

COUNTY OF CUMBERLAND, NORTH CAROLINA

Combining Statement of Net Assets

Internal Service Funds

June 30, 2005

	<u>Group Insurance Fund</u>	<u>Employee Flexible Benefit Fund</u>	<u>Workers' Compensation Fund</u>	<u>General Litigation Fund</u>	<u>Total</u>
Assets					
Current assets					
Sales tax receivable	\$ -	\$ -	\$ 149	\$ 58	\$ 207
Due from other governments	349,171	11,827	30,765	-	391,763
Other receivables	-	-	25,021	-	25,021
Total current assets	<u>349,171</u>	<u>11,827</u>	<u>55,935</u>	<u>58</u>	<u>416,991</u>
Restricted assets					
Cash and cash equivalents	3,684,803	151,311	689,034	483,751	5,008,899
Total noncurrent assets	<u>3,684,803</u>	<u>151,311</u>	<u>689,034</u>	<u>483,751</u>	<u>5,008,899</u>
Total assets	<u>4,033,974</u>	<u>163,138</u>	<u>744,969</u>	<u>483,809</u>	<u>5,425,890</u>
Liabilities and net assets					
Current liabilities					
Accounts and vouchers payable	2,994	30,411	-	-	33,405
Accrued payroll	5,923	-	11,598	-	17,521
Incurred but not reported	1,491,000	-	151,533	75,270	1,717,803
Total current liabilities	<u>1,499,917</u>	<u>30,411</u>	<u>163,131</u>	<u>75,270</u>	<u>1,768,729</u>
Total liabilities	<u>1,499,917</u>	<u>30,411</u>	<u>163,131</u>	<u>75,270</u>	<u>1,768,729</u>
Net assets					
Unrestricted	2,534,057	132,727	581,838	408,539	3,657,161
Total net assets	<u>\$ 2,534,057</u>	<u>\$ 132,727</u>	<u>\$ 581,838</u>	<u>\$ 408,539</u>	<u>\$ 3,657,161</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year Ended June 30, 2005

	Group Insurance Fund	Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Total
Operating revenues					
Contributions	\$ 9,006,359	\$ 285,522	\$ 935,775	\$ -	\$ 10,227,656
Total operating revenues	<u>9,006,359</u>	<u>285,522</u>	<u>935,775</u>	<u>-</u>	<u>10,227,656</u>
Operating expenses					
Salaries and employee benefits	13,683,957	282,911	1,263,947	-	15,230,815
Administrative costs	12,533	-	7,556	551,870	571,959
Total operating expenses	<u>13,696,490</u>	<u>282,911</u>	<u>1,271,503</u>	<u>551,870</u>	<u>15,802,774</u>
Operating income (loss)	<u>(4,690,131)</u>	<u>2,611</u>	<u>(335,728)</u>	<u>(551,870)</u>	<u>(5,575,118)</u>
Nonoperating revenue (expense)					
Interest earned on investments	30,399	3	14,337	9,283	54,022
Total nonoperating revenue (expense)	<u>30,399</u>	<u>3</u>	<u>14,337</u>	<u>9,283</u>	<u>54,022</u>
Income (loss) before transfers	<u>(4,659,732)</u>	<u>2,614</u>	<u>(321,391)</u>	<u>(542,587)</u>	<u>(5,521,096)</u>
Transfers in	3,862,033	-	-	292,824	4,154,857
Change in net assets	<u>(797,699)</u>	<u>2,614</u>	<u>(321,391)</u>	<u>(249,763)</u>	<u>(1,366,239)</u>
Total net assets - beginning	<u>3,331,756</u>	<u>130,113</u>	<u>903,229</u>	<u>658,302</u>	<u>5,023,400</u>
Total net assets - ending	<u>\$ 2,534,057</u>	<u>\$ 132,727</u>	<u>\$ 581,838</u>	<u>\$ 408,539</u>	<u>\$ 3,657,161</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2005**

	Group Insurance Fund	Employee Flexible Benefit Fund	Workers' Compensation Fund	General Litigation Fund	Total Internal Service Funds
Operating activities					
Contributions	\$ 9,006,359	\$ 285,522	\$ 935,736	\$ -	\$ 10,227,617
Cash paid for goods and services	(358,848)	(11,827)	(38,312)	(492,494)	(901,481)
Cash paid for claims	(13,503,810)	(285,321)	(1,177,299)	-	(14,966,430)
Net cash provided by (used in) operating activities	(4,856,299)	(11,626)	(279,875)	(492,494)	(5,640,294)
Noncapital financing activities					
Transfers in	3,862,033	-	-	292,824	4,154,857
Net cash provided (used) by noncapital financing activities	3,862,033	-	-	292,824	4,154,857
Investing activities					
Investment earnings	30,399	3	14,337	9,283	54,022
Net cash provided (used) in investing activities	30,399	3	14,337	9,283	54,022
Net increase in cash and cash equivalents/investments	(963,867)	(11,623)	(265,538)	(190,387)	(1,431,415)
Cash and cash equivalents/investments					
Beginning of year	4,648,670	162,934	954,572	674,138	6,440,314
End of year	\$ 3,684,803	\$ 151,311	\$ 689,034	\$ 483,751	\$ 5,008,899
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (4,690,131)	\$ 2,611	\$ (335,728)	\$ (551,870)	\$ (5,575,118)
Change in assets and liabilities					
(Increase) decrease in other receivables	2,856	-	(39)	(56)	2,761
(Increase) decrease in inventories	(349,171)	(11,827)	(30,765)	-	(391,763)
Increase (decrease) in accounts payable	180,894	(2,410)	79,627	59,432	317,543
Increase (decrease) in contract retainage	(747)	-	7,030	-	6,283
Total adjustments	(166,168)	(14,237)	55,853	59,376	(65,176)
Net cash provided by (used in) operating activities	\$ (4,856,299)	\$ (11,626)	\$ (279,875)	\$ (492,494)	\$ (5,640,294)

COUNTY OF CUMBERLAND, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Group Insurance Fund

Year Ended June 30, 2005
(With Comparative Totals for June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		
Revenues				
Operating revenues				
Contributions	\$ 8,555,537	\$ 9,006,359	\$ 450,822	\$ 8,406,071
Non-operating revenues				
Interest earned on investments	31,159	30,399	(760)	30,724
Other financing sources				
Transfers in	3,862,033	3,862,033	-	1,647,792
Appropriated fund balance	3,331,304	-	(3,331,304)	-
Total revenues and other financing sources	<u>\$ 15,780,033</u>	<u>\$ 12,898,791</u>	<u>\$ (2,881,242)</u>	<u>\$ 10,084,587</u>
Operating expenditures				
Administrative costs	\$ 16,758	\$ 12,533	\$ 4,225	\$ 14,074
Salaries and employee benefits	15,763,275	13,683,957	2,079,318	10,641,068
Total expenditures and other financing uses	<u>\$ 15,780,033</u>	<u>\$ 13,696,490</u>	<u>\$ 2,083,543</u>	<u>\$ 10,655,142</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 12,898,791		
Total expenditures		13,696,490		
Subtotal		(797,699)		
Net transfers		(3,862,033)		
Income (loss) before transfers per the Statement of Revenues, Expenses and Changes in Fund Net Assots		<u>\$ (4,659,732)</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Employee Flexible Benefit Fund

Year Ended June 30, 2005
(With Comparative Totals for June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		
Revenues				
Operating revenues				
Contributions	\$ 500,000	\$ 285,522	\$ (214,478)	\$ 334,988
Non-operating revenues				
Interest earned on investments	-	3	3	5
Total revenues	<u>\$ 500,000</u>	<u>\$ 285,525</u>	<u>\$ (214,475)</u>	<u>\$ 334,993</u>
Operating expenditures				
Administrative costs	\$ -	\$ -	\$ -	\$ -
Salaries and employee benefits	500,000	282,911	217,089	349,220
Total expenditures	<u>\$ 500,000</u>	<u>\$ 282,911</u>	<u>\$ 217,089</u>	<u>\$ 349,220</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 285,525		
Total expenditures		<u>282,911</u>		
Subtotal		<u>2,614</u>		
Income (loss) before transfers per the Statement of Revenues, Expenses and Changes in Fund Net Assets		<u>\$ 2,614</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Workers' Compensation Fund

Year Ended June 30, 2005
(With Comparative Totals for June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		
Revenues				
Operating revenues				
Contributions	\$ 860,628	\$ 935,775	\$ 75,147	\$ 532,401
Non-operating revenues				
Interest earned on investments	10,475	14,337	3,862	11,369
Total revenues	\$ 871,103	\$ 950,112	\$ 79,009	\$ 543,770
Operating expenditures				
Administrative costs	\$ 11,300	\$ 7,556	\$ 3,744	\$ 7,267
Salaries and employee benefits	1,224,386	1,263,947	(39,561)	1,109,579
Total expenditures	1,235,686	1,271,503	(35,817)	1,116,846
Other financing uses				
Transfers in	-	-	-	53,665
Appropriated fund balance	(364,583)	-	364,583	-
Total expenditures and other financing uses	\$ 871,103	\$ 1,271,503	\$ 328,766	\$ 1,170,511
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 950,112		
Total expenditures		1,271,503		
Subtotal		(321,391)		
Income (loss) before transfers per the Statement of Revenues, Expenses and Changes in Fund Net Assets		\$ (321,391)		

COUNTY OF CUMBERLAND, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
General Litigation Fund

Year Ended June 30, 2005
(With Comparative Totals for June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		
Revenues				
Operating revenues				
Litigation settlement	\$ -	\$ -	\$ -	\$ 21,656
Non-operating revenues				
Interest earned on investments	-	9,283	9,283	6,410
Other financing sources				
Transfers in	292,824	292,824	-	373,905
Appropriated fund balance	257,800	-	(257,800)	-
Total revenues and other financing sources	<u>\$ 550,624</u>	<u>\$ 302,107</u>	<u>\$ (248,517)</u>	<u>\$ 401,971</u>
Operating expenditures				
Administrative costs	<u>\$ 550,624</u>	<u>\$ 551,870</u>	<u>\$ (1,246)</u>	<u>\$ 504,471</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 302,107		
Total expenditures		<u>551,870</u>		
Subtotal		(249,763)		
Net transfers		<u>(292,824)</u>		
Income (loss) before transfers per the Statement of Revenues, Expenses and Changes in Fund Net Assets		<u>\$ (542,587)</u>		

COUNTY OF CUMBERLAND, NORTH CAROLINA
Financial Statements and Schedules

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