as provided in Section 9.5.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Design-Build Documents; or
- .4** The Owner has failed to furnish to the Design-Builder promptly, upon the Design-Builder's request, reasonable evidence as required by Section 7.2.7.

**§ 13.2.1.2** The Design-Builder may terminate the Contract if, through no act or fault of the Design-Builder, the Architect, a Consultant, a Contractor, or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 13.2.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

**§ 13.2.1.3** If one of the reasons described in Section 13.2.1.1 or 13.2.1.2 exists, the Design-Builder may, upon seven days' written notice to the Owner, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

**§ 13.2.1.4** If the Work is stopped for a period of 60 consecutive days through no act or fault of the Design-Builder or any other persons or entities performing portions of the Work under contract with the Design-Builder because the

Owner has repeatedly failed to fulfill the Owner's obligations under the Design-Build Documents with respect to matters important to the progress of the Work, the Design-Builder may, upon seven additional days' written notice to the Owner, terminate the Contract and recover from the Owner as provided in Section 13.2.1.3.

#### **§ 13.2.2 Termination by the Owner For Cause**

**§ 13.2.2.1** The Owner may terminate the Contract if the Design-Builder

- .1 fails to submit the Proposal by the date required by this Agreement, or if no date is indicated, within a reasonable time consistent with the date of Substantial Completion;
- .2 repeatedly refuses or fails to supply an Architect, or enough properly skilled Consultants, Contractors, or workers or proper materials;
- .3 fails to make payment to the Architect, Consultants, or Contractors for services, materials or labor in accordance with their respective agreements with the Design-Builder;
- .4 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .5 is otherwise guilty of substantial breach of a provision of the Design-Build Documents.

*(Paragraphs deleted)*

#### **§ 13.2.3 Suspension by the Owner for Convenience**

**§ 13.2.3.1** The Owner may, without cause, order the Design-Builder in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

**§ 13.2.3.2** The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 13.2.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Design-Builder is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

#### **§ 13.2.4 Termination by the Owner for Convenience**

**§ 13.2.4.1** The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

**§ 13.2.4.2** Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Design-Builder shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and,
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing Project agreements, including agreements with the Architect, Consultants, Contractors, and purchase orders, and enter into no further Project agreements and purchase orders.

**§ 13.2.4.3** In case of such termination for the Owner's convenience, the Design-Builder shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

### **ARTICLE 14 CLAIMS AND DISPUTE RESOLUTION**

#### **§ 14.1 Claims**

**§ 14.1.1 Definition.** A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Design-Builder arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

**§ 14.1.2 Time Limits on Claims.** The Owner and Design-Builder shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other, arising out of or related to the Contract in accordance with the requirements of the binding dispute resolution method selected in Section 1.3, within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Design-Builder waive all claims and causes of action not commenced in accordance with this Section 14.1.2.

### § 14.1.3 Notice of Claims

**§ 14.1.3.1 Prior To Final Payment.** Prior to Final Payment, Claims by either the Owner or Design-Builder must be initiated by written notice to the other party within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

**§ 14.1.3.2 Claims Arising After Final Payment.** After Final Payment, Claims by either the Owner or Design-Builder that have not otherwise been waived pursuant to Sections 9.10.4 or 9.10.5, must be initiated by prompt written notice to the other party. The notice requirement in Section 14.1.3.1 and the Initial Decision requirement as a condition precedent to mediation in Section 14.2.1 shall not apply.

**§ 14.1.4 Continuing Contract Performance.** Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 13, the Design-Builder shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Design-Build Documents.

**§ 14.1.5 Claims for Additional Cost.** If the Design-Builder intends to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the portion of the Work that relates to the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

### § 14.1.6 Claims for Additional Time

**§ 14.1.6.1** If the Design-Builder intends to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Design-Builder's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

**§ 14.1.6.2** If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

### § 14.1.7 Claims for Consequential Damages

The Design-Builder and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Design-Builder for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 13. Nothing contained in this Section 14.1.7 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Design-Build Documents.

### § 14.2 Initial Decision

**§ 14.2.1** An initial decision shall be required as a condition precedent to mediation of all Claims between the Owner and Design-Builder initiated prior to the date final payment is due, excluding those arising under Sections 10.3 and 10.4 of the Agreement and Sections B.3.2.9 and B.3.2.10 of Exhibit B to this Agreement, unless 30 days have passed after the Claim has been initiated with no decision having been rendered. Unless otherwise mutually agreed in writing, the Owner shall render the initial decision on Claims.

### § 14.2.2 Procedure

**§ 14.2.2.1 Claims Initiated by the Owner.** If the Owner initiates a Claim, the Design-Builder shall provide a written response to Owner within ten days after receipt of the notice required under Section 14.1.3.1. Thereafter, the Owner shall render an initial decision within ten days of receiving the Design-Builder's response: (1) withdrawing the Claim in whole or in part, (2) approving the Claim in whole or in part, or (3) suggesting a compromise.

**§ 14.2.2.2 Claims Initiated by the Design-Builder.** If the Design-Builder initiates a Claim, the Owner will take one or more of the following actions within ten days after receipt of the notice required under Section 14.1.3.1: (1) request additional supporting data, (2) render an initial decision rejecting the Claim in whole or in part, (3) render an initial decision approving the Claim, (4) suggest a compromise or (5) indicate that it is unable to render an initial decision because the Owner lacks sufficient information to evaluate the merits of the Claim.

**§ 14.2.3** In evaluating Claims, the Owner may, but shall not be obligated to, consult with or seek information from persons with special knowledge or expertise who may assist the Owner in rendering a decision. The retention of such persons shall be at the Owner's expense.

**§ 14.2.4** If the Owner requests the Design-Builder to provide a response to a Claim or to furnish additional supporting data, the Design-Builder shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Owner when the response or supporting data will be furnished or (3) advise the Owner that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Owner will either reject or approve the Claim in whole or in part.

**§ 14.2.5** The Owner's initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) identify any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

**§ 14.2.6** Either party may file for mediation of an initial decision at any time, subject to the terms of Section 14.2.6.1.

**§ 14.2.6.1** Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

**§ 14.2.7** In the event of a Claim against the Design-Builder, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Design-Builder's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

**§ 14.2.8** If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

## **§ 14.3 Mediation**

**§ 14.3.1** Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 14.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

**§ 14.3.2** The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this Section 14.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

**§ 14.3.3** The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction.

## **§ 14.4 Arbitration**

**§ 14.4.1** If the parties have selected arbitration as the method for binding dispute resolution in Section 1.3, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry

Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 14.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations or statute of repose. For statute of limitations or statute of repose purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 14.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.

§ 14.4.3 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

#### § 14.4.4 Consolidation or Joinder

§ 14.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 14.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 14.4.4.3 The Owner and Design-Builder grant to any person or entity made a party to an arbitration conducted under this Section 14.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Design-Builder under this Agreement.

### ARTICLE 15 MISCELLANEOUS PROVISIONS

#### § 15.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 14.4.

#### § 15.2 Successors and Assigns

§ 15.2.1 The Owner and Design-Builder, respectively, bind themselves, their partners, successors, assigns and legal representatives to the covenants, agreements and obligations contained in the Design-Build Documents. Except as provided in Section 15.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 15.2.2 The Owner may, without consent of the Design-Builder, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Design-Build Documents. The Design-Builder shall execute all consents reasonably required to facilitate such assignment.

§ 15.2.3 If the Owner requests the Design-Builder, Architect, Consultants, or Contractors to execute certificates, other than those required by Section 3.1.10, the Owner shall submit the proposed language of such certificates for review at least 14 days prior to the requested dates of execution. If the Owner requests the Design-Builder, Architect, Consultants, or Contractors to execute consents reasonably required to facilitate assignment to a lender, the Design-Builder, Architect, Consultants, or Contractors shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to them for review at least 14 days prior to execution. The

Design-Builder, Architect, Consultants, and Contractors shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of their services.

### **§ 15.3 Written Notice**

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

### **§ 15.4 Rights and Remedies**

**§ 15.4.1** Duties and obligations imposed by the Design-Build Documents, and rights and remedies available thereunder, shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

**§ 15.4.2** No action or failure to act by the Owner or Design-Builder shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

### **§ 15.5 Tests and Inspections**

**§ 15.5.1** Tests, inspections and approvals of portions of the Work shall be made as required by the Design-Build Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Design-Builder shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Design-Builder shall give the Owner timely notice of when and where tests and inspections are to be made so that the Owner may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Design-Builder.

**§ 15.5.2** If the Owner determines that portions of the Work require additional testing, inspection or approval not included under Section 15.5.1, the Owner will instruct the Design-Builder to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Design-Builder shall give timely notice to the Owner of when and where tests and inspections are to be made so that the Owner may be present for such procedures. Such costs, except as provided in Section 15.5.3, shall be at the Owner's expense.

**§ 15.5.3** If such procedures for testing, inspection or approval under Sections 15.5.1 and 15.5.2 reveal failure of the portions of the Work to comply with requirements established by the Design-Build Documents, all costs made necessary by such failure shall be at the Design-Builder's expense.

**§ 15.5.4** Required certificates of testing, inspection or approval shall, unless otherwise required by the Design-Build Documents, be secured by the Design-Builder and promptly delivered to the Owner.

**§ 15.5.5** If the Owner is to observe tests, inspections or approvals required by the Design-Build Documents, the Owner will do so promptly and, where practicable, at the normal place of testing.

**§ 15.5.6** Tests or inspections conducted pursuant to the Design-Build Documents shall be made promptly to avoid unreasonable delay in the Work.

### **§ 15.6 Confidential Information**

If the Owner or Design-Builder transmits Confidential Information, the transmission of such Confidential Information constitutes a warranty to the party receiving such Confidential Information that the transmitting party is authorized to transmit the Confidential Information. If a party receives Confidential Information, the receiving party shall keep the Confidential Information strictly confidential and shall not disclose it to any other person or entity except as set forth in Section 15.6.1.

**§ 15.6.1** A party receiving Confidential Information may disclose the Confidential Information as required by law or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity.

A party receiving Confidential Information may also disclose the Confidential Information to its employees, consultants or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of Confidential Information as set forth in this Contract.

#### § 15.7 Capitalization

Terms capitalized in the Contract include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

#### § 15.8 Interpretation

§ 15.8.1 In the interest of brevity the Design-Build Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 15.8.2 Unless otherwise stated in the Design-Build Documents, words which have well-known technical or construction industry meanings are used in the Design-Build Documents in accordance with such recognized meanings.

### ARTICLE 16 SCOPE OF THE AGREEMENT

§ 16.1 This Agreement is comprised of the following documents listed below:

- .1 AIA Document A141™–2014, Standard Form of Agreement Between Owner and Design-Builder
- .2 AIA Document A141™–2014, Exhibit A, Design-Build Amendment, if executed
- .3 AIA Document A141™–2014, Exhibit B, Insurance and Bonds
- .4 Exhibit C, detailed scope per restroom and fire building
- .5 Exhibit D, floorplans for new restroom and 2-bay addition to the fire department building

(Paragraphs deleted)

.6

This Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER (Signature)**

Blake Myers Facilities Project Manager  
(Printed name and title)

\_\_\_\_\_  
**OWNER (Signature)**

Jason Falls Business Development Director  
(Printed name and title)

\_\_\_\_\_  
**DESIGN-BUILDER (Signature)**

Justin Boheler Vice President - Operations  
(Printed name and title)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# **AIA® Document A141® – 2014 Exhibit A**

## ***Design-Build Amendment***

This Amendment is incorporated into the accompanying AIA Document A141™–2014, Standard Form of Agreement Between Owner and Design-Builder dated the 11th day of March in the year 2024 (the "Agreement")  
*(In words, indicate day, month and year.)*

### **for the following PROJECT:**

*(Name and location or address)*

Cleveland County Fairgrounds Project

1751 E Marion Street

Shelby, NC 28152

Renovations to five (5) existing restrooms, a new restroom building, and a new two-bay addition to the fire department.

### **THE OWNER:**

*(Name, legal status and address)*

Cleveland County Board of Commissioners

County Finance

PO Box 1210

Shelby, NC 28151

### **THE DESIGN-BUILDER:**

*(Name, legal status and address)*

Beam Construction Company, Inc.

PO Box 129

Cherryville, NC 28021

The Owner and Design-Builder hereby amend the Agreement as follows.

### **TABLE OF ARTICLES**

**A.1 CONTRACT SUM**

**A.2 CONTRACT TIME**

**A.3 INFORMATION UPON WHICH AMENDMENT IS BASED**

**A.4 DESIGN-BUILDER'S PERSONNEL, CONTRACTORS AND SUPPLIERS**

**A.5 COST OF THE WORK**

### **ARTICLE A.1 CONTRACT SUM**

**§ A.1.1** The Owner shall pay the Design-Builder the Contract Sum in current funds for the Design-Builder's performance of the Contract after the execution of this Amendment. The Contract Sum shall be one of the following and shall not include compensation the Owner paid the Design-Builder for Work performed prior to execution of this Amendment:  
*(Check the appropriate box.)*

### **ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

- [ ] Stipulated Sum, in accordance with Section A.1.2 below
- [ ] Cost of the Work plus the Design-Builder's Fee, in accordance with Section A.1.3 below
- [ X ] Cost of the Work plus the Design-Builder's Fee with a Guaranteed Maximum Price, in accordance with Section A.1.4 below

*(Based on the selection above, complete Section A.1.2, A.1.3 or A.1.4 below.)*

*(Paragraphs deleted)*

*(Table deleted)*

*(Paragraphs deleted)*

**§ A.1.4 Cost of the Work Plus Design-Builder's Fee With a Guaranteed Maximum Price**

**§ A.1.4.1** The Cost of the Work is as defined in Article A.5, Cost of the Work.

**§ A.1.4.2** The Design-Builder's Fee:

*(State a lump sum, percentage of Cost of the Work or other provision for determining the Design-Builder's Fee and the method for adjustment to the Fee for changes in the Work.)*

8% Fee

**§ A.1.4.3 Guaranteed Maximum Price**

**§ A.1.4.3.1** The sum of the Cost of the Work and the Design-Builder's Fee is guaranteed by the Design-Builder not to exceed two million, seven hundred seventy-five thousand, six hundred twenty-eight dollars and fifty-one cents (\$ 2,775,628.51 ), subject to additions and deductions for changes in the Work as provided in the Design-Build Documents. Costs that would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Design-Builder without reimbursement by the Owner.

*(Insert specific provisions if the Design-Builder is to participate in any savings.)*

**§ A.1.4.3.2 Itemized Statement of the Guaranteed Maximum Price**

Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, allowances, contingencies, alternates, the Design-Builder's Fee, and other items that comprise the Guaranteed Maximum Price.

*(Provide information below or reference an attachment.)*

General Conditions for All Work	\$204,334.00
Restroom #1 – Horse Barn	\$146,489.00
Restroom #2 – Weathers Arena	\$93,272.00
Restroom #3 – Midway	\$123,499.00
Restroom #4 – Goforth Hall	\$53,903.00
Restroom #5 – Grandstrand	\$177,953.00
Restroom – New Construction	\$617,661.92
VFD Renovation	\$81,265.50
VFD 2-Bay Addition (New Construction)	\$501,874.00
Fencing	\$178,184.00
Sensor Faucets in All Restrooms	\$25,790.00
Contingency	\$130,864.00
Taxes/Fees/Profit & Overhead/Bond	\$440,539.10
Total of Work Proposed in Contract	\$2,775,628.51

**§ A.1.4.3.3** The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Design-Build Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If the Owner is permitted to accept other alternates subsequent to the execution of this Amendment, attach a schedule of such other alternates showing the change in the Cost of the Work and Guaranteed Maximum Price for each and the deadline by which the alternate must be accepted.)

N/A

**§ A.1.4.3.4 Unit Prices, if any:**

(Identify item, state the unit price, and state any applicable quantity limitations.)

Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

**§ A.1.4.3.5 Assumptions, if any, on which the Guaranteed Maximum Price is based:**

See Exhibit C for detailed scope of Restroom Renovations.

Owner is responsible for moving existing utilities that conflict with new construction and shall bear all associated cost.

Owner is responsible for demolition and removal of existing slabs and foundations.

**§ A.1.5 Payments**

**§ A.1.5.1 Progress Payments**

**§ A.1.5.1.1** Based upon Applications for Payment submitted to the Owner by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder as provided below and elsewhere in the Design-Build Documents.

**§ A.1.5.1.2** The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

The 26<sup>th</sup> from the previous month to the 25<sup>th</sup> of the current month.

**§ A.1.5.1.3** Provided that an Application for Payment is received not later than the last day of the month, the Owner shall make payment of the certified amount to the Design-Builder not later than the 15<sup>th</sup> day of the following month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than fifteen ( 15 ) days after the Owner receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

(Paragraph deleted)

**§ A.1.5.1.5** With each Application for Payment where the Contract Sum is based upon a Stipulated Sum or Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit the most recent schedule of values in accordance with the Design-Build Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. Compensation for design services, if any, shall be shown separately. Where the Contract Sum is based on the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder's Fee shall be shown separately. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

**§ A.1.5.1.6** In taking action on the Design-Builder's Applications for Payment, the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder and shall not be deemed to have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Sections or A.1.5.1.5, or other supporting data; to have made exhaustive or continuous on-site inspections; or to have made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

**§ A.1.5.1.7** Except with the Owner's prior approval, the Design-Builder shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

(Paragraphs deleted)

Init.

AIA Document A141 – 2014 Exhibit A. Copyright © 2004 and 2014. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 13:08:52 ET on 03/15/2024 under Order No.3104240309 which expires on 01/28/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1816675906)

#### § A.1.5.4 Progress Payments—Cost of the Work Plus a Fee with a Guaranteed Maximum Price

§ A.1.5.4.1 Applications for Payment where the Contract Sum is based upon the Cost of the Work Plus a Fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ A.1.5.4.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 6.3.9 of the Agreement.
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Design-Builder's Fee, less retainage of five percent ( 5 %). The Design-Builder's Fee shall be computed upon the Cost of the Work at the rate stated in Section A.1.4.2 or, if the Design-Builder's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of five percent ( 5 %) from that portion of the Work that the Design-Builder self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by Section A.1.5.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Owner has withheld or nullified a payment as provided in Section 9.5 of the Agreement.

§ A.1.5.4.3 The Owner and Design-Builder shall agree upon (1) a mutually acceptable procedure for review and approval of payments to the Architect, Consultants, and Contractors and (2) the percentage of retainage held on agreements with the Architect, Consultants, and Contractors; and the Design-Builder shall execute agreements in accordance with those terms.

#### § A.1.5.5 Final Payment

§ A.1.5.5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Design-Builder not later than 30 days after the Design-Builder has fully performed the Contract and the requirements of Section 9.10 of the Agreement have been satisfied, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

*(Paragraph deleted)*

### ARTICLE A.2 CONTRACT TIME

§ A.2.1 Contract Time, as defined in the Agreement at Section 1.4.13, is the period of time, including authorized adjustments, for Substantial Completion of the Work.

§ A.2.2 The Design-Builder shall achieve Substantial Completion of the Work not later than ( ) days from the date of this Amendment, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)

Portion of Work	Substantial Completion Date
Toilet Renovations	July 1, 2024
Restroom Building – exterior finishes and sitework	August 1, 2024
Fire Department Addition – exterior finishes and sitework	August 1, 2024
Restroom Building (new construction)	September 1, 2024
Fire Department Addition (new construction)	September 1, 2024

, subject to adjustments of the Contract Time as provided in the Design-Build Documents.  
(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

N/A

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Contract Sum and Contract Time set forth in this Amendment are based on the following:

§ A.3.1.1 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
See attached Exhibit C, incorporated herein by reference			

§ A.3.1.2 The Specifications:  
(Either list the specifications here or refer to an exhibit attached to this Amendment.)

N/A

Section	Title	Date	Pages
---------	-------	------	-------

§ A.3.1.3 The Drawings:  
(Either list the drawings here or refer to an exhibit attached to this Amendment.)

See attached Exhibit D, incorporated herein by reference

Number	Title	Date
--------	-------	------

(Paragraphs deleted)  
(Table deleted)  
(Paragraphs deleted)

§ A.3.1.5 Allowances and Contingencies:  
(Identify any agreed upon allowances and contingencies, including a statement of their basis.)

.1 Allowances

Modular Brick \$450.00 per one-thousand

## **.2 Contingencies**

General Contingency \$130,864.00

**§ A.3.1.6** Design-Builder's assumptions and clarifications:

N/A

**§ A.3.1.7** Deviations from the Owner's Criteria as adjusted by a Modification:

N/A

**§ A.3.1.8** To the extent the Design-Builder shall be required to submit any additional Submittals to the Owner for review, indicate any such submissions below:

N/A

## **ARTICLE A.4 DESIGN-BUILDER'S PERSONNEL, CONTRACTORS AND SUPPLIERS**

**§ A.4.1** The Design-Builder's key personnel are identified below:

*(Identify name, title and contact information.)*

### **.1 Superintendent**

Benjamin "Banjo" Stroupe  
[bstroupe@beamconstruction.com](mailto:bstroupe@beamconstruction.com)  
704-913-8296

### **.2 Project Manager**

Andrew Murray  
[amurray@beamconstruction.com](mailto:amurray@beamconstruction.com)  
828-289-6166

### **.3 Others**

Jason Clontz  
Project Manager/Estimator  
[jclontz@beamconstruction.com](mailto:jclontz@beamconstruction.com)  
704-473-5292

**§ A.4.2** The Design-Builder shall retain the following Consultants, Contractors and suppliers, identified below:

*(List name, discipline, address and other information.)*

Talley & Smith Architecture, Inc.  
409 E Marion Street  
Shelby, NC 28150

## **ARTICLE A.5 COST OF THE WORK**

**§ A.5.1 Cost To Be Reimbursed as Part of the Contract**

**§ A.5.1.1 Labor Costs**

**§ A.5.1.1.1** Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

**§ A.5.1.1.2** With the Owner's prior approval, wages or salaries of the Design-Builder's supervisory and administrative personnel when stationed at the site.

*(If it is intended that the wages or salaries of certain personnel stationed at the Design-Builder's principal or other offices shall be included in the Cost of the Work, identify below the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)*

Person Included	Status (full-time/part-time)	Rate (\$0.00)	Rate (unit of time)
N/A			

§ A.5.1.1.3 Wages and salaries of the Design-Builder's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ A.5.1.1.4 Costs paid or incurred by the Design-Builder for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Section A.5.1.1.

§ A.5.1.1.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Design-Builder or paid to the Architect or any Consultant, Contractor or supplier, with the Owner's prior approval.

§ A.5.1.2 **Contract Costs.** Payments made by the Design-Builder to the Architect, Consultants, Contractors and suppliers in accordance with the requirements of their subcontracts.

#### § A.5.1.3 **Costs of Materials and Equipment Incorporated in the Completed Construction**

§ A.5.1.3.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ A.5.1.3.2 Costs of materials described in the preceding Section A.5.1.3.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

#### § A.5.1.4 **Costs of Other Materials and Equipment, Temporary Facilities and Related Items**

§ A.5.1.4.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Design-Builder shall mean fair market value.

§ A.5.1.4.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Design-Builder-owned item may not exceed the purchase price of any comparable item. Rates of Design-Builder-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ A.5.1.4.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ A.5.1.4.4 Costs of document reproductions, electronic communications, postage and parcel delivery charges, dedicated data and communications services, teleconferences, Project websites, extranets and reasonable petty cash expenses of the site office.

§ A.5.1.4.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, with the Owner's prior approval.

#### **§ A.5.1.5 Miscellaneous Costs**

**§ A.5.1.5.1** Premiums for that portion of insurance and bonds required by the Design-Build Documents that can be directly attributed to the Contract. With the Owner's prior approval self-insurance for either full or partial amounts of the coverages required by the Design-Build Documents.

**§ A.5.1.5.2** Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Design-Builder is liable.

**§ A.5.1.5.3** Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Design-Build Documents to pay.

**§ A.5.1.5.4** Fees of laboratories for tests required by the Design-Build Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 15.5.3 of the Agreement or by other provisions of the Design-Build Documents, and which do not fall within the scope of Section A.5.1.6.3.

**§ A.5.1.5.5** Royalties and license fees paid for the use of a particular design, process or product required by the Design-Build Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Design-Build Documents; and payments made in accordance with legal judgments against the Design-Builder resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Design-Builder's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the second to last sentence of Section 3.1.13.2 of the Agreement or other provisions of the Design-Build Documents, then they shall not be included in the Cost of the Work.

**§ A.5.1.5.6** With the Owner's prior approval, costs for electronic equipment and software directly related to the Work.

**§ A.5.1.5.7** Deposits lost for causes other than the Design-Builder's negligence or failure to fulfill a specific responsibility in the Design-Build Documents.

**§ A.5.1.5.8** With the Owner's prior approval, which shall not be unreasonably withheld, legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Design-Builder, reasonably incurred by the Design-Builder after the execution of the Agreement and in the performance of the Work.

**§ A.5.1.5.9** With the Owner's prior approval, expenses incurred in accordance with the Design-Builder's standard written personnel policy for relocation, and temporary living allowances of, the Design-Builder's personnel required for the Work.

**§ A.5.1.5.10** That portion of the reasonable expenses of the Design-Builder's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

#### **§ A.5.1.6 Other Costs and Emergencies**

**§ A.5.1.6.1** Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

**§ A.5.1.6.2** Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.

**§ A.5.1.6.3** Costs of repairing or correcting damaged or nonconforming Work executed by the Design-Builder, Contractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Design-Builder and only to the extent that the cost of repair or correction is not recovered by the Design-Builder from insurance, sureties, Contractors, suppliers, or others.

#### **§ A.5.1.7 Related Party Transactions**

**§ A.5.1.7.1** For purposes of Section A.5.1.7, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Design-Builder; any entity in which any stockholder in, or management employee of, the Design-Builder owns any interest in excess of ten percent in the aggregate; or any

person or entity which has the right to control the business or affairs of the Design-Builder. The term "related party" includes any member of the immediate family of any person identified above.

**§ A.5.1.7.2** If any of the costs to be reimbursed arise from a transaction between the Design-Builder and a related party, the Design-Builder shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Design-Builder shall procure the Work, equipment, goods or service from the related party, as a Contractor, according to the terms of Section A.5.4. If the Owner fails to authorize the transaction, the Design-Builder shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Section A.5.4.

*(Paragraphs deleted)*

#### **§ A.5.4 Other Agreements**

**§ A.5.4.1** When the Design-Builder has provided a Guaranteed Maximum Price, and a specific bidder (1) is recommended to the Owner by the Design-Builder; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Design-Build Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Design-Builder may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Design-Builder and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

**§ A.5.4.2** Agreements between the Design-Builder and Contractors shall conform to the applicable payment provisions of the Design-Build Documents, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If an agreement between the Design Builder and a Contractor is awarded on a cost plus a fee basis, the Design-Builder shall provide in the agreement for the Owner to receive the same audit rights with regard to the Cost of the Work performed by the Contractor as the Owner receives with regard to the Design-Builder in Section A.5.5, below.

**§ A.5.4.3** The agreements between the Design-Builder and Architect and other Consultants identified in the Agreement shall be in writing. These agreements shall be promptly provided to the Owner upon the Owner's written request.

#### **§ A.5.5 Accounting Records**

The Design-Builder shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under the Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Design-Builder's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Contractor's proposals, purchase orders, vouchers, memoranda and other data relating to the Contract. The Design-Builder shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

#### **§ A.5.6 Relationship of the Parties**

The Design-Builder accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to exercise the Design-Builder's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests.

This Amendment to the Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER** *(Signature)*

\_\_\_\_\_  
**DESIGN-BUILDER** *(Signature)*

Init.

Blake Myers Facilities Project Manager  
*(Printed name and title)*

Justin Boheler Vice President - Operations  
*(Printed name and title)*

**OWNER** *(Signature)*

Jason Falls Business Development Director  
*(Printed name and title)*



Init.  
/

## Exhibit C

# Restroom #1 – Horse Barn

## Family room, Mens room, & Womens room

### Demo

- Partitions
- Countertops & cabinets
- Wood base & ceiling trim
- Shower rooms
- Sheetrock on walls
- Sheetrock on ceiling
- Man doors (4)

### Div. 6

- Blocking in walls
- Possible wall repair

### HMF, Doors, Hardware

- HM frame (40x82 MO) @ 4 locations
- HM slab @ 4 locations
- Hardware @ 4 locations

### Sheetrock

- Insulate above ceiling
- Hang and finish stud walls
- Ceiling
  - hang and finish with 5/8" sheetrock (separate price)

### Painting

- Paint interior walls
- Paint new frames and doors
- Epoxy floor (separate price) (existing is painted)
- Wash, prep, paint exterior (walls, porch ceiling, and roof) (Loxon product) (separate price)

### Flooring

- Cove base throughout

### Div. 10

- Partitions (overhead braced, full/continuous brackets @ wall mounting, continuous hinges on doors)
- Urinal screens (overhead braced, full/continuous brackets @ wall mounting)
- Toilet accessories

- Hand dryers, electric (1 for every 2 sinks)
- Signage

### **Casework**

- New post form countertops w/ speedbraces (2@12' & 1@6')
- Storage cabinets (2)

### **Plumbing**

- Demo of existing fixtures
- Demo of WH, cap gas line
- Cut & bust as required for new water closets
- New fixtures & water/drain lines as needed
- Point of use water heater in each restroom (3 total)

### **Electrical**

- Demo of existing fixtures, exhaust fan, baseboard heaters, etc.
- Interior light fixtures (11 total)
- Exterior light fixtures (5-6 total) **(separate price)**
- Thru-wall exhaust fan, 8" (2 total)
- Ceiling mounted exhaust fan (1 total)
- Utility heater (3 total)
- Power for point of use water heaters (3 total)
- Power for electric hand dryers (5 total)

### **Miscellaneous**

- Treat for termites
- Final clean
- Floor repair @ plumbing cut/bust
- Misc. block patching/point up
- Misc. wall repair
- Roof leaks (2-3)
- Misc. porch ceiling repair
- Replace exhaust fan louvers (3 total, vinyl/residential style)
- Repair gutter & roof panel @ corner of trash compactor

## Restroom #2 – Weathers Arena

### Mens room, & Womens room

#### Demo

- Partitions
- Countertops & cabinets
- Shower rooms & partition wall
- Plumbing wall @ urinals
- VCT & cove base

#### Div. 6

- Blocking in walls @ urinals
- Rebuild wall @ urinals

### HMF, Doors, Hardware

- New Hardware only @ 2 locations (interior doors)
  - Hinges, lever handle, deadbolt, closer

### Sheetrock

- None

### Painting

- Paint interior walls
- Paint new frames and doors
- Paint exposed ceiling structure
- Epoxy floor (**separate price**) (existing is VCT, demo by others)

### Flooring

- Cove base throughout

### Div. 10

- Partitions (overhead braced, full/continuous brackets @ wall mounting, continuous hinges on doors)
- Urinal screens (overhead braced, full/continuous brackets @ wall mounting)
- Toilet accessories
- Hand dryers, electric (1 for every 2 sinks)
- Signage

### Casework

- New post form countertops w/ speedbraces (2@10')
- Storage cabinets (1 in Womens)

**Plumbing**

- Demo of existing fixtures
- Replace tank type WH
- Cut & bust as required for new water closets
- New fixtures & water/drain lines as needed

**Electrical**

- Demo of existing fixtures, exhaust fan, baseboard heater, etc.
- Interior light fixtures (6-8 total)
- Thru-wall exhaust fan, 8" (2 total)
- Utility heater (2 total)
- Power for electric hand dryers (4 total)

**Miscellaneous**

- Final clean
- Floor repair @ plumbing cut/bust
- Misc. block patching/point up
- Misc. wall repair
- Attach plywood to deck above

## Restroom #3 - Midway

### Mens room, & Womens room

#### Demo

- Partitions
- Countertops & cabinets
- Shower rooms
- Man doors (2)

#### Div. 6

- Possible wall repair
- Install "deadwood" for new ceiling

#### HMF, Doors, Hardware

- HM frame (40x82 MO) @ 2 locations
- HM slab @ 2 locations
- Hardware @ 2 locations (exterior doors)

#### Sheetrock

- Insulate above ceiling
- Ceiling
  - hang and finish with 5/8" sheetrock (separate price)

#### Painting

- Paint interior walls
- Paint new frames and doors
- Option for ceiling (separate price)
- Epoxy floor (separate price) (existing is painted)
- Wash, prep, paint exterior (walls, porch ceiling, overhang, etc) (Loxon product) (separate price)

#### Flooring

- Cove base throughout

#### Div. 10

- Partitions (overhead braced, full/continuous brackets @ wall mounting, continuous hinges on doors)
- Urinal screens (overhead braced, full/continuous brackets @ wall mounting)
- Toilet accessories
- Hand dryers, electric (1 for every 2 sinks)
- Signage

#### Casework

- New post form countertops w/ speedbraces (2@12')

### **Plumbing**

- Demo of existing fixtures
- Demo of WH (2 total)
- Cut & bust as required for new water closets
- New fixtures & water/drain lines as needed
- Point of use water heater in each restroom (2 total)

### **Electrical**

- Demo of existing fixtures, misc electrical items, etc.
- Demo conduit surface mounted to ceiling joist so new ceiling can be installed
- Interior light fixtures (10 total)
- Exterior light fixtures (2 ceiling mount, 2 floods) **(separate price)**
- New devices
- Thru-wall exhaust fan, 8" (2 total) (new install)
- Utility heater (2 total)
- Power for point of use water heaters (2 total)
- Power for electric hand dryers (4 total)

### **Miscellaneous**

- Final clean
- Floor repair @ plumbing cut/bust
- Misc. block patching/point up (interior & exterior)
- Misc. porch ceiling repair
- Storage closets (2 total, 1 on each porch)
  - Frame wall & sheet w/plywood
  - Plywood door w/ hasp lock
  - Fixed plywood shelves
- Repair boxing & fascia
- Paint 2 vent pipes on roof
- Roof repair (hole in roof @ womens shower)

## Restroom #4 – Goforth Hall

### Mens room, & Womens room

#### Demo

- Partitions
- Countertops & cabinets
- Man doors (2)

#### Div. 6

- Blocking
- Remove plywood on wall, put blocking in, install new sheeting
- Ceiling repair @ partition demo
- Ceiling repair in Mens (possible water damage)

#### HMF, Doors, Hardware

- HM frame (3-0x6-8 KD frame, 4 9/16" jamb) @ 2 locations
- HM frame (2-6x6-8 KD frame, 4 9/16" jamb) @ 1 location (closet in Mens room)
- HM slab @ 3 locations
- Hardware @ 3 locations (interior doors)

#### Sheetrock

- None

#### Painting

- Paint interior walls
- Paint new frames and doors
- Paint ceiling
- Epoxy floor (**separate price**) (existing is concrete)

#### Flooring

- Cove base throughout

#### Div. 10

- Partitions (overhead braced, full/continuous brackets @ wall mounting, continuous hinges on doors)
- Urinal screens (overhead braced, full/continuous brackets @ wall mounting)
- Toilet accessories
- Hand dryers, electric (1 for every 2 sinks)
- Signage

#### Casework

- New post form countertops w/ speedbraces (2@8')

**Plumbing**

- Demo of existing fixtures
- Existing tank WH to remain
- New fixtures & water/drain lines as needed
- Possible water leak in wall

**Electrical**

- Demo of existing fixtures, exhaust fan, etc.
- Interior light fixtures (6 total)
- New switches, devices, etc.
- Thru-wall exhaust fan, 8" (2 total)
- Utility heater (2 total)
- Power for electric hand dryers (2 total)

**Miscellaneous**

- Final clean
- Misc. wall repair (water leak??)

## Restroom #5 - Grandstand

### Mens room, & Womens room

#### Demo

- Partitions
- Countertops & cabinets
- Interior demising walls (25-30 lf)
- Man doors (2)
- Demo wooden ramp @ womens entrance

#### Div. 6

- Possible wall repair
- Ceiling repair @ partition demo
- Misc. block patching/point up

#### HMF, Doors, Hardware

- HM frame (40x85 MO) @ 2 locations
- HM slab @ 2 locations
- Hardware @ 2 locations (exterior doors)

#### Sheetrock

- Insulate above ceiling

#### Painting

- Paint interior walls
- Paint new frames and doors
- Paint ceiling
- Epoxy floor (**separate price**) (existing is painted)
- Wash, prep, paint exterior (walls, porch ceiling, overhang, etc) (Loxon product) (**separate price**)

#### Flooring

- Cove base throughout

#### Div. 10

- Partitions (overhead braced, full/continuous brackets @ wall mounting, continuous hinges on doors)
- Urinal screens (overhead braced, full/continuous brackets @ wall mounting)
- Toilet accessories
- Hand dryers, electric (1 for every 2 sinks)
- Signage

#### Casework

- New post form countertops w/ speedbraces (2@12')
- Storage cabinet

### **Plumbing**

- Demo of existing fixtures
- Cut & bust as required to create 3 new ADA water closets (2 women, 1 men)
- New fixtures & water/drain lines as needed
- New tank type water heater

### **Electrical**

- Demo of existing fixtures, misc electrical items, etc.
- Interior light fixtures (14-16 total)
- New exit & emergency lighting
- Exterior light fixtures (6-8 ceiling mount, 4 floods) **(separate price)**
- New devices
- Thru-wall exhaust fan, 8" (2 total) (new install)
- Utility heater (2 total)
- Power for electric hand dryers (4 total)

### **Miscellaneous**

- Final clean
- Floor repair @ plumbing cut/bust
- Misc. block patching/point up (interior & exterior)
- Misc. porch ceiling repair
- Storage closets (2 total, 1 on each porch)
  - Frame wall & sheet w/plywood
  - Door
  - Fixed plywood shelves
- Repair boxing & fascia
- Repair wood column wraps
- New gutter & downspouts
- Hand rail @ womens entrance
  - 20 lf, L shaped
- Tear out concrete @ womens entrance and replace (settling)
  - 6'x10'

# VFD Station – Existing Building Renovation

## Demo

- Man door slab at bay
- Restroom
- Flashing at side of bay

## Div. 6

- Plywood ceiling repair in bay
- Blocking for sink in bathroom, sheetrock repair

## HMF, Doors, Hardware

- New insulated rollup door with opener (12'x9'4")
- New man door slab and hardware at bay (40x81½ MO, RH, frame, door, hardware)

## Sheetrock

- Repair in bathroom

## Painting

- Interior walls
- Interior ceiling
- Clean and paint exterior

## Flooring

- Clean/wax existing VCT
- New cove base

## Div. 10

- Toilet accessories for restroom

## Casework

- none

## Plumbing

- New plumbing fixtures in bathroom

## Electrical

- Electrical – fix & repair as needed
- New light fixtures (13-14)

## Mechanical

- Minisplit system

- Patch hole at window unit (2 locations)

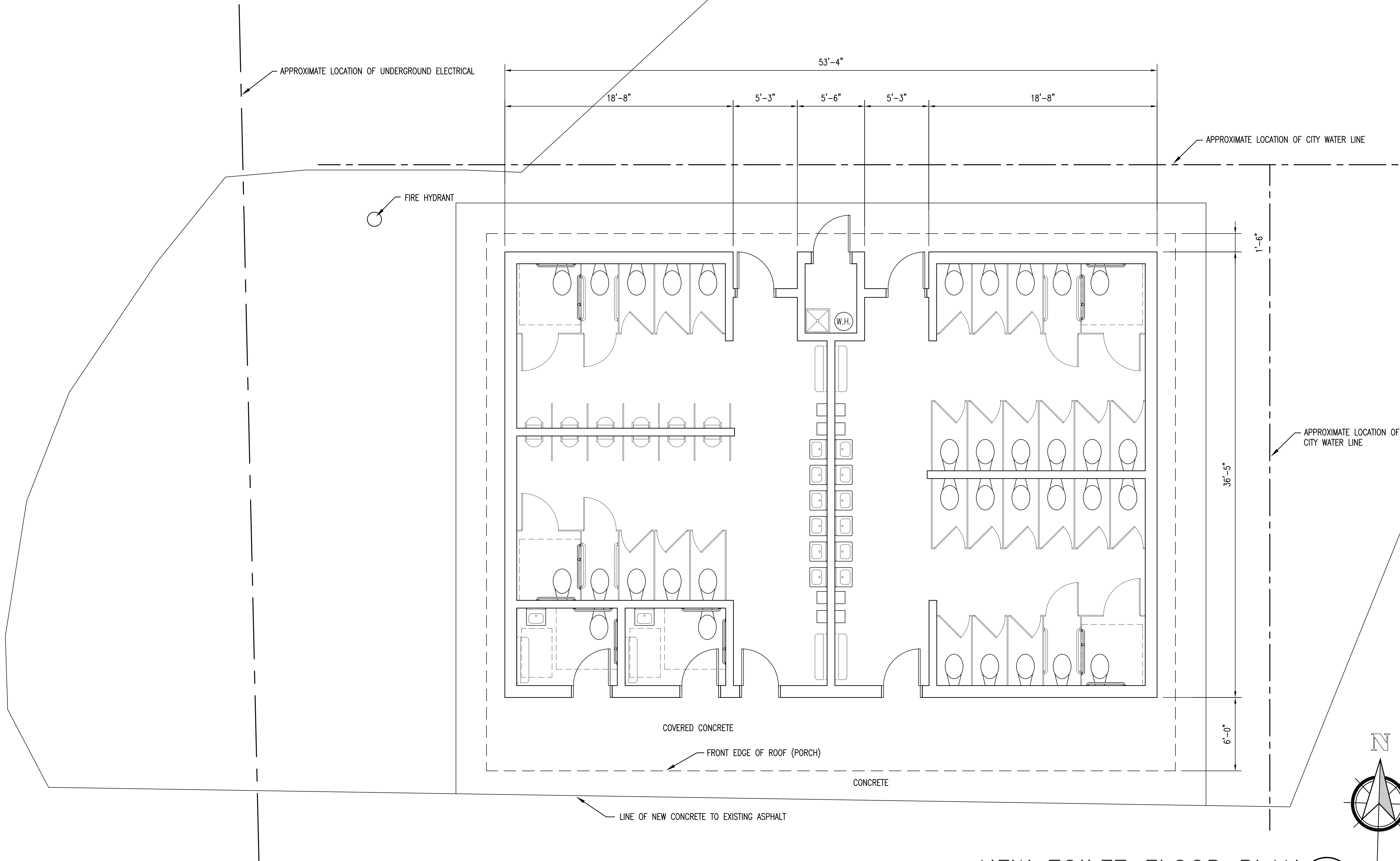
**Miscellaneous**

- Patch/point up masonry
- Brick wainscoting up to 3'-4" high on existing building
- Repair flashing at side of bay
- Patch vinyl soffit & fascia at restroom demo (30 linear feet/12" wide)

## Exhibit D

REVISIONS:

DATE	DESCRIPTION



INCOMPLETE  
PROGRESS PRINT  
NOT FOR CONSTRUCTION

**TALLEY & SMITH**  
ARCHITECTURE, INC.  
SHELBY, NORTH CAROLINA  
P.O. BOX 518 (28151-0518) 704-487-7082  
409 E. MARION ST. (28150) FAX 704-482-5596

**CLEVELAND  
COUNTY  
FAIRGROUND**

Shelby, North Carolina

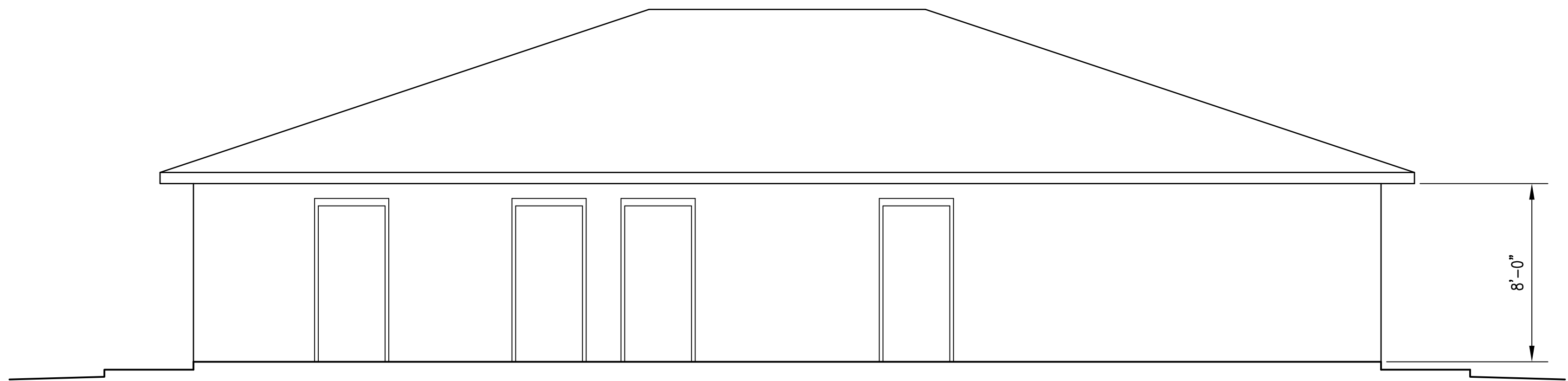
COMM. NUMBER: 030  
DATE: February 6, 2024

SHEET

**A1.1**

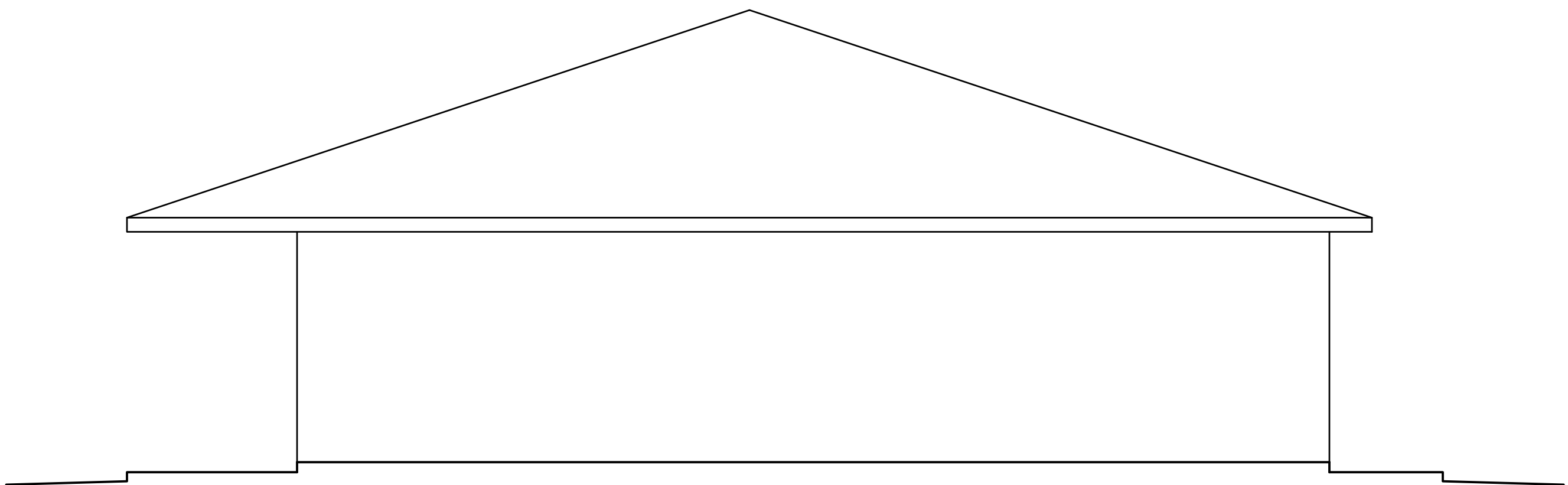
Copyright © 2024  
Talley & Smith Architecture, Inc.

2 OF xx



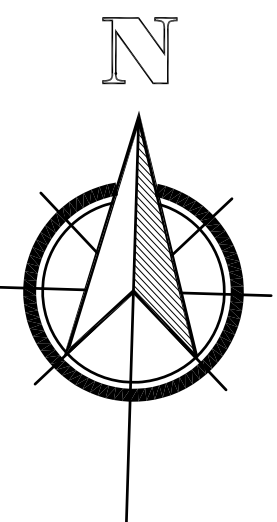
NEW TOILET FRONT ELEVATION

1  
1/4" = 1'-0"  
A2.1



NEW TOILET RIGHT ELEVATION

2  
1/4" = 1'-0"  
A2.1



DWG. FILE NAME: D4  
PLOT SCALE: 1/4" = 1'-0"

REVISIONS:

DATE	DESCRIPTION

INCOMPLETE

PROGRESS PRINT  
NOT FOR CONSTRUCTION

 **TALLEY & SMITH**  
ARCHITECTURE, INC.  
SHELBY, NORTH CAROLINA  
P.O. BOX 518 (28151-0518) 704-487-7082  
409 E. MARION ST. (28150) FAX 704-482-5596

CLEVELAND  
COUNTY  
FAIRGROUND

Shelby, North Carolina

COMM. NUMBER: 030  
DATE: February 6, 2024

Copyright © 2024  
Talley & Smith Architecture, Inc.

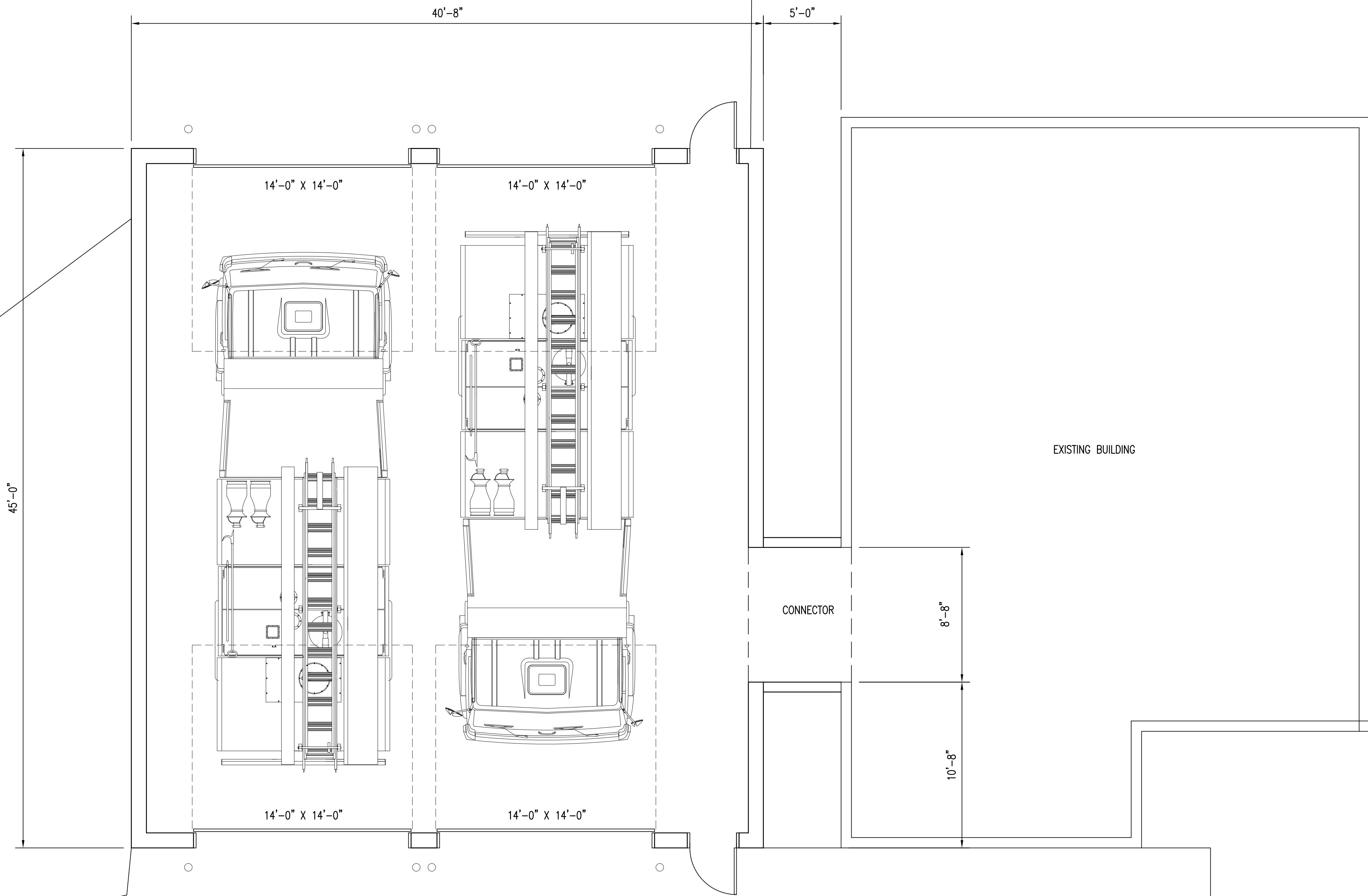
SHEET

A2.1

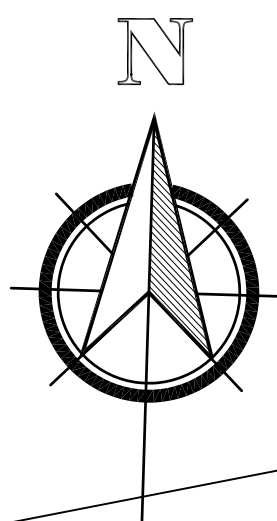
2 OF xx

REVISIONS:

DATE	DESCRIPTION



NEW TRUCK BUILDING FLOOR PLAN 1  
1/4" = 1'-0" A1.2



INCOMPLETE  
PROGRESS PRINT  
NOT FOR CONSTRUCTION

 **TALLEY & SMITH**  
ARCHITECTURE, INC.  
SHELBY, NORTH CAROLINA  
P.O. BOX 518 (28151-0518) 704-487-7082  
409 E. MARION ST. (28150) FAX 704-482-5596

CLEVELAND  
COUNTY  
FAIRGROUND

Shelby, North Carolina

COMM. NUMBER: 030  
DATE: February 6, 2024

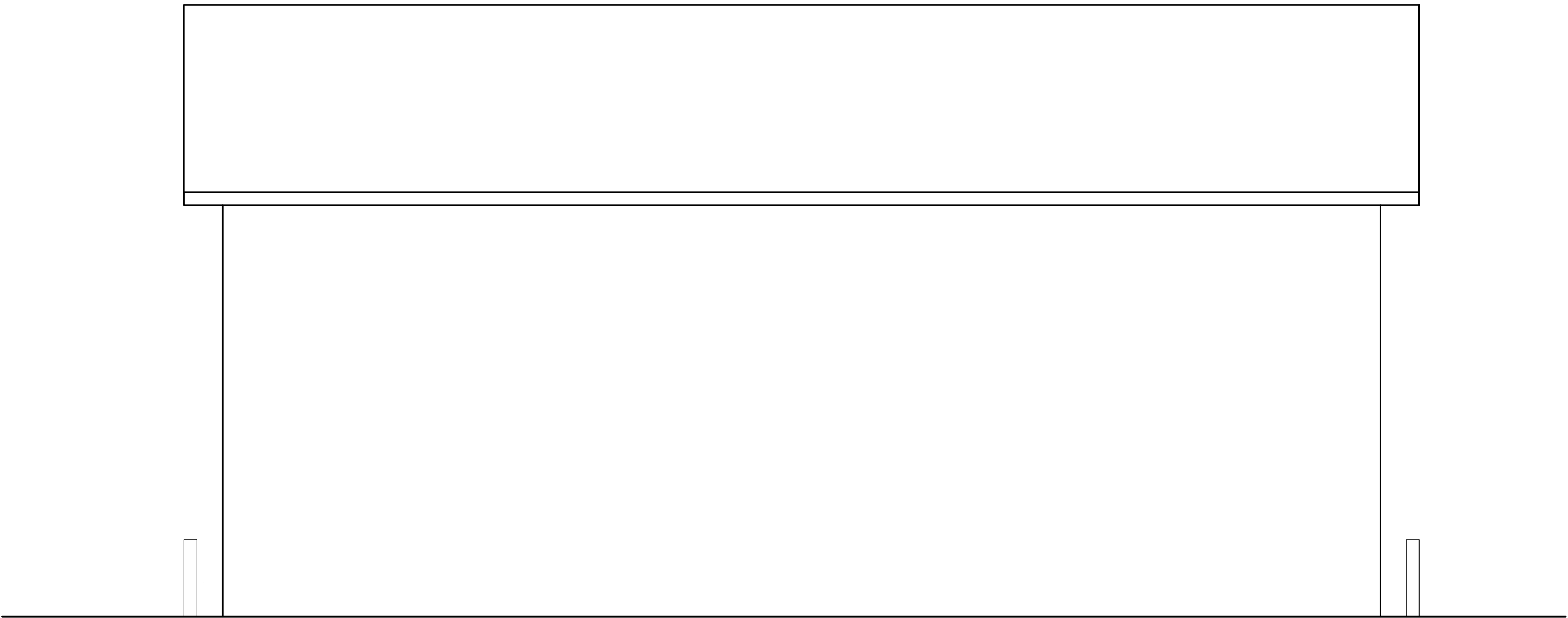
Copyright © 2024  
Talley & Smith Architecture, Inc.

SHEET

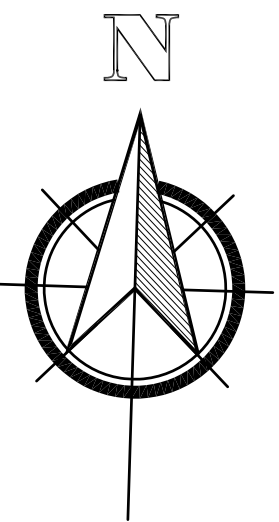
A1.2  
2 OF xx



NEW TRUCK BUILDING FRONT ELEVATION 1  
1/4" = 1'-0" A2.2



NEW TRUCK BUILDING LEFT ELEVATION 2  
1/4" = 1'-0" A2.2



DWG. FILE NAME: D4  
PLOT SCALE: 1/4" = 1'-0"

REVISIONS:

DATE	DESCRIPTION

INCOMPLETE  
PROGRESS PRINT  
NOT FOR CONSTRUCTION

 **TALLEY & SMITH**  
ARCHITECTURE, INC.  
SHELBY, NORTH CAROLINA  
P.O. BOX 518 (28151-0518) 704-487-7082  
409 E. MARION ST. (28150) FAX 704-482-5596

CLEVELAND  
COUNTY  
FAIRGROUND

Shelby, North Carolina

COMM. NUMBER: 030  
DATE: February 6, 2024

Copyright © 2024  
Talley & Smith Architecture, Inc.

SHEET

A2.2  
2 OF xx



Path Polygon Circle 3D path 3D polygon

the distance between two points on the ground

ap Length: 100.29 Feet

nd Length: 100.33

Heading: 85.25 degrees

Navigation Save Clear

APPROXIMATE LOCATION OF CITY WATER LINE

NEW TOILET BUILDING

APPROXIMATE LOCATION OF CITY WATER LINE

APPROXIMATE LOCATION OF UNDERGROUND ELECTRICAL

NEW TWO BAY TRUCK BUILDING

EXISTING FIRE STATION

TALLEY & SMITH  
ARCHITECTURE, INC.  
SHELBY, NORTH CAROLINA  
P.O. BOX 518 (28151-0518) 704-487-7082  
409 E. MARION ST. (28150) FAX 704-482-5596

CLEVELAND  
COUNTY  
FAIRGROUND  
Shelby, North Carolina

Google Earth

# COUNTY OF CLEVELAND, NORTH CAROLINA

## AGENDA ITEM SUMMARY

---

### Board of Adjustment

---

**Department:**

**Agenda Title:** Board of Adjustment

**Agenda Summary:** Phyllis Nowlen, Clerk to the Board

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available

**COUNTY OF CLEVELAND, NORTH CAROLINA**

**AGENDA ITEM SUMMARY**

---

**Historic Preservation Committee**

---

**Department:**

**Agenda Title:** Historic Preservation Committee

**Agenda Summary:** Phyllis Nowlen, Clerk to the Board

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available

## COUNTY OF CLEVELAND, NORTH CAROLINA

### AGENDA ITEM SUMMARY

---

**The next meeting of the Cleveland County Board of Commissioners will be held on Thursday, March 21, 2024 at 9:30am in the Commissioners' Chambers.**

---

**Department:**

**Agenda Title:** The next meeting of the Cleveland County Board of Commissioners will be held on Thursday, March 21, 2024, at 9:30am in the Commissioners' Chambers.

**Agenda Summary:**

**Proposed Action:**

---

**ATTACHMENTS:**

File Name

Description

No Attachments Available