

COUNTY OF CALDWELL NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

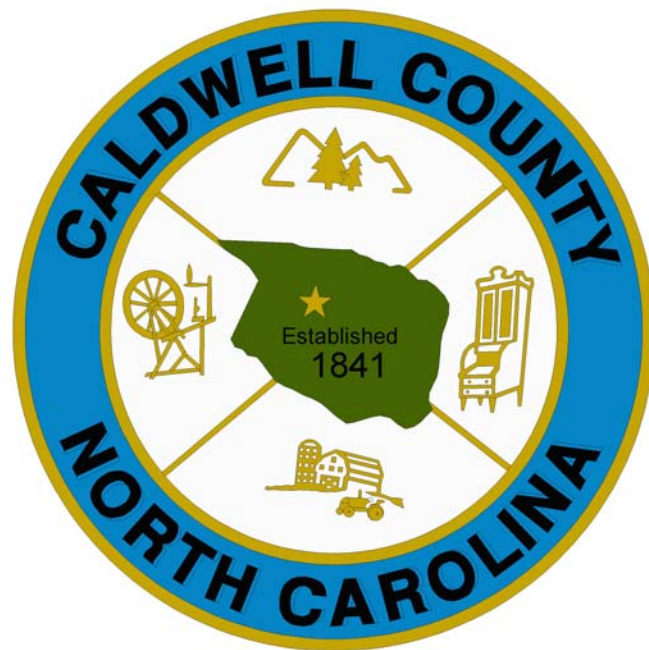


CALDWELL COUNTY, NORTH CAROLINA

Comprehensive Annual Financial Report

**For the Year Ended
June 30, 2019**

**Prepared by
Finance Department**



CALDWELL COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION





CALDWELL COUNTY
P. O. BOX 2200
LENOIR NC 28645

LETTER OF TRANSMITTAL

October 25, 2019

The Board of Commissioners
County of Caldwell
Lenoir, North Carolina

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Caldwell County for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Caldwell County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Caldwell County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Caldwell County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Caldwell 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Caldwell County's financial statements have been audited by Martin Starnes & Associates, CPA's, PA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Caldwell County for the fiscal year ended June 30, 2019, are free of material misstatement. The independent 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. The independent

auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Caldwell County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Caldwell County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Caldwell County's Single Audit Report.

GAAP require 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. Caldwell County's MD&A can be found immediately following the report of the independent auditors.

Description of the County

Caldwell County is located in scenic western North Carolina, approximately 70 miles northwest of Charlotte, 85 miles southwest of Winston-Salem and 90 miles northeast of Asheville. The altitude of the County ranges from 900 to 5,964 feet above sea level with topography ranging from rolling foothills to high-forested mountains. It has a land area of 471 square miles and an estimated population of 79,594. There are ten incorporated municipalities in Caldwell County. The City of Lenoir and the towns of Cahah's Mountain, Gamewell, Granite Falls, Hudson, Sawmills, and the Village of Cedar Rock are entirely within the County and the City of Hickory and the towns of Blowing Rock and Rhodhiss are partially within the County. The City of Lenoir is the largest municipality and serves as the county seat.

Caldwell County, carved from the counties of Burke and Wilkes, was actually formed in January 1841, several weeks after the bill was introduced in the legislature. The bill to establish the county was rejected in 1839 because a faction within the state legislature wished to form two Democratic counties instead of one Whig county. The bill was reintroduced by Representative Elisha P. Miller on November 19, 1840. The bill of 1840 proposed to establish a county from Burke and Wilkes to be named Boone. It was first read and rejected on December 5, 1840. It was read a second time and passed by the casting vote of the Speaker, Robert B. Gilliam on December 14, 1840. There was some confusion over the selection of the name, however, but when Charles Manley, Clerk of the House, suggested to Representative Miller that the county be

named for Dr. Joseph Caldwell, former President of the University of North Carolina and advocator of a public school system and a railroad system stretching from Morehead City through the questioned county to Tennessee, the bill was ratified and signed on January 11, 1841.

The County utilizes the commission/manager form of government. The five-member Board of Commissioners is elected at large on a partisan basis for staggered four-year terms of office. The Board represents the citizens by setting policy and a County manager hired by the Board administers the day-to-day business of government and carries out the policies of the Board.

The County provides its citizens with a wide range of services that include law enforcement, emergency medical services, register of deeds, water, animal control, upkeep of the courthouse and other public buildings, solid waste disposal, public libraries, cultural and recreational activities, health services, social services, general administration and others. This report includes all the County's activities in maintaining these services. The County also provides financial support to certain boards, agencies and commissions to assist their efforts in serving citizens. Among these are the Caldwell County Board of Education, Caldwell Community College, the Caldwell County Economic Development Commission, Foothills Area Programs, and the Western Piedmont Council of Governments.

Economic Conditions and Outlook

The local economy is improving along with that state and national economy. The unemployment rates experienced recently by the county are some of the lowest in over ten years. The local housing market has improved significantly to the point realtors are commenting on a lack of suitable inventory. Several new retail establishments have opened within the county in the last year and several more are planning to open during the coming year. The area is not yet fully recovered from the loss of manufacturing jobs that took place several years ago but appears to be on pace to do so.

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 a city or 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 Caldwell 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. Encumbrances outstanding at June 30, 2019, have been reported as reservations of fund balance.

Financial Policies

The county's financial policy for the fiscal year covered in this report focused on maximizing revenues and minimizing expenditures. The county has made every effort to spend only when absolutely necessary and to maximize other controllable revenue sources. The county has been able to reduce its outstanding debt over the past few years.

Long Term Financial Planning

The county continues to monitor its existing debt and look for savings opportunities. The long held goals of building a new Granite Falls Middle School and a new EMS base are now coming to fruition as both projects are now under construction. The county is looking at building a new animal shelter in the near future and preliminary work is under way for that project.

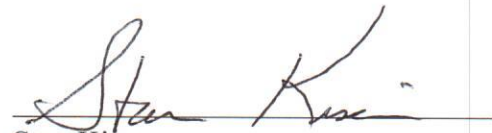
Other Information

North Carolina state law (G.S. 159-34) requires the county to have an annual independent financial audit. A compliance audit of federal and state financial assistance programs is also required under the federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The firm of Martin Starnes & Associates, CPA's, PA, performed both of these audits. The audit contract was awarded to this firm based on their qualifications. The auditor's report on the Basic Financial Statements is included in the Financial Section of this report.

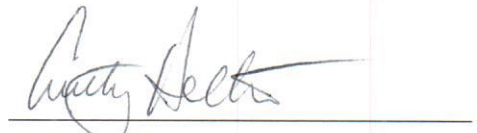
Caldwell County intends to submit this report to the Governmental Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting program. This program recognized governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that conform to program standards. A Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department and support from the Caldwell County Board of Commissioners.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stan Kiser", written over a horizontal line.

Stan Kiser
County Manager

A handwritten signature in black ink, appearing to read "Anthony Helton", written over a horizontal line.

Anthony Helton
Finance Officer



Government Finance Officers Association

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

Presented to

**Caldwell County
North Carolina**

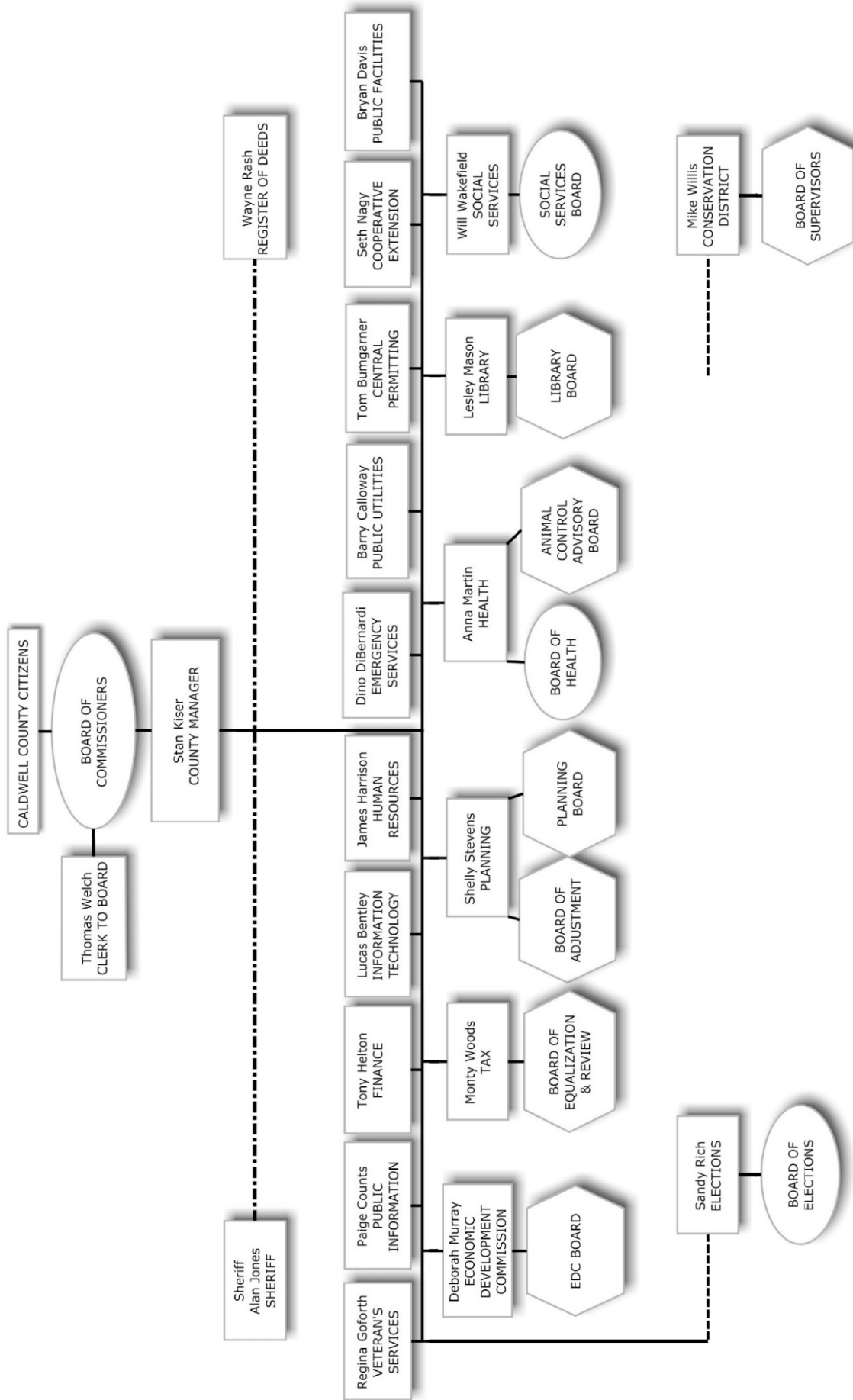
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CALDWELL COUNTY GOVERNMENT ORGANIZATIONAL CHART



LEDGEND :

BUDGETARY CONTROL AND ADMINISTRATIVE COORDINATION ---

POLICY MAKING BOARDS

REG. CO. OPERATING DEPTS. OR STAFF UNITS

ADVISORY BOARDS

CALDWELL COUNTY, NORTH CAROLINA

Principal Officials

June 30, 2019

Board of Commissioners

Randy T. Church, Chairman

Mike LaBrose, Vice-Chairman

Jeff Branch, Commissioner

Donnie Potter, Commissioner

Robbie Wilkie, Commissioner

Other County Officials

Stan Kiser, County Manager

Thomas Welch, Clerk to the Board

Alan C. Jones, Sheriff

Wayne Rash, Register of Deeds

Will Wakefield, DSS Director

Anna Martin, Health Director

Monty Woods, Tax Administrator

Jimmy Harrison, Human Resources Director

Lesley Mason, Library Director

Tony Helton, Finance Officer

Sandra Rich, Director of Elections

Barry Calloway, Public Utilities Supervisor

Bryan Davis, Facilities Supervisor

Tom Bumgarner, Central Permitting Supervisor

Shelley Stevens, Planning Director

Regina Goforth, Veterans Services Director

Dino Dibernardi, Emergency Services Director

Kevin Brown, Fire Marshal

Vic Misenheimer, Emergency Management Director

Lucas Bentley, Information Technology Director

Seth Nagy, Cooperative Extension Director

FINANCIAL SECTION



MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Caldwell County
Lenoir, 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 Caldwell County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Caldwell County, North Carolina, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Sales Tax Reinvestment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Caldwell County, North Carolina's, basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and other information, such as the introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019 on our consideration of Caldwell County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of Caldwell County's 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 Caldwell County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 25, 2019



Management's Discussion and Analysis

As management of Caldwell County, we offer readers of Caldwell County's financial statements this narrative overview and analysis of financial activities of Caldwell County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of Caldwell County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,937,797 (net position).
- The government's total net position decreased by \$890,030, due to decreased net position in the governmental activities.
- As of the close of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$35,102,658.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,901,867.
- The total fund balance in the General Fund increased by \$201,619 as a result of activities that took place during the fiscal year ended June 30, 2019.
- The General Fund expenditures concluded the year within budget.
- The County successfully complied with all state and federal service mandates as prescribed by law.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Caldwell County's basic financial statements. Caldwell County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Caldwell County's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of Caldwell County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Caldwell County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused vacation leave).

Both of the government-wide financial statements distinguish functions of Caldwell County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Caldwell County include general government, public safety, economic and physical development, environmental, and culture and recreation. The business-type activities of Caldwell County include a water operation.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund Financial Statements. 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. Caldwell County, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Caldwell County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Caldwell County maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Sales Tax Reinvestment Fund, and the Public Schools Capital Project Fund, and the General Capital Projects Fund which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Caldwell County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C to F of this report.

Proprietary Funds. Caldwell County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Caldwell County uses enterprise funds to account for its water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The propriety fund financial statements provide separate information for water operations, which is considered to be a major fund of Caldwell County.

The basic proprietary fund financial statements can be found on Exhibits G to I of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements, because the resources of those funds are not available to support Caldwell County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on Exhibit J of this report.

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 can be found on pages 25 through 73 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Caldwell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 74-80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 81-106 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Caldwell County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,937,797 at the close of the most recent fiscal year.

The largest portion of Caldwell County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Caldwell County used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Caldwell County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Assets:						
Current and other assets	\$ 41,566,553	\$ 27,364,784	\$ 7,772,656	\$ 8,138,477	\$ 49,339,209	\$ 35,503,261
Capital assets	32,294,235	32,542,417	5,830,768	5,406,248	38,125,003	37,948,665
Total assets	<u>73,860,788</u>	<u>59,907,201</u>	<u>13,603,424</u>	<u>13,544,725</u>	<u>87,464,212</u>	<u>73,451,926</u>
Deferred Outflows of Resources	<u>6,916,713</u>	<u>4,470,205</u>	<u>136,154</u>	<u>82,851</u>	<u>7,052,867</u>	<u>4,553,056</u>
Liabilities:						
Current liabilities	9,482,843	7,462,902	329,014	305,314	9,811,857	7,768,216
Long-term liabilities	55,644,273	40,634,294	232,262	180,681	55,876,535	40,814,975
Total liabilities	<u>65,127,116</u>	<u>48,097,196</u>	<u>561,276</u>	<u>485,995</u>	<u>65,688,392</u>	<u>48,583,191</u>
Deferred Inflows of Resources	<u>875,431</u>	<u>585,013</u>	<u>15,459</u>	<u>8,951</u>	<u>890,890</u>	<u>593,964</u>
Net Position:						
Net investment in capital assets	17,318,673	21,014,795	5,830,768	5,406,248	23,149,441	26,421,043
Restricted net position	6,665,914	6,278,616	-	-	6,665,914	6,278,616
Unrestricted net position	(9,209,633)	(11,598,214)	7,332,075	7,726,382	(1,877,558)	(3,871,832)
Total net position	<u>\$ 14,774,954</u>	<u>\$ 15,695,197</u>	<u>\$ 13,162,843</u>	<u>\$ 13,132,630</u>	<u>\$ 27,937,797</u>	<u>\$ 28,827,827</u>

The government's net position decreased by \$890,030 during the current fiscal year. This is a result of the County spending on construction of a new Granite Falls Middle School. Under North Carolina law counties carry the debt for school construction while the asset is held by the school system.

Table 2

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,155,653	\$ 6,732,177	\$ 3,672,609	\$ 3,630,964	\$ 10,828,262	\$ 10,363,141
Operating grants and contributions	13,693,278	13,436,087	-	-	13,693,278	13,436,087
Capital grants and contributions	815,486	2,626,358	-	-	815,486	2,626,358
General revenues:						
Property taxes	48,916,444	46,573,903	-	-	48,916,444	46,573,903
Local option sales tax	12,197,179	11,444,115	-	-	12,197,179	11,444,115
Other taxes and licenses	1,335,621	1,089,152	-	-	1,335,621	1,089,152
Investment earnings	370,471	55,941	91,773	16,620	462,244	72,561
Total revenues	<u>84,484,132</u>	<u>81,957,733</u>	<u>3,764,382</u>	<u>3,647,584</u>	<u>88,248,514</u>	<u>85,605,317</u>
Expenses:						
Governmental activities:						
General government	7,506,731	6,514,507	-	-	7,506,731	6,514,507
Public safety	24,761,507	21,793,763	-	-	24,761,507	21,793,763
Environmental protection	523,614	578,401	-	-	523,614	578,401
Economic and physical development	7,455,800	7,030,709	-	-	7,455,800	7,030,709
Human services	18,787,491	18,548,252	-	-	18,787,491	18,548,252
Cultural and recreational	1,228,472	1,550,598	-	-	1,228,472	1,550,598
Education	24,345,296	22,611,641	-	-	24,345,296	22,611,641
Interest	895,464	813,953	-	-	895,464	813,953
Business-type activities:						
Water Fund	-	-	3,634,169	3,080,206	3,634,169	3,080,206
Total expenses	<u>85,504,375</u>	<u>79,441,824</u>	<u>3,634,169</u>	<u>3,080,206</u>	<u>89,138,544</u>	<u>82,522,030</u>
Change in net position before transfers	(1,020,243)	2,515,909	130,213	567,378	(890,030)	3,083,287
Transfers in (out)	<u>100,000</u>	<u>15,725</u>	<u>(100,000)</u>	<u>(15,725)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(920,243)</u>	<u>2,531,634</u>	<u>30,213</u>	<u>551,653</u>	<u>(890,030)</u>	<u>3,083,287</u>
Net Position:						
Beginning net position	15,695,197	14,044,623	13,132,630	12,642,890	28,827,827	26,687,513
Restatement	<u>-</u>	<u>(881,060)</u>	<u>-</u>	<u>(61,913)</u>	<u>-</u>	<u>(942,973)</u>
Beginning net position, restated	<u>15,695,197</u>	<u>13,163,563</u>	<u>13,132,630</u>	<u>12,580,977</u>	<u>28,827,827</u>	<u>25,744,540</u>
Ending net position	<u>\$ 14,774,954</u>	<u>\$ 15,695,197</u>	<u>\$ 13,162,843</u>	<u>\$ 13,132,630</u>	<u>\$ 27,937,797</u>	<u>\$ 28,827,827</u>

Governmental Activities. Governmental activities decreased Caldwell County's net position by \$920,243. This is primarily due to the County spending on the construction of a new Granite Falls Middle School.

Business-Type Activities. Business-type activities increased Caldwell County's net position by \$30,213. The key elements in this increase are as follows:

- Business-type activities increased the County's net financial position due to the results from operations. The Water Fund typically generates positive cash flows.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Caldwell County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Caldwell County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$35,102,658, an increase of \$13,120,075 in comparison with the prior year. The largest reason for this increase is that the county borrowed \$12.3 million for the new Granite Falls Middle School and around \$3 million for two new EMS bases. Most of this borrowed money had not been spent as of 06/30/2019. Approximately 5% of this total amount, or \$1,665,277, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of Caldwell County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,901,867 while total fund balance reached \$14,092,453. The County's fund balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$9,785,130, or 13.09%, of expenditures.

The total fund balance of Caldwell County's General Fund increased by \$201,619 during the current fiscal year. This change is statistically break even, which the goal for this year's budget.

The County's Sales Tax Reinvestment Fund is a major special revenue fund set up to promote economic development within the county. The various municipalities located within the county have contributed a portion of their sales tax revenues to this fund. The fund offers job creation based incentives to companies who create jobs within the County and maintain them for one year. In addition, various economic development related grant funds flow through this fund.

The County's Public Schools Capital Project Fund is a major capital project fund. This fund includes the project to renovate / rebuild Granite Falls Middle School. The county borrowed \$12.3 million for this purpose.

The County's General Capital Projects Fund is another major capital project fund. This fund includes the project to construct two new EMS bases to serve the Lenoir area. The county borrowed over \$3 million for this purpose.

Proprietary Funds. Caldwell County's propriety funds provide the same type of information found in government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$7,332,075. The total increase in net position for the Water Fund was \$30,213. Other factors concerning the finances of this fund have already been addressed in the discussion of Caldwell County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget reflected an increase in appropriation of \$1,608,787. The major changes can be briefly summarized as follows:

- The county decided to spend an additional \$642k during the year on capital outlay.
- Purchase orders from the prior year totaling \$376k were rolled over to the new fiscal year.
- The county had a salary study performed by the MAPS group and implemented its finding effective January 1, 2019. This caused a significant increase in the cost for salaries and benefits.

Other Major Funds' Highlights

The Sales Tax Reinvestment Fund's primary function is to support economic development within Caldwell County. The fund balance in this fund remained relatively stable during the year as revenues and expenditures plus transfers out were almost equal. This reverses a trend where the fund balance had been growing every year.

The Schools Capital Project Fund contained the ongoing construction of the new Granite Falls Middle School. The county borrowed \$12.3 million for this project and will also receive state funding in the amount of \$15 million when combined with the \$300k previously allocated to this project gives a total budget of \$27.6 million. This project will renovate a portion of the old school while removing a portion and rebuild it.

The General Capital Projects Fund contains various fund set aside for various future needs. It also includes the EMS bases project. This project will construct two new EMS bases to service the Lenoir area. The county borrowed a little over \$3 million for this project. When completed the two new bases will provide better coverage and response time than the existing single base located in downtown Lenoir.

Capital Asset and Debt Administration

Capital Assets. Caldwell County's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$38,125,003. This investment in capital assets includes land, buildings and systems, improvements, machinery, and equipment.

The following major projects represent the accomplishments of the elected leadership during this year:

- The County was awarded a state grant of \$15 million for the construction of a new Granite Falls Middle School. The county also borrowed \$12.3 million for this project. The project when completed will replace portions of the school that are over 100 years old and provide a much more modern and effective learning environment.
- The County's tax rate remained unchanged for fiscal year 2017-2018 at 63 cents.
- The County had a salary study prepared by the MAPs group and determined that the county salaries for its staff were no longer competitive with its surrounding peer governments. As a

result the county implemented the findings from the salary study which resulted in significant raises for many staff positions.

Table 3
Capital Assets, Net of Depreciation
As of June 30, 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land	\$ 7,944,969	\$ 7,618,971	\$ 60,181	\$ 20,000	\$ 8,005,150	\$ 7,638,971
Construction in progress	255,623	111,651	882,830	212,857	1,138,453	324,508
Buildings	18,109,418	18,745,400	143,833	86,514	18,253,251	18,831,914
Equipment, furniture, and vehicles	5,984,225	6,066,395	-	-	5,984,225	6,066,395
Water system	-	-	4,743,924	5,086,877	4,743,924	5,086,877
Total capital assets, net of depreciation, where applicable	<u>\$ 32,294,235</u>	<u>\$ 32,542,417</u>	<u>\$ 5,830,768</u>	<u>\$ 5,406,248</u>	<u>\$ 38,125,003</u>	<u>\$ 37,948,665</u>

Additional information on Caldwell County's capital assets can be found in Note 2 beginning on page 41 of this report.

Long-Term Debt. At the end of the current fiscal year, Caldwell County had total bonded debt outstanding of \$0. The County currently does not have outstanding revenue bonds.

Table 4
General Obligation Bonds Outstanding
As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
General obligation bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation. The current debt limitation for Caldwell County is approximately \$515,278,000, which is significantly in excess of Caldwell County's outstanding general obligation debt.

Additional information on Caldwell County's long-term debt can be found in Note 2 beginning on page 64 of this report.

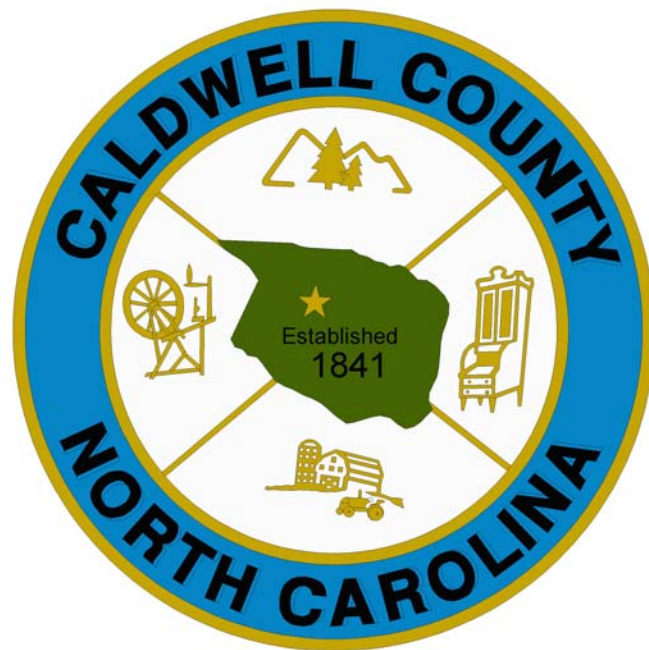
Economic Factors and Next Year's Budgets and Rates

Caldwell County continues to maintain a sound financial condition. Caldwell County's fund balance percentage, as calculated by the Local Government Commission, is 12.71% as of June 30, 2019. This is well above the recommended minimum of 8%. Property and sales tax collections exceeded budget for fiscal year 2018-2019. Actual expenditures in the General Fund came in almost \$3 million below the budget.

The budget for fiscal year 2019-2020 maintains the current tax rate of 63 cents per \$100 of tax value. The budget for fiscal year 2019-2020 includes a substantial fund balance appropriation in the General Fund, but we do not anticipate using any of it. The County typically budgets its expenditures at 100% but only spends at 95%. Lapsed salaries and other unspent funds typically generate substantial savings. The County also attempts to be conservative in its revenue estimates and often will collect more than the budget includes. The budget for fiscal year 2018-2019 also included a significant fund balance appropriation but the county's fund balance in the general fund actually increased by a small amount.

Requests for Information

This financial report is designed to provide a general overview of Caldwell County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Caldwell County, P.O. Box 2200, Lenoir, NC 28645.



BASIC FINANCIAL STATEMENTS



CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 18,801,222	\$ 7,070,779	\$ 25,872,001
Taxes receivable, net	2,438,550	-	2,438,550
Accounts receivable, net	5,102,777	487,307	5,590,084
Due from other governments	640,155	49,761	689,916
Inventories	70,027	66,845	136,872
Restricted cash and cash equivalents	14,400,061	97,964	14,498,025
Total current assets	<u>41,452,792</u>	<u>7,772,656</u>	<u>49,225,448</u>
Non-current assets:			
Net pension asset	113,761	-	113,761
Non-depreciable capital assets	8,200,592	943,011	9,143,603
Depreciable capital assets, net	<u>24,093,643</u>	<u>4,887,757</u>	<u>28,981,400</u>
Total non-current assets	<u>32,407,996</u>	<u>5,830,768</u>	<u>38,238,764</u>
Total assets	<u>73,860,788</u>	<u>13,603,424</u>	<u>87,464,212</u>
Deferred Outflows of Resources:			
OPEB deferrals	243,064	4,961	248,025
Pension deferrals	<u>6,673,649</u>	<u>131,193</u>	<u>6,804,842</u>
Total deferred outflows of resources	<u>6,916,713</u>	<u>136,154</u>	<u>7,052,867</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	3,585,926	202,835	3,788,761
Accrued interest payable	425,118	-	425,118
Payable from restricted assets:			
Customer deposits	-	97,964	97,964
Current portion of long-term liabilities	<u>5,471,799</u>	<u>28,215</u>	<u>5,500,014</u>
Total current liabilities	<u>9,482,843</u>	<u>329,014</u>	<u>9,811,857</u>
Long-term liabilities:			
Net pension liability - LGERS	8,251,515	168,399	8,419,914
Total pension liability - LEOSSA	1,679,198	-	1,679,198
Total OPEB liability	2,783,624	56,809	2,840,433
Due in more than one year	<u>42,929,936</u>	<u>7,054</u>	<u>42,936,990</u>
Total long-term liabilities	<u>55,644,273</u>	<u>232,262</u>	<u>55,876,535</u>
Total liabilities	<u>65,127,116</u>	<u>561,276</u>	<u>65,688,392</u>
Deferred Inflows of Resources:			
Prepaid taxes	30,442	-	30,442
OPEB deferrals	527,345	10,762	538,107
Pension deferrals	<u>317,644</u>	<u>4,697</u>	<u>322,341</u>
Total deferred inflows of resources	<u>875,431</u>	<u>15,459</u>	<u>890,890</u>
Net Position:			
Net investment in capital assets	17,318,673	5,830,768	23,149,441
Restricted for:			
Stabilization for state statute	5,447,716	-	5,447,716
Register of Deeds pension plan	142,391	-	142,391
Human services	161,760	-	161,760
Public safety	863,657	-	863,657
Register of Deeds	29,544	-	29,544
Education	20,846	-	20,846
Unrestricted (deficit)	<u>(9,209,633)</u>	<u>7,332,075</u>	<u>(1,877,558)</u>
Total net position	<u>\$ 14,774,954</u>	<u>\$ 13,162,843</u>	<u>\$ 27,937,797</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,506,731	\$ 2,197,028	\$ -	\$ -
Public safety	24,761,507	3,441,255	1,779,751	-
Environmental protection	523,614	1,238,594	-	-
Economic and physical development	7,455,800	34,135	-	-
Human services	18,787,491	208,025	11,656,203	-
Cultural and recreational	1,228,472	36,616	257,324	-
Education	24,345,296	-	-	815,486
Interest	895,464	-	-	-
Total governmental activities	<u>85,504,375</u>	<u>7,155,653</u>	<u>13,693,278</u>	<u>815,486</u>
Business-Type Activities:				
Water Fund	<u>3,634,169</u>	<u>3,672,609</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 89,138,544</u>	<u>\$ 10,828,262</u>	<u>\$ 13,693,278</u>	<u>\$ 815,486</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Functions/Programs:	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental Activities:			
General government	\$ (5,309,703)	\$ -	\$ (5,309,703)
Public safety	(19,540,501)	-	(19,540,501)
Environmental protection	714,980	-	714,980
Economic and physical development	(7,421,665)	-	(7,421,665)
Human services	(6,923,263)	-	(6,923,263)
Cultural and recreational	(934,532)	-	(934,532)
Education	(23,529,810)	-	(23,529,810)
Interest	(895,464)	-	(895,464)
Total governmental activities	<u>(63,839,958)</u>	<u>-</u>	<u>(63,839,958)</u>
Business-Type Activities:			
Water Fund	<u>-</u>	<u>38,440</u>	<u>38,440</u>
Total primary government	<u>(63,839,958)</u>	<u>38,440</u>	<u>(63,801,518)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	48,916,444	-	48,916,444
Local option sales tax	12,197,179	-	12,197,179
Other taxes and licenses	1,335,621	-	1,335,621
Investment earnings	370,471	91,773	462,244
Total general revenues, excluding transfers	62,819,715	91,773	62,911,488
Transfers	100,000	(100,000)	-
Total general revenues and transfers	<u>62,919,715</u>	<u>(8,227)</u>	<u>62,911,488</u>
Change in net position	(920,243)	30,213	(890,030)
Net Position:			
Beginning of year - July 1	<u>15,695,197</u>	<u>13,132,630</u>	<u>28,827,827</u>
End of year - June 30	<u>\$ 14,774,954</u>	<u>\$ 13,162,843</u>	<u>\$ 27,937,797</u>

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

CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Funds				Other Governmental Funds	Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	General Capital Projects Fund		
Assets:						
Cash and cash equivalents	\$ 11,483,859	\$ 4,455,646	\$ 346,770	\$ 1,906,008	\$ 608,939	\$ 18,801,222
Taxes receivable (net)	2,208,714	-	-	-	229,836	2,438,550
Accounts receivable (net)	3,904,710	-	-	278,295	919,772	5,102,777
Due from other governments	627,802	-	-	155	12,198	640,155
Inventories	70,027	-	-	-	-	70,027
Restricted cash and cash equivalents	289,026	-	11,062,316	3,048,719	-	14,400,061
Total assets	<u>\$ 18,584,138</u>	<u>\$ 4,455,646</u>	<u>\$ 11,409,086</u>	<u>\$ 5,233,177</u>	<u>\$ 1,770,745</u>	<u>\$ 41,452,792</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,957,313	-	\$ 1,557,618	\$ 31,791	\$ 39,204	\$ 3,585,926
Total liabilities	<u>1,957,313</u>	<u>-</u>	<u>1,557,618</u>	<u>31,791</u>	<u>39,204</u>	<u>3,585,926</u>
Deferred Inflows of Resources:						
Property taxes receivable	2,208,714	-	-	-	229,836	2,438,550
Prepaid taxes	30,442	-	-	-	-	30,442
Ambulance receivable	295,216	-	-	-	-	295,216
Total deferred inflows of resources	<u>2,534,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,836</u>	<u>2,764,208</u>
Fund Balances:						
Non-spendable:						
Inventories	70,027	-	-	-	-	70,027
Restricted:						
Stabilization for state statute	4,237,296	-	-	278,450	931,970	5,447,716
Restricted, all other	480,330	-	11,062,316	3,048,719	595,477	15,186,842
Committed	-	-	-	1,874,217	-	1,874,217
Assigned	6,402,933	4,455,646	-	-	-	10,858,579
Unassigned	2,901,867	-	(1,210,848)	-	(25,742)	1,665,277
Total fund balances	<u>14,092,453</u>	<u>4,455,646</u>	<u>9,851,468</u>	<u>5,201,386</u>	<u>1,501,705</u>	<u>35,102,658</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,584,138</u>	<u>\$ 4,455,646</u>	<u>\$ 11,409,086</u>	<u>\$ 5,233,177</u>	<u>\$ 1,770,745</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets, net of accumulated depreciation, used in governmental activities, are not current financial resources and, therefore, are not reported in the funds.						32,294,235
Net pension asset						113,761
Net pension liability - LGERS						(8,251,515)
Total pension liability - LEOSSA						(1,679,198)
Total OPEB liability						(2,783,624)
Deferred outflows of resources related to pensions are not reported in the funds.						6,673,649
Deferred outflows of resources related to OPEB are not reported in the funds.						243,064
Deferred inflows of resources 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 position in the Statement of Net Position.						2,733,766
Deferred inflows of resources related to pensions are not reported in the funds.						(317,644)
Deferred inflows of resources related to OPEB are not reported in the funds.						(527,345)
Long-term liabilities, compensated absences and interest payable are not due and payable in the current period and, therefore, are not reported in the funds.						(48,826,853)
Net position of governmental activities, per Exhibit A						<u>\$ 14,774,954</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds					
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	General Capital Projects Fund	Other Governmental Funds	Total
Revenues:						
Ad valorem taxes	\$ 45,059,775	\$ -	\$ -	\$ -	\$ 4,141,264	\$ 49,201,039
Local option sales taxes	6,900,475	-	-	1,117,495	3,559,209	11,577,179
Other taxes and licenses	552,603	-	-	-	-	552,603
Unrestricted intergovernmental	858,815	620,000	-	-	-	1,478,815
Restricted intergovernmental	13,604,259	38,025	815,486	-	430,622	14,888,392
Permits and fees	1,051,454	-	-	-	-	1,051,454
Sales and services	5,263,584	-	-	-	-	5,263,584
Investment earnings	217,183	53,639	66,087	26,887	6,675	370,471
Miscellaneous	346,454	-	-	2,423	-	348,877
Total revenues	<u>73,854,602</u>	<u>711,664</u>	<u>881,573</u>	<u>1,146,805</u>	<u>8,137,770</u>	<u>84,732,414</u>
Expenditures:						
Current:						
General government	7,606,776	-	-	-	-	7,606,776
Public safety	18,935,980	-	-	174,856	4,410,171	23,521,007
Environmental protection	512,669	-	-	55,550	-	568,219
Economic and physical development	7,093,888	344,567	-	31,293	-	7,469,748
Human services	18,614,941	-	-	325,998	-	18,940,939
Cultural and recreational	1,351,342	-	-	-	-	1,351,342
Education	18,566,656	-	3,703,004	350,000	1,725,636	24,345,296
Debt service:						
Principal retirement	2,538,666	-	-	-	1,414,991	3,953,657
Interest and fees	465,350	-	-	-	355,214	820,564
Total expenditures	<u>75,686,268</u>	<u>344,567</u>	<u>3,703,004</u>	<u>937,697</u>	<u>7,906,012</u>	<u>88,577,548</u>
Revenues over (under) expenditures	<u>(1,831,666)</u>	<u>367,097</u>	<u>(2,821,431)</u>	<u>209,108</u>	<u>231,758</u>	<u>(3,845,134)</u>
Other Financing Sources (Uses):						
Long-term debt issued	1,457,000	-	12,300,000	3,045,000	-	16,802,000
Transfers from other funds	1,019,276	-	10,000	606,200	-	1,635,476
Transfers to other funds	(506,200)	(350,000)	-	(679,276)	-	(1,535,476)
Proceeds from sale of capital assets	63,209	-	-	-	-	63,209
Total other financing sources (uses)	<u>2,033,285</u>	<u>(350,000)</u>	<u>12,310,000</u>	<u>2,971,924</u>	<u>-</u>	<u>16,965,209</u>
Net change in fund balances	201,619	17,097	9,488,569	3,181,032	231,758	13,120,075
Fund Balances:						
Beginning of year - July 1	<u>13,890,834</u>	<u>4,438,549</u>	<u>362,899</u>	<u>2,020,354</u>	<u>1,269,947</u>	<u>21,982,583</u>
End of year - June 30	<u>\$ 14,092,453</u>	<u>\$ 4,455,646</u>	<u>\$ 9,851,468</u>	<u>\$ 5,201,386</u>	<u>\$ 1,501,705</u>	<u>\$ 35,102,658</u>

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

CALDWELL 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, 2019**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 13,120,075
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	(284,595)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(64,500)
Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures.	50,616
Expenses related to interest expense that do not require current financial resources are not reported as expenditures.	(74,900)
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.	2,627,889
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(26,896)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,849,175)
Issuance of debt is reported as revenues in the governmental funds statements. However, in the Statement of Activities, proceeds from the issuance of debt is not a revenue rather it is an increase in liabilities.	(16,802,000)
Pension expense - LEOSSA	(90,252)
Pension expense - LGERS	(438,416)
Pension expense - ROD	(19,297)
OPEB plan expense	(22,449)
Principal repayments and refunding of debt 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>3,953,657</u>
Change in net position of governmental activities, per Exhibit B	<u>\$ (920,243)</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED
MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 42,674,201	\$ 42,674,200	\$ 45,059,775	\$ 2,385,575
Local option sales taxes	6,100,000	6,100,000	6,900,475	800,475
Other taxes and licenses	421,000	458,000	552,603	94,603
Unrestricted intergovernmental	567,869	567,869	858,815	290,946
Restricted intergovernmental	13,219,397	13,823,594	13,604,259	(219,335)
Permits and fees	911,000	911,000	1,051,454	140,454
Sales and services	5,393,627	5,393,627	5,263,584	(130,043)
Investment earnings	10,000	10,000	217,183	207,183
Miscellaneous	152,122	284,910	346,454	61,544
Total revenues	69,449,216	70,223,200	73,854,602	3,631,402
Expenditures:				
Current:				
General government	7,667,779	8,377,811	7,606,776	771,035
Public safety	18,667,401	19,541,311	18,935,980	605,331
Environmental protection	637,183	639,386	512,669	126,717
Economic and physical development	7,322,444	7,248,291	7,093,888	154,403
Human services	19,619,639	19,697,190	18,614,941	1,082,249
Cultural and recreational	1,394,814	1,368,092	1,351,342	16,750
Intergovernmental:				
Education	18,435,989	18,574,763	18,566,656	8,107
Contingency	170,000	33,867	-	33,867
Debt service:				
Principal retirement	2,531,900	2,531,900	2,538,666	(6,766)
Interest and fees	461,004	473,644	465,350	8,294
Total expenditures	76,908,153	78,486,255	75,686,268	2,799,987
Revenues over (under) expenditures	(7,458,937)	(8,263,055)	(1,831,666)	6,431,389
Other Financing Sources (Uses):				
Long-term debt issued	1,557,919	1,557,919	1,457,000	(100,919)
Transfers from other funds	1,019,276	1,019,276	1,019,276	-
Transfers to other funds	(350,000)	(506,200)	(506,200)	-
Proceeds from sale of capital assets	10,000	25,570	63,209	37,639
Appropriated fund balance	5,221,742	6,166,490	-	(6,166,490)
Total other financing sources (uses)	7,458,937	8,263,055	2,033,285	(6,229,770)
Net change in fund balance	\$ -	\$ -	201,619	\$ 201,619
Fund Balance:				
Beginning of year - July 1			13,890,834	
End of year - June 30			\$ 14,092,453	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED
MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Sales Tax Reinvestment Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	600,000	600,000	620,000	20,000
Restricted intergovernmental	-	-	38,025	38,025
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	53,639	53,639
Miscellaneous	-	-	-	-
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>711,664</u>	<u>111,664</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	2,250,000	2,250,000	344,567	1,905,433
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:	-	-	-	-
Education	-	-	-	-
Contingency	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>2,250,000</u>	<u>2,250,000</u>	<u>344,567</u>	<u>1,905,433</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>(1,650,000)</u>	<u>367,097</u>	<u>2,017,097</u>
Other Financing Sources (Uses):				
Long-term debt issued	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(350,000)	(350,000)	(350,000)	-
Proceeds from sale of capital assets	-	-	-	-
Appropriated fund balance	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>(350,000)</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>17,097</u>	<u>\$ 17,097</u>
Fund Balance:				
Beginning of year - July 1			<u>4,438,549</u>	
End of year - June 30			<u>\$ 4,455,646</u>	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

	<u>Water Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,070,779
Accounts receivable net	487,307
Due from other governments	49,761
Inventories	66,845
Restricted cash and cash equivalents	97,964
Total current assets	<u>7,772,656</u>
Non-Current Assets:	
Capital assets:	
Non-depreciable capital assets	943,011
Capital assets (net of depreciation)	4,887,757
Total capital assets	<u>5,830,768</u>
Total non-current assets	<u>5,830,768</u>
Total assets	<u>13,603,424</u>
Deferred Outflows of Resources:	
OPEB deferrals	4,961
Pension deferrals	131,193
Total deferred outflows of resources	<u>136,154</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	202,835
Amounts payable from restricted assets:	
Customer deposits	97,964
Current portion of compensated absences payable	28,215
Total current liabilities	<u>329,014</u>
Non-current liabilities:	
Compensated absences payable	7,054
Net pension liability	168,399
Total OPEB liability	56,809
Total non-current liabilities	<u>232,262</u>
Total liabilities	<u>561,276</u>
Deferred Inflows of Resources:	
Pension deferrals	4,697
OPEB deferrals	10,762
Total deferred inflows of resources	<u>15,459</u>
Net Position:	
Net investment in capital assets	5,830,768
Unrestricted	<u>7,332,075</u>
Total net position	<u>\$ 13,162,843</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water Fund</u>
Operating Revenues:	
Charges for services	\$ 3,599,413
Water taps	53,150
Other operating revenues	<u>20,046</u>
Total operating revenues	<u>3,672,609</u>
 Operating Expenses:	
Water operations	3,254,371
Depreciation	<u>379,798</u>
Total operating expenses	<u>3,634,169</u>
 Operating income (loss)	 <u>38,440</u>
 Non-Operating Revenues (Expenses):	
Investment earnings	<u>91,773</u>
Total non-operating revenues (expenses)	<u>91,773</u>
 Income (loss) before transfers	 130,213
 Transfer to other funds	 <u>(100,000)</u>
 Change in net position	 30,213
 Net Position:	
Beginning of year - July 1	<u>13,132,630</u>
 End of year - June 30	 <u><u>\$ 13,162,843</u></u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 3,639,089
Cash paid for goods and services	(2,512,704)
Cash paid to or on behalf of employees	(641,462)
Net cash provided (used) by operating activities	<u>484,923</u>
Cash Flows from Non-Capital Financing Activities:	
Transfers from (to) other funds	<u>(100,000)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	<u>(804,318)</u>
Cash Flows from Investing Activities:	
Investment earnings	<u>91,773</u>
Net increase (decrease) in cash and cash equivalents	(327,622)
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>7,496,365</u>
End of year - June 30	<u><u>\$ 7,168,743</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 38,440</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	379,798
Change in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(1,555)
(Increase) decrease in inventory and other current assets	71,719
(Increase) decrease in due from other governments	(31,965)
(Increase) decrease in deferred outflows of resources for pensions	(48,541)
(Increase) decrease in deferred outflows of resources for OPEB	(4,762)
Increase (decrease) in net pension liability	58,754
Increase (decrease) in OPEB	(7,500)
Increase (decrease) in deferred inflows of resources for pensions	(1,265)
Increase (decrease) in deferred inflows of resources for OPEB	7,773
Increase (decrease) in accounts payable and accrued liabilities	21,058
Increase (decrease) in customer deposits	1,334
Increase (decrease) in compensated absences payable	1,635
Total adjustments	<u>446,483</u>
Net cash provided (used) by operating activities	<u><u>\$ 484,923</u></u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2019

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 74,594
Accounts receivable	<u>17,048</u>
Total assets	<u>\$ 91,642</u>
Liabilities:	
Miscellaneous liabilities	\$ 22,160
Intergovernmental payable	<u>69,482</u>
Total liabilities	<u>\$ 91,642</u>

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies

The accounting policies of Caldwell County, North Carolina, (government) and its component units conform to generally accepted accounting principles (GAAP) 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 generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

The Caldwell County Industrial Facilities and Pollution Control Financing Authority (the "Authority") was created for the purpose of the aiding industrial and manufacturing facilities with financing for pollution control equipment.

The Economic Development Commission of Caldwell County is a commission appointed by the County Commissioners to promote economic development in Caldwell County and its municipalities. The Authority and the Economic Development Commission have no financial transactions or account balances; therefore, they are not presented in the basic financial statements.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Caldwell County Industrial Facilities and Pollution Control Authority	Discrete	The Authority is governed by a nine-member Board that is appointed by the County Commissioners. They can remove any member with or without cause.	None issued
Economic Development Commission of Caldwell County	Discrete	The Economic Development Commission's Board members are appointed by the County Commissioners. They can remove any member with or without cause.	None issued

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

B. 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 (the County) and its component units. 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. 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 (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for education, human services, public safety, economic and physical development, environmental protection, cultural and recreational projects, and general governmental services.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Sales Tax Reinvestment Fund. This fund accounts for contributions of a portion of sales tax revenues from five municipalities to be used for the common good of the County and its citizens, primarily for economic development purposes.

Public Schools Capital Project Fund. This fund is used to track the costs associated with the renovations of existing schools.

General Capital Projects Fund. This fund is used to track the costs associated with various County projects.

The County reports the following major enterprise fund:

Water Fund. This fund accounts for the operation, maintenance, and capital improvements to the County's water system.

The County reports the following fiduciary fund types:

Agency Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Tax Collector Fund, which accounts for ad valorem property taxes that are billed and collected by the County for municipalities within the County; the Inmate Trust Fund, which accounts for monies held for prisoners at the Caldwell County jail; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Caldwell County Board of Education; and the Deed of Trust Fund, which accounts for the \$5 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.

Nonmajor Funds. The County maintains four legally budgeted nonmajor funds. The Fire District Fund, Rescue Fund, and the Emergency Telephone System Fund are reported as nonmajor special revenue funds. The Schools Capital Project Fund – Sales Tax is reported as a nonmajor capital project fund.

C. Measurement Focus and 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, except for the agency funds, which have no measurement focus. The government-wide, proprietary, 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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation 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 general 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 governmental funds. Proceeds of general long-term debt and acquisitions under capital leases 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. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because, generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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 is 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.

D. Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General Fund, the Sales Tax Reinvestment Fund, the Fire Districts Fund, the Rescue Fund, the Emergency Telephone System Special Revenue Fund, the School Capital Project Fund – Sales Tax, and the Water Operations Enterprise Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Public Schools Capital Project Fund, General Capital Project Fund and the Water Capital Project Fund.

All budgets are prepared using the modified accrual basis of accounting. The annual budget is approved by the Board at the department level. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. The County Manager and/or the Finance Director may make transfers of appropriations within a department.

Their authority is subject to the following limitations:

- Any transfer that results in the creation of additional staff positions requires approval by the Board of Commissioners.
- Any transfer that obligates additional federal, state, or local funds requires approval by the Board of Commissioners.
- Any transfer that results in the initiation of a new program or policy requires approval by the Board of Commissioners.
- Department heads or their designees may adjust line items within departmental budgets subject to the approval of the County Manager or his designee.
- Interdepartmental transfers shall be presented to the Board of Commissioners for recognition prior to the end of the fiscal year.

During the year, several amendments to the original budget were necessary. 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

E. 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 and depreciation lives.

F. 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 carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 government money market fund, and the NCCMT Term Portfolio's securities are valued at fair value.

Cash and Cash Equivalents

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The federal asset forfeiture and state controlled substance funds are also classified as restricted assets because their use is restricted for future law enforcement expenditures. The unexpended debt proceeds in the Public Schools and General Capital Project Funds are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued.

Governmental Activities:

General Fund:

Federal Asset Forfeiture funds	\$ 42,479
State Controlled Substance funds	<u>246,547</u>
Total General Fund	289,026

Public Schools Capital Project Fund:

Unexpended debt proceeds	11,062,316
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General Capital Projects Fund:

Unexpended debt proceeds	<u>3,048,719</u>
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Total governmental activities	14,400,061
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Business-Type Activities:

Water Fund:

Customer deposits	<u>97,964</u>
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Total restricted cash	<u><u>\$ 14,498,025</u></u>
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Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies and collects ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due 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, 2018. As allowed by state law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Allowance 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

The inventories of the County are valued at cost, which approximates market, using the first-in, first-out method. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's Enterprise Fund consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's Enterprise Fund is recorded as an expense as it is consumed or sold.

Capital Assets

Purchased or constructed assets are reported at historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' life are not capitalized.

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Improvements	25 years
Furniture and equipment	5 years
Vehicles	5 years
Computer equipment	5 years

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Deferred Outflows and 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 position 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 and OPEB related deferrals.

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 position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, property taxes receivable, ambulance receivable, and pension and OPEB related deferrals.

Long-Term Obligations

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

In the fund financial statements for governmental fund-types, the face amount of debt issued is reported as other financing sources.

Compensated Absences

The 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 the leave is earned. Compensated absences of the County have typically been liquidated in the governmental funds and are accounted for on the LIFO basis, assuming that employees are taking leave time as it is earned. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

The sick leave policy of the County provides 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 none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or 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 inventories, which are not spendable resources.

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

Restricted for Stabilization for State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

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 (Adoption) – portion of fund balance restricted by revenue source to enhance and expand adoption programs, secure permanent homes for hard to place children, and encourage partnerships between public and private agencies to secure permanency for children; also, to help provide adoption services such as recruitment, pre-adoption training, post placement support, and facilitation of legal procedures.

Restricted for Education – portion of fund balance restricted by revenue source to be used to support public education.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Restricted fund balance at June 30, 2019 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Public Schools Capital Project Fund</u>	<u>General Capital Project Fund</u>	<u>Other Governmental Funds</u>
Restricted, All Other:				
Register of Deeds	\$ 29,544	\$ -	\$ -	\$ -
Human Services (Adoption)	161,760	-	-	-
Public safety	289,026	-	3,048,719	574,631
Education	-	11,062,316	-	20,846
Total	<u>\$ 480,330</u>	<u>\$ 11,062,316</u>	<u>\$ 3,048,719</u>	<u>\$ 595,477</u>

Restricted fund balance/net position on Exhibit A varies from Exhibit C by the register of deeds pension plan calculation for full accrual purposes of \$142,391 and unspent debt proceeds of \$14,111,035 for a net difference of \$13,968,644 at June 30, 2019.

Committed Fund Balance. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board 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 Future Capital Projects – portion of fund balance budgeted by the Board to be used for future capital projects.

Committed fund balance at June 30, 2019 is as follows:

<u>Purpose</u>	<u>General Capital Project Fund</u>
Future capital projects	<u>\$ 1,874,217</u>

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that Caldwell County intends to use for specific purposes. The County's governing body has the 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 to make certain modifications utilizing a contingency line item without requiring Board approval.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Assigned for Economic Development – portion of fund balance budgeted by the Board for economic development incentives and projects.

Assigned fund balance at June 30, 2019 is as follows:

Purpose	General	Other
	Fund	Governmental Funds
Subsequent year's expenditures	\$ 6,402,933	\$ 2,000,000
Economic development	-	2,455,646
Total	<u>\$ 6,402,933</u>	<u>\$ 4,455,646</u>

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Caldwell County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and/or 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 Officer 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.

The County has not officially adopted a fund balance policy.

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	\$ 14,092,453
Less:	
Inventories	(70,027)
Stabilization by state statute	<u>(4,237,296)</u>
Fund balance available for appropriation	<u>\$ 9,785,130</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Defined Benefit Cost-Sharing 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 Register of Deeds' Supplemental Pension Plan (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 for all plans are reported at fair value.

2. 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 agents in its name. 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 its agents in the County's name. 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 on 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. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2019, the County's deposits had a carrying amount of \$22,430,404 and a bank balance of \$23,757,874. Of the bank balance, \$250,000 was covered by federal depository insurance and \$23,507,874 was covered by collateral held under the Pooling Method.

At June 30, 2019, the County had \$23,747 cash on hand.

Investments

As of June 30, 2019, the County's investment balances were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 15,456,812	N/A	N/A	N/A	AAAm
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	2,533,657	2,533,657	-	0.11 years	Unrated
Total investments		<u>\$ 17,990,469</u>	<u>\$ 2,533,657</u>	<u>\$ -</u>		

*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

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.

Interest Rate Risk. The County has no formal investment policy regarding interest rate risk.

Credit Risk. The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2019.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Property Tax – Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forest land may be taxed at present-use value as opposed to market value. When the property loses its eligibility for use-valuation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with 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.

Year			
Levied	Tax	Interest	Total
2016	\$ 1,484,417	\$ 222,663	\$ 1,707,080
2017	1,531,579	153,158	1,684,737
2018	1,552,243	77,612	1,629,855
2019	1,613,685	-	1,613,685
Total	<u>\$ 6,181,924</u>	<u>\$ 453,433</u>	<u>\$ 6,635,357</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General property taxes	\$ -	\$ 5,558,814	\$ -	\$ 5,558,814
Allowance for doubtful accounts	-	(3,350,100)	-	(3,350,100)
Fire district taxes	-	549,936	-	549,936
Allowance for doubtful accounts	-	(329,834)	-	(329,834)
Rescue squad taxes	-	42,433	-	42,433
Allowance for doubtful accounts	-	(32,699)	-	(32,699)
Total	<u>-</u>	<u>2,438,550</u>	<u>-</u>	<u>2,438,550</u>
 Ambulance receivables	 10,107,798	 -	 -	 10,107,798
Allowance for doubtful accounts	(9,492,436)	-	-	(9,492,436)
Sales tax receivable	2,845,610	-	-	2,845,610
DSS 1571 receivable	845,769	-	-	845,769
Other receivables	796,036	-	356,592	1,152,628
Sales tax refund	<u>-</u>	<u>-</u>	<u>283,563</u>	<u>283,563</u>
Total governmental activities	<u>\$ 5,102,777</u>	<u>\$ 2,438,550</u>	<u>\$ 640,155</u>	<u>\$ 8,181,482</u>
 Business-Type Activities:				
Water	\$ 802,726	\$ -	\$ -	\$ 802,726
Allowance for doubtful accounts	(315,419)	-	-	(315,419)
Sales tax refund	<u>-</u>	<u>-</u>	<u>49,761</u>	<u>49,761</u>
Total business-type activities	<u>\$ 487,307</u>	<u>\$ -</u>	<u>\$ 49,761</u>	<u>\$ 537,068</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 7,618,971	\$ 325,998	\$ -	\$ -	\$ 7,944,969
Construction in progress	111,651	143,972	-	-	255,623
Total non-depreciable capital assets	<u>7,730,622</u>	<u>469,970</u>	<u>-</u>	<u>-</u>	<u>8,200,592</u>
Depreciable Capital Assets:					
Buildings	32,328,616	92,794	-	-	32,421,410
Equipment and furniture	13,750,571	722,002	(166,236)	-	14,306,337
Vehicles	6,363,962	1,343,123	(254,633)	43,125	7,495,577
Total depreciable capital assets	<u>52,443,149</u>	<u>2,157,919</u>	<u>(420,869)</u>	<u>43,125</u>	<u>54,223,324</u>
Less Accumulated Depreciation:					
Buildings	13,583,216	728,776	-	-	14,311,992
Equipment and furniture	9,545,675	1,206,446	(156,293)	-	10,595,828
Vehicles	4,502,463	913,953	(237,680)	43,125	5,221,861
Total accumulated depreciation	<u>27,631,354</u>	<u>\$ 2,849,175</u>	<u>\$ (393,973)</u>	<u>\$ 43,125</u>	<u>30,129,681</u>
Total depreciable capital assets, net	<u>24,811,795</u>				<u>24,093,643</u>
Governmental activities capital assets, net	<u>\$ 32,542,417</u>				<u>\$ 32,294,235</u>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 324,077
Public safety	2,008,321
Economic and physical development	2,483
Environmental protection	1,403
Human services	437,524
Cultural and recreational	75,367
Total	<u>\$ 2,849,175</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 20,000	\$ 40,181	\$ -	\$ -	\$ 60,181
Construction in progress	212,857	669,973	-	-	882,830
Total non-depreciable capital assets	<u>232,857</u>	<u>710,154</u>	<u>-</u>	<u>-</u>	<u>943,011</u>
Depreciable Capital Assets:					
Buildings	113,456	60,407	-	-	173,863
Water lines	15,662,184	-	-	-	15,662,184
Water valves	254,907	-	-	-	254,907
Fire hydrants	485,698	-	-	-	485,698
Water meters	423,896	-	-	-	423,896
Other system components	2,754,021	18,346	-	-	2,772,367
Equipment and vehicles	1,494,310	15,411	-	(43,125)	1,466,596
Total depreciable capital assets	<u>21,188,472</u>	<u>94,164</u>	<u>-</u>	<u>(43,125)</u>	<u>21,239,511</u>
Less Accumulated Depreciation:					
Buildings	26,942	3,088	-	-	30,030
Water lines	12,451,240	116,169	-	-	12,567,409
Water valves	234,265	3,716	-	-	237,981
Fire hydrants	357,631	7,662	-	-	365,293
Water meters	375,362	5,406	-	-	380,768
Other system components	1,554,026	63,991	-	-	1,618,017
Equipment and vehicles	1,015,615	179,766	-	(43,125)	1,152,256
Total accumulated depreciation	<u>16,015,081</u>	<u>\$ 379,798</u>	<u>\$ -</u>	<u>\$ (43,125)</u>	<u>16,351,754</u>
Total depreciable capital assets, net	<u>5,173,391</u>				<u>4,887,757</u>
Business-type activities capital assets, net	<u>\$ 5,406,248</u>				<u>\$ 5,830,768</u>

Construction Commitments

The County has active construction projects as of June 30, 2019. At year-end, the County's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Granite Falls Middle School	\$ 2,877,518	\$ 24,422,482
EMS Bases	364,168	2,680,832

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2019 were as follows:

	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 2,486,213	\$ 202,835	\$ 2,689,048
Hospitalization reserve	1,099,713	-	1,099,713
Total	<u>\$ 3,585,926</u>	<u>\$ 202,835</u>	<u>\$ 3,788,761</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's 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 to retire 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

CALDWELL COUNTY, NORTH CAROLINA

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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 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to 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, 2019 was 8.50% of compensation for law enforcement officers and 7.82% for general employees, 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 \$1,866,454 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$8,419,914 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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,

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.35492%, which was a decrease of 0.00393% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,313,818. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,298,993	\$ 43,588
Changes of assumptions	2,234,320	-
Net difference between projected and actual earnings on pension plan investments	1,155,804	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,118	191,268
County contributions subsequent to the measurement date	<u>1,866,454</u>	<u>-</u>
Total	<u><u>\$ 6,559,689</u></u>	<u><u>\$ 234,856</u></u>

\$1,866,454 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2020	\$ 2,190,317
2021	1,406,097
2022	212,132
2023	649,833
2024	-
Thereafter	<u>-</u>
Total	<u><u>\$ 4,458,379</u></u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period ending January 1, 2010 through December 31, 2014.

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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 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	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution 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 benefits 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 7.00%, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 20,225,368</u>	<u>\$ 8,419,914</u>	<u>\$ (1,444,904)</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. The 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, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan member entitled to, but not yet receiving, benefits	-
Active plan members	<u>74</u>
Total	<u><u>80</u></u>

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 criteria which are outlined in GASB Statement 73.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

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

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and, at present, has chosen to fund the benefit payments 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 \$69,823 as benefits came due for the reporting period.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

At June 30, 2019, the County reported a total pension liability of \$1,679,198. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$159,243.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,055	\$ 5,544
Changes of assumptions	63,733	73,438
Benefit payments and plan administrative expense made subsequent to the measurement date	36,232	-
Total	<u>\$ 208,020</u>	<u>\$ 78,982</u>

\$36,232 reported as deferred outflows of resources related to pensions resulting from County 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 ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2020	\$ 19,388
2021	19,388
2022	19,388
2023	21,564
2024	12,651
Thereafter	427
Total	<u>\$ 92,806</u>

\$36,232 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 3.64%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.64%) or one percentage point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	<u>\$ 1,819,912</u>	<u>\$ 1,679,198</u>	<u>\$ 1,552,012</u>

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

	2019
Beginning balance	<u>\$ 1,546,222</u>
Service cost	91,339
Interest on the total pension liability	47,757
Differences between expected and actual experience in the measurement of the total pension liability	129,494
Changes of assumptions or other inputs	(65,791)
Benefit payments	<u>(69,823)</u>
Net changes	<u>132,976</u>
Ending balance of the total pension liability	<u>\$ 1,679,198</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to 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, 2019, were \$210,759, which consisted of \$176,599 from the County and \$34,160 from the law enforcement officers. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 \$5,821 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$113,761 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 0.68684%, which was an increase of 0.01624% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$25,119. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,003	\$ 5,193
Changes of assumptions	5,350	-
Net difference between projected and actual earnings on pension plan investments	18,133	-
Changes in proportion and differences between County contributions and proportionate share of contributions	6,826	3,310
County contributions subsequent to the measurement date	5,821	-
Total	<u>\$ 37,133</u>	<u>\$ 8,503</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$5,821 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 ending June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2020	\$ 14,454
2021	194
2022	5,344
2023	2,817
2024	-
Thereafter	-
Total	<u>\$ 22,809</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 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 3.75%, 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 (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ 89,694</u>	<u>\$ 113,761</u>	<u>\$ 134,057</u>

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 December 31, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. 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>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 8,419,914	\$ 1,679,198	\$ (113,761)	\$ 9,985,351
Proportion of the net pension liability (asset)	0.35492%	NA	-0.68684%	
Total pension liability	-	\$ 1,679,198	-	\$ 1,679,198
Pension expense	\$ 2,313,818	\$ 159,243	\$ 25,119	\$ 2,498,180

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, 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>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,298,993	\$ 108,055	\$ 1,003	\$ 1,408,051
Changes of assumptions	2,234,320	63,733	5,350	2,303,403
Net difference between projected and actual earnings on pension plan investments	1,155,804	-	18,133	1,173,937
Changes in proportion and differences between County contributions and proportionate share of contributions	4,118	-	6,826	10,944
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,866,454</u>	<u>36,232</u>	<u>5,821</u>	<u>1,908,507</u>
Total	<u><u>\$ 6,559,689</u></u>	<u><u>\$ 208,020</u></u>	<u><u>\$ 37,133</u></u>	<u><u>\$ 6,804,842</u></u>

<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 43,588	\$ 5,544	\$ 5,193	\$ 54,325
Changes of assumptions	-	73,438	-	73,438
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>191,268</u>	<u>-</u>	<u>3,310</u>	<u>194,578</u>
Total	<u><u>\$ 234,856</u></u>	<u><u>\$ 78,982</u></u>	<u><u>\$ 8,503</u></u>	<u><u>\$ 322,341</u></u>

Other Post-Employment Benefits – Healthcare Benefits

Plan Description. The County (by local ordinance) provides post-employment healthcare benefits to retirees of the County as a single-employer, defined, benefit plan, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least thirty years of creditable service with the County. The County pays 50% of the cost of coverage for these benefits through private insurers until the retiree reaches the age for Medicare eligibility. Also, the County's retirees can purchase coverage for their dependents at the County's group rates if that dependent was previously covered at the time of retirement. New dependents cannot be added after retirement. The County Commissioners may amend the benefit provisions. 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Membership of the Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	18
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>531</u>
Total	<u><u>549</u></u>

Funding Policy. The County pays 50% of the cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Board. The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

Total OPEB Liability

The County's total OPEB liability of \$2,840,433 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50%-7.75%, including wage inflation
Discount rate	3.89 percent
Healthcare cost trend rates	Pre-Medicare - 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	\$ 3,215,442
Changes for the year:	
Service cost	163,077
Interest	110,381
Differences between expected and actual experience	(450,313)
Changes of assumptions or other inputs	33,594
Benefit payments	(231,748)
Net changes	(375,009)
Balance at June 30, 2019	\$ 2,840,433

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%.

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, 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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	<u>\$ 3,112,810</u>	<u>\$ 2,840,433</u>	<u>\$ 2,599,466</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:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 2,551,473</u>	<u>\$ 2,840,433</u>	<u>\$ 3,188,207</u>

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$216,263. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,855	\$ 405,146
Changes of assumptions	30,224	132,961
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>208,946</u>	<u>-</u>
Total	<u>\$ 248,025</u>	<u>\$ 538,107</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$208,946 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 OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Total
2020	\$ (57,195)
2021	(57,195)
2022	(57,195)
2023	(57,195)
2024	(57,195)
Thereafter	(213,053)
Total	<u>\$ (499,028)</u>

Other Employment Benefits

In addition to providing pension benefits, the County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 but will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Closure and Post-Closure Care Costs – Landfill Facility

Federal and state laws and regulations require the County to place a final cover on its Mt. Herman Landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although 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 based on landfill capacity used as of each balance sheet date. The \$173,647 reported as landfill closure and post-closure care liability at June 30, 2019 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the old landfill that is subject to these regulations. These amounts are based on what it would cost to perform all closure and post-closure care in 1998. The County closed the landfill on April 1, 1998. Actual closure and post-closure costs may be higher due to inflation, changes in technology, or changes in regulations. As actual cost of closure and post-closure are incurred, they will be recognized as expenditures and reductions of the accrued liability.

The County built a new landfill in 1998. Republic Industries operates the landfill in accordance with all regulations and will dispose of all residential waste within the County. All closure and post-closure costs will be assumed by Republic Industries.

The County is required by federal and state laws and regulations to demonstrate financial assurance for the required closure, post-closure, and corrective action. Financial assurance may be demonstrated by one of the several prescribed methods. The County has chosen to use the Local Government Financial Test method. Under this method, the local government must annually satisfy each of four components: 1) show financial health by means of financial ratios or bond rating indicators, 2) meet an operating deficit requirement, 3) not be in default on any outstanding general obligation debt or any long-term obligations, and 4) not have outstanding general obligation bonds rated lower than investment grade. The County is in compliance with the four requirements of the Local Government Financial Test.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 6,804,842
OPEB deferrals	248,025
Total	<u>\$ 7,052,867</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Taxes receivable, net (General Fund and Special Revenue Fund)	\$ 2,438,550
Prepaid taxes	30,442
Ambulance receivables, net (General Fund)	295,216
OPEB deferrals	538,107
Pension deferrals	322,341
Total	<u>\$ 3,624,656</u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtains property coverage through SIA Insurance Services, Inc. equal to replacement cost values of owned property subject to a limit of \$51,164,934 for any one occurrence; general, auto, professional, and employment practices liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; and crime coverage of \$250,000 per occurrence. The County is insured for its health insurance with the State Health Plan and is fully insured for its workers' compensation insurance with the North Carolina County Commissioners' Association.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The County does not carry flood insurance.

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 are performance bonded through a commercial surety bond. The Finance Director and Tax Administrator are each covered with a \$50,000 bond. The Register of Deeds and the Sheriff are both covered by a \$10,000 bond. All employees who have access to cash are covered by a blanket bond of \$250,000. This blanket bond also covers the Finance Director, Register of Deeds, Tax Administrator, and Sheriff.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Contingent Liabilities

At June 30, 2019, 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

Operating Leases

The County is committed under various operating leases for building space and equipment. These operating leases can be canceled with proper notice. For the year ended June 30, 2019, lease expenditures totaled \$93,930. The following is a schedule of future minimum rental payments required under these leases:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2020	\$ 86,755
2021	45,007
2022	3,425
2023	<u>1,172</u>
Total minimum payments required	<u>\$ 136,359</u>

Capital Leases

The County has entered into an agreement to lease certain vehicles. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of its inception.

The lease agreement was executed on August 1, 2014 for the lease of various public safety vehicles and requires five annual payments of \$249,562 plus interest of 1.58%. Under the agreement, titles pass to the County at the end of the lease term.

At June 30, 2019, the County leased vehicles and equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Vehicles	<u>\$ 1,254,401</u>	<u>\$ 1,121,199</u>	<u>\$ 133,202</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending	Total
June 30	
2020	\$ 253,505
Total minimum lease payments	253,505
Less: amount representing interest	(3,943)
Present value of the minimum lease payments	\$ 249,562

Installment Purchases

As authorized by state law (G.S. 160A-20 and 153A-158.1), the County financed various property and equipment acquisitions by installment purchase.

As authorized by state law (G.S. 160A-20 and 153A-158.1), the County has entered into two installment financing agreements for school renovations and improvements for Caldwell County schools. These installment purchases were issued pursuant to deeds of trust that require legal title remain with the County as long as the debt is outstanding. The County entered into leases with the Board of Education of Caldwell County that transfers the rights and responsibilities for maintenance and insurance of the properties to the Board of Education. These leases call for nominal annual lease payments and contain a bargain purchase option. The lease terms are the same as the installment purchase obligations. Due to the economic substance of these transitions, the capital assets associated with the installment purchase obligations are recorded by the Board of Education.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Installment purchase contracts at June 30, 2019 are comprised of the following:

Serviced by the County's General Fund:

\$676,415 for expansion of the Mental Health Facility, financed for 30 years at 0% interest and due in monthly installments	\$ 647,526
\$5,950,000 financing for the construction of the ASU Center facility on the campus of CCC&TI, due in annual installments of \$326,100 through July 2012; annual payment increases to \$542,568, including interest at 3.5%, through July 2025	3,201,593
\$16,300,000 contract for the Early College facility on the campus of CCC&TI, upgrade to emergency communications system to include new towers, new equipment, renovations to the Courthouse and the County offices building, financed for 20 years at 3.075% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)	6,863,158
\$12,500,000 for a new facility on the government campus adjacent to the existing Sheriff's Department building to house both the Department of Social Services and the Health Department, financed for 20 years at 3.431% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)	5,263,158
\$2,971,361 Qualified School Construction Bonds for the addition of new classrooms at Sawmills Elementary School and Hudson Elementary School, financed for 14 years at 2.17% interest, due in annual installments through December 2024	1,188,544
\$2,248,500 for the replacement of HVAC systems at Davenport, Hudson and Gamewell schools; funded by BB&T through the federal stimulus program's QSCB loan program with an effective interest rate of zero; payments due annually through 2025	1,049,300
\$1,280,000 for Caldwell EDC Properties, LLC for purchase of Whisenant property for economic development; financed for 10 years at 4.00% interest, due in annual installments through July 2020; 2/3 is payable by the County and 1/3 is payable by the Town of Granite Falls through an interlocal agreement	192,028
\$1,264,000 59 month financing to purchase capital outlay consisting of vehicles and other equipment. Financed at an interest rate of 1.60% through September of 2022	1,019,000

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$1,457,000 59 month financing to purchase capital outlay consisting of ambulances and other emergency response vehicles. Financed at an interest rate of 2.79% through September of 2023	1,457,000
\$12,300,000 borrowing to renovate and build additions to Granite Falls Middle School. Financed at an interest rate of 3.04% through April 2034	12,300,000
\$3,045,000 borrowing to construct two EMS bases in the city of Lenoir. Financed at an interest rate of 2.83% through June 2034	3,045,000
\$14,500,000 borrowing to construct new middle school to replace the old facility that housed William Lenoir Middle School. Fifteen year term with interest rate fixed at 2.81% for the first ten years with a variable rate for the final five with a cap of 9%	<u>10,472,000</u>
Total serviced by the General Fund	<u>\$ 46,698,307</u>

The County's outstanding note from direct placements related to governmental activities of \$647,526 is secured by a deed of trust on the mental health facility located on Morganton Boulevard. Upon the failure to pay or make timely payments, the outstanding principal is due and all leases and rents of residential units are assigned to NCHFA. Upon default, interest on the loan increases to 10% and the lender can enforce its security interest in the mortgaged property, including initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$3,201,593 is secured by a deed of trust on the building on the campus of the community college referred to as the ASU center. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$6,863,158 is secured by a deed of trust on the County's court house building and by the facility on the campus of Caldwell Community College and Technical Institute referred to as the Early College. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged properties, which includes initiating foreclosure proceedings.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding note from direct placements related to governmental activities of \$5,263,158 is secured by a deed of trust on the county owned building referred to as the Health and Human Services Building located off Morganton Boulevard in Lenoir, NC. Upon the failure to pay or make timely payments or the failure to budget / appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$1,188,544 is secured by a deed of trust on Sawmills Elementary School. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$1,049,300 is secured by a deed of trust on Gamewell Middle School. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$1,288,041 is secured by a deed of trust on the Whisenant property (vacant land located near Highway 321 off of New Farm Road).

The County's outstanding note from direct placements related to governmental activities of \$1,019,000 is secured by a security interest in various vehicles and equipment. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service, failure to perform any term, condition or covenant for a period of 30 days after written notice, or an attachment, levy or execution is levied on or against any of the vehicles or equipment, the outstanding principal is due. Upon default, interest on the loan increases by 4.00% and the lender can sell, lease or sublease the vehicles and equipment.

The County's outstanding note from direct placements related to governmental activities of \$1,457,000 is secured by a security interest in various vehicles and equipment. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and interest are due. Upon default, the lender will take possession of the vehicles and equipment securing the loan and the County will relinquish all rights to the vehicles and equipment.

The County's outstanding note from direct placements related to governmental activities of \$12,300,000 is secured by a deed of trust on Granite Falls Middle School. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service or the removal of the appropriation from the budget, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$3,045,000 is secured by a deed of trust on two emergency medical services buildings. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

service or the removal of the appropriation from the budget, the outstanding principal and accrued interest are due. Upon default, interest on the loan increases by 4.00% and the lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$10,472,000 is secured by a deed of trust on William Lenoir Middle School. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service or the removal of the appropriation from the budget, the outstanding principal and accrued interest are due. Upon default, interest on the loan increases by 4.00% and the lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

Annual debt service requirements to maturity for the County's direct placement installment purchases are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 4,198,062	\$ 1,095,917
2021	5,094,252	1,016,540
2022	5,013,925	899,426
2023	5,030,725	786,120
2024	4,782,740	672,651
2025-2029	16,726,117	3,135,319
2030-2034	5,505,020	486,543
2035-2039	115,822	-
2040-2044	115,822	-
2045-2049	115,822	-
Total	<u>\$ 46,698,307</u>	<u>\$ 8,092,516</u>

At June 30, 2019, the County had a legal debt margin of approximately \$515,278,000.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>Portion of</u>
					<u>Balance</u>
Governmental Activities:					
Notes from direct placements	\$ 33,600,402	\$ 16,802,000	\$ 3,704,095	\$ 46,698,307	\$ 4,198,062
Capitalized leases	499,124	-	249,562	249,562	249,562
Compensated absences	1,215,719	2,203,590	2,139,090	1,280,219	1,024,175
Total OPEB liability	3,151,133	-	367,509	2,783,624	-
Accrued post-closure care	224,263	4,934	55,550	173,647	-
Net pension liability (LGERS)	5,372,587	2,878,928	-	8,251,515	-
Total pension obligation (LEOSSA)	<u>1,546,222</u>	<u>268,590</u>	<u>135,614</u>	<u>1,679,198</u>	<u>-</u>
Total governmental activities	<u>\$ 45,609,450</u>	<u>\$ 22,158,042</u>	<u>\$ 6,651,420</u>	<u>\$ 61,116,072</u>	<u>\$ 5,471,799</u>
Business-Type Activities:					
Compensated absences	\$ 33,634	\$ 62,430	\$ 60,795	\$ 35,269	\$ 28,215
Total OPEB liability	64,309	-	7,500	56,809	-
Net pension liability (LGERS)	<u>109,645</u>	<u>58,754</u>	<u>-</u>	<u>168,399</u>	<u>-</u>
Total business-type activities	<u>\$ 207,588</u>	<u>\$ 121,184</u>	<u>\$ 68,295</u>	<u>\$ 260,477</u>	<u>\$ 28,215</u>

Compensated absences and net pension obligation typically have been liquidated in the General Fund and the Enterprise Fund. OPEB typically has been liquidated in the General Fund. Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Net Investment in Capital Assets

Net investment in capital assets at June 30, 2019 is computed as follows:

Capital assets, net of accumulated depreciation	<u>\$ 32,294,235</u>
Less capital debt:	
Gross debt	46,947,869
Less:	
School & EDC debt related to assets to which the County does not hold title	<u>(31,972,307)</u>
Net capital debt	<u>14,975,562</u>
Net investment in capital assets	<u>\$ 17,318,673</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Conduit Debt Obligations

The Authority has previously issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds were secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2019, are summarized below.

From	To	Amount	Purpose
General Fund	General Capital Projects Fund	\$ 350,000	For EMS base project
General Fund	General Capital Projects Fund	100,000	Animal shelter project architect fees
General Fund	General Capital Projects Fund	56,200	Construction of new inmate release area at jail
General Capital Projects Fund	General Fund	669,276	Use of sales tax article 44*524 funds for additional SRO's at County schools
General Capital Projects Fund	Public Schools Capital Project Fund	10,000	Escrow funds for land purchase
Sales Tax Reinvestment Fund	General Fund	350,000	Funding for new EMS base projects debt service
Water Fund	General Capital Projects Fund	100,000	Groundwater monitor funds for old landfill site
Water Fund	Water Tanks Capital Project Fund	200,000	Temple Hill water tank capital project
Water Fund	Water Tanks Capital Project Fund	<u>1,400,000</u>	Collettesville water tank capital project
Total		<u>\$ 3,235,476</u>	

3. Joint Ventures

The County, in conjunction with the State of North Carolina, the Caldwell County Board of Education, and the Board of Commissioners of Watauga County, participates in a joint venture to operate Caldwell Community College. The County, the Board of Education, and the Governor each appoint four members of the fifteen-member Board of Trustees of the Community College. The Board of Commissioners of Watauga County appoints two members, and the President of the Community College's student government association serves as an ex-officio, non-voting member. The Community College is included as a component unit in the financial statements of the State of North Carolina.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County has an ongoing statutory responsibility to provide funding for the facilities of the Community College. This responsibility is fulfilled by means of an annual appropriation covering plant operations and maintenance, capital outlay, and some operating expenses. In addition, the County periodically issues general obligation bonds and installment purchase debt to provide financing for new and restructured facilities. As of June 30, 2019, \$6,792,397 of debt issued for this purpose was still outstanding.

The County contributed \$3,518,619 for operating and capital purposes during the fiscal year ended June 30, 2019. In addition, the County made debt service payments of \$1,039,324 during the fiscal year on installment purchase debt issued for community college capital facilities.

The participating governments do not have any equity interest in the Community College; therefore, no equity interest has been reflected in these financial statements. Complete financial statements for the Community College may be obtained at the College's administrative offices on Highway 321, Hudson, North Carolina.

4. Jointly Governed Organizations

The Western Piedmont Council of Governments (the "Council") was established in November 1968 by the County in conjunction with three other counties and twenty-three municipalities. Each participating government appoints one member to the Council's governing board. The Council's financing is derived from voluntary annual dues paid by member governments and from federal and state grants. The County paid dues of \$26,175 to the Council during the fiscal year ended June 30, 2019.

The Region E Development Corporation (the "Corporation") was founded in 1982 by the Commissioners of the four counties of the Unifour Area. It serves as the access point for small businesses to obtain financing under the U.S. Small Business Administration's 504 Loan Program. Six of the twenty-five members of the Corporation are appointed by the Caldwell County Board of Commissioners. The County does not provide any regular appropriation of funds for the Corporation.

Blue Ridge Community Action, Inc. (the "BRCA") is a private, non-profit, tax-exempt organization, which operates various programs providing aid and services to economically disadvantaged, handicapped, and elderly persons. BRCA is supported primarily by federal and state grants and appropriations from local governments. It is governed by a Board of Directors representing the County Commissions of Caldwell County and Burke County, local civic organizations, and communities with a high incidence of poverty. The Caldwell County Board of Commissioners appoints three of the eighteen members of the Board of Directors. For the year ended June 30, 2019, the County provided \$13,473 to support the home delivered meals program.

Foothills Regional Airport Authority was established by Caldwell County in conjunction with one other county and two municipalities. Each participating government appoints two members to the authority's governing board. Each government funds the authority in equal amounts. For the fiscal year ended June 30, 2019, Caldwell County contributed \$47,137.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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.

6. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several 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. Based upon prior experience, 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.



REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- **Other Post-Employment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios**
- **Law Enforcement Officers’ Special Separation Allowance – Schedule of Changes in Total Pension Liability**
- **Law Enforcement Officers’ Special Separation Allowance – Schedule of Total Pension Liability as a Percentage of Covered Payroll**
- **Local Governmental Employees’ Retirement System – Proportionate Share of Net Pension Liability (Asset)**
- **Local Governmental Employees’ Retirement System – Contributions**
- **Register of Deeds’ Supplemental Pension Fund – Proportionate Share of Net Pension Liability (Asset)**
- **Register of Deeds’ Supplemental Pension Fund – Contributions**



CALDWELL COUNTY, NORTH CAROLINA**OTHER POST-EMPLOYMENT BENEFITS****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****LAST TWO FISCAL YEARS**

Other Post-Employment Benefits		
	2019	2018
Service cost	\$ 163,077	\$ 178,535
Interest	110,381	96,162
Differences between expected and actual experience	(450,313)	11,053
Changes of assumptions or other inputs	33,594	(165,955)
Benefit payments	(231,748)	(196,737)
Net change in total OPEB liability	(375,009)	(76,942)
Total OPEB liability - beginning	3,215,442	3,292,384
Total OPEB liability - ending	<u>\$ 2,840,433</u>	<u>\$ 3,215,442</u>
Covered payroll	\$ 19,511,954	\$ 19,582,380
Total OPEB liability as a percentage of covered payroll	14.56%	16.42%

Notes to the Required Schedules:

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:

Fiscal Year	Rate
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.

CALDWELL COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAST THREE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Beginning balance	\$ 1,546,222	\$ 1,391,989	\$ 1,338,948
Service cost	91,339	75,166	78,498
Interest on the total pension liability	47,757	52,578	47,113
Differences between expected and actual experience in the measurement of the total pension liability	129,494	(8,216)	-
Changes of assumptions or other inputs	(65,791)	94,447	(34,077)
Benefit payments	(69,823)	(59,742)	(38,493)
Ending balance of the total pension liability	<u>\$ 1,679,198</u>	<u>\$ 1,546,222</u>	<u>\$ 1,391,989</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.

CALDWELL COUNTY, NORTH CAROLINA**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL****LAST THREE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Total pension liability	\$ 1,679,198	\$ 1,546,222	\$ 1,391,989
Covered payroll	3,226,682	3,020,106	2,924,773
Total pension liability as a percentage of covered payroll	52.04%	51.20%	47.59%

Notes to the Schedules:

Caldwell 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.

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS***

	Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015	2014
Caldwell County's proportion of the net pension liability (asset) (%)	0.35492%	0.35885%	0.36841%	0.35415%	0.34861%	0.34430%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ 8,419,914	\$ 5,482,232	\$ 7,818,892	\$ 1,589,402	\$ (2,055,915)	\$ 4,150,137
Caldwell County's covered payroll	\$ 22,049,890	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605	\$ 17,879,977
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.19%	25.70%	37.31%	7.93%	(10.64%)	23.21%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	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 ended 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.

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

Local Governmental Employees' Retirement System						
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,866,454	\$ 1,685,322	\$ 1,583,959	\$ 1,426,692	\$ 1,423,076	\$ 1,366,046
Contributions in relation to the contractually required contribution	<u>1,866,454</u>	<u>1,685,322</u>	<u>1,583,959</u>	<u>1,426,692</u>	<u>1,423,076</u>	<u>1,366,046</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Caldwell County's covered payroll	\$ 23,639,579	\$ 22,049,890	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605
Contributions as a percentage of covered payroll	7.90%	7.64%	7.43%	6.81%	7.10%	7.07%

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

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund						
	2019	2018	2017	2016	2015	2014
Caldwell County's proportion of the net pension liability (asset) (%)	0.68684%	0.67060%	0.75778%	0.72118%	0.76574%	0.68111%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ (113,761)	\$ (114,465)	\$ (141,675)	\$ (167,130)	\$ (173,562)	\$ (145,485)
Caldwell County's covered payroll	\$ 73,271	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441	\$ 66,963
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-155.26%	-157.37%	-198.77%	-239.29%	-253.59%	-217.26%
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	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.

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund						
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,821	\$ 5,878	\$ 5,827	\$ 6,191	\$ 5,771	\$ 6,252
Contributions in relation to the contractually required contribution	5,821	5,878	5,827	6,191	5,771	6,252
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caldwell County's covered payroll	\$ 73,271	\$ 73,271	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441
Contributions as a percentage of covered payroll	7.94%	8.02%	8.01%	8.69%	8.26%	9.13%

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



THE GENERAL FUND

The General Fund accounts for resources traditionally associated with the government that are not required legally or by sound fiscal management to be accounted for in other funds.



CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 42,674,200	\$ 45,059,775	\$ 2,385,575
Local Option Sales Tax:			
Article 39 one percent	2,850,000	3,283,199	433,199
Article 40 one-half of one percent	3,000,000	3,264,155	264,155
Article 42 one-half of one percent	250,000	353,019	103,019
Article 44 one-half of one percent	-	102	102
Total	6,100,000	6,900,475	800,475
Other Taxes and Licenses:			
Real estate transfer tax	165,000	257,011	92,011
Local occupancy tax	130,000	139,971	9,971
Scrap tire tax	118,000	115,330	(2,670)
White goods tax	39,000	33,431	(5,569)
Schedule B licenses	3,000	2,665	(335)
Gross receipts tax	3,000	4,195	1,195
Total	458,000	552,603	94,603
Unrestricted Intergovernmental:			
Payment in lieu of taxes	120,000	130,586	10,586
State hold-harmless reimbursement	-	286,945	286,945
Cable franchise tax	395,000	365,487	(29,513)
Soft cost reimbursement	40,869	41,662	793
EDC occupancy tax	12,000	34,135	22,135
Total	567,869	858,815	290,946
Restricted Intergovernmental:			
Federal and state aid - health	2,608,184	2,544,060	(64,124)
Federal and state aid - social services	9,458,328	9,112,143	(346,185)
Federal and state aid - law enforcement	498,981	525,899	26,918
Federal and state aid - library	135,509	136,805	1,296
Federal and state aid - miscellaneous	505,295	462,122	(43,173)
Federal and state aid - JCPC	211,117	211,117	-
Federal and state aid - ambulance	260,180	443,889	183,709
Federal and state shared - controlled substance	5,000	42,929	37,929
Court facility fees	125,000	108,554	(16,446)
ABC revenue	16,000	16,741	741
Total	13,823,594	13,604,259	(219,335)

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Permits and Fees:			
Inspection department	250,000	367,855	117,855
Marriage license	12,000	10,007	(1,993)
Environmental fees	62,000	95,803	33,803
Civil fees	115,000	107,312	(7,688)
Weapons permits	139,000	146,015	7,015
Register of Deeds	330,000	314,069	(15,931)
Miscellaneous	3,000	10,393	7,393
Total	911,000	1,051,454	140,454
Sales and Services:			
Ambulance fees	2,960,623	2,650,856	(309,767)
Animal control	42,000	47,346	5,346
Jail fees	500,000	387,429	(112,571)
Jail commissary	50,000	148,427	98,427
Sheriff collection fees	1,000	1,216	216
Health Department fees	165,000	208,025	43,025
Household fees	675,000	727,590	52,590
Republic host fees	850,000	905,880	55,880
Library fines and fees	15,000	36,616	21,616
Collection fees - special tax districts and towns	15,000	15,223	223
Miscellaneous	120,004	134,976	14,972
Total	5,393,627	5,263,584	(130,043)
Investment Earnings	10,000	217,183	207,183
Miscellaneous:			
Contributions	116,000	120,519	4,519
Other	168,910	225,935	57,025
Total	284,910	346,454	61,544
Total revenues	70,223,200	73,854,602	3,631,402
Expenditures:			
General Government:			
Administration:			
Salaries and benefits	374,738	372,302	
Operating expenditures	204,412	190,207	
Total	579,150	562,509	16,641

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Board of Elections:			
Salaries and benefits	180,244	181,089	
Operating expenditures	215,214	169,799	
Capital outlay	194,729	184,618	
Total	<u>590,187</u>	<u>535,506</u>	<u>54,681</u>
Register of Deeds:			
Salaries and benefits	366,628	361,675	
Operating expenditures	145,900	118,462	
Total	<u>512,528</u>	<u>480,137</u>	<u>32,391</u>
Finance:			
Salaries and benefits	396,451	396,439	
Operating expenditures	87,094	76,379	
Capital outlay	38,000	25,548	
Total	<u>521,545</u>	<u>498,366</u>	<u>23,179</u>
Information Services:			
Salaries and benefits	493,135	493,152	
Operating expenditures	515,002	446,691	
Capital outlay	287,123	215,698	
Total	<u>1,295,260</u>	<u>1,155,541</u>	<u>139,719</u>
Scanning:			
Salaries and benefits	111,293	110,843	
Operating expenditures	22,000	6,831	
Total	<u>133,293</u>	<u>117,674</u>	<u>15,619</u>
Tax Administrator:			
Salaries and benefits	563,223	562,820	
Operating expenditures	390,832	337,045	
Total	<u>954,055</u>	<u>899,865</u>	<u>54,190</u>
Revaluation:			
Salaries and benefits	234,610	232,194	
Operating expenditures	69,343	42,466	
Total	<u>303,953</u>	<u>274,660</u>	<u>29,293</u>

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Public Information:			
Salaries and benefits	107,309	104,289	
Operating expenditures	55,856	14,226	
Total	163,165	118,515	44,650
Building Maintenance:			
Salaries and benefits	380,204	377,292	
Operating expenditures	606,585	582,118	
Capital outlay	293,142	226,509	
Total	1,279,931	1,185,919	94,012
Land Records:			
Salaries and benefits	129,722	129,328	
Operating expenditures	42,100	36,303	
Total	171,822	165,631	6,191
Human Resources:			
Salaries and benefits	1,309,193	1,131,902	
Operating expenditures	533,111	469,292	
Capital outlay	21,878	15,971	
Total	1,864,182	1,617,165	247,017
Veterans Administration:			
Salaries and benefits	111,336	110,082	
Operating expenditures	12,655	5,727	
Total	123,991	115,809	8,182
Special Services:			
Law Library - courthouse	4,880	-	4,880
Institute of Government	8,620	8,620	-
Western Piedmont Council of Governments	26,175	26,175	-
Retiree health insurance	390	-	390
Administrative expenses	(161,316)	(161,316)	-
Community Service Program	6,000	6,000	-
Total	(115,251)	(120,521)	5,270
Total general government	8,377,811	7,606,776	771,035

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Public Safety:			
Animal Control:			
Salaries and benefits	386,826	375,891	
Operating expenditures	191,860	152,304	
Capital outlay	30,981	25,895	
Total	609,667	554,090	55,577
Sheriff's Department:			
Salaries and benefits	385,604	352,724	
Operating expenditures	438,000	361,771	
Total	823,604	714,495	109,109
Patrol Division:			
Salaries and benefits	1,878,314	1,878,934	
Operating expenditures	394,444	353,772	
Capital outlay	517,011	470,581	
Total	2,789,769	2,703,287	86,482
Investigative Division:			
Salaries and benefits	1,086,574	1,076,852	
Operating expenditures	139,898	127,695	
Total	1,226,472	1,204,547	21,925
Support Division:			
Salaries and benefits	646,637	644,911	
Operating expenditures	134,000	127,669	
Total	780,637	772,580	8,057
Reserve Division:			
Salaries and benefits	37,547	34,522	
Operating expenditures	2,500	1,826	
Total	40,047	36,348	3,699
County Jail and Building:			
Salaries and benefits	2,253,823	2,227,506	
Operating expenditures	1,434,620	1,358,647	
Capital outlay	53,507	50,708	
Total	3,741,950	3,636,861	105,089

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
School Resource Officer:			
Salaries and benefits	733,056	729,255	
Operating expenditures	136,302	128,958	
Capital outlay	261,000	252,982	
Total	<u>1,130,358</u>	<u>1,111,195</u>	<u>19,163</u>
Emergency Medical Services:			
Salaries and benefits	4,621,656	4,612,636	
Operating expenditures	1,002,320	966,951	
Capital outlay	347,516	342,984	
Total	<u>5,971,492</u>	<u>5,922,571</u>	<u>48,921</u>
Emergency Management:			
Salaries and benefits	125,004	117,429	
Operating expenditures	221,696	138,680	
Capital outlay	55,977	55,921	
Total	<u>402,677</u>	<u>312,030</u>	<u>90,647</u>
Fire Marshal:			
Salaries and benefits	235,084	230,400	
Operating expenditures	93,134	86,363	
Capital outlay	51,716	49,439	
Total	<u>379,934</u>	<u>366,202</u>	<u>13,732</u>
Communications Center:			
Salaries and benefits	1,074,641	1,069,974	
Operating expenditures	441,392	411,825	
Total	<u>1,516,033</u>	<u>1,481,799</u>	<u>34,234</u>
Special Services:			
Court reform expense	4,062	4,062	-
Crime Stoppers	3,600	3,600	-
COOP Plan	2,800	-	2,800
PILT sharing	38,326	38,326	-
Forest contract - NC State	79,883	73,987	5,896
Total	<u>128,671</u>	<u>119,975</u>	<u>8,696</u>
Total public safety	<u>19,541,311</u>	<u>18,935,980</u>	<u>605,331</u>

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Environmental Protection:			
Convenience Center:			
Salaries and benefits	201,340	198,436	
Operating expenditures	372,250	314,233	
Capital outlay	65,796	-	
Total	639,386	512,669	126,717
Total environmental protection	639,386	512,669	126,717
Economic and Physical Development:			
Planning and Development:			
Salaries and benefits	147,698	145,094	
Operating expenditures	168,085	103,684	
Capital outlay	21,039	21,039	
Total	336,822	269,817	67,005
Building Inspection:			
Salaries and benefits	332,072	331,109	
Operating expenditures	53,150	41,755	
Total	385,222	372,864	12,358
Cooperative Extension:			
Salaries and benefits	16,883	16,889	
Operating expenditures	191,803	173,980	
Total	208,686	190,869	17,817
Soil and Water Conservation:			
Salaries and benefits	100,752	97,038	
Operating expenditures	27,334	27,041	
Total	128,086	124,079	4,007
Economic Development:			
Salaries and benefits	125,305	116,765	
Operating expenditures	5,863,400	5,829,444	
Total	5,988,705	5,946,209	42,496

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Special Services:			
Occupancy tax expenditures	130,000	139,971	
Caldwell Railroad Commission	3,754	-	
Foothills Regional Airport Authority	67,016	50,079	
Total	<u>200,770</u>	<u>190,050</u>	<u>10,720</u>
 Total economic and physical development	 <u>7,248,291</u>	 <u>7,093,888</u>	 <u>154,403</u>
 Human Services:			
Human Services Building:			
Salaries and benefits	106,277	105,883	
Operating expenditures	<u>191,200</u>	<u>178,158</u>	
Total	<u>297,477</u>	<u>284,041</u>	<u>13,436</u>
 Health:			
Health Support:			
Salaries and benefits	373,940	367,918	
Operating expenditures	<u>237,368</u>	<u>184,114</u>	
Total	<u>611,308</u>	<u>552,032</u>	<u>59,276</u>
 Environmental Health:			
Salaries and benefits	318,801	313,791	
Operating expenditures	35,381	24,077	
Capital outlay	<u>20,215</u>	<u>19,782</u>	
Total	<u>374,397</u>	<u>357,650</u>	<u>16,747</u>
 Women's Health:			
Salaries and benefits	430,153	433,542	
Operating expenditures	<u>57,150</u>	<u>48,968</u>	
Total	<u>487,303</u>	<u>482,510</u>	<u>4,793</u>
 Child Health:			
Salaries and benefits	746,633	745,673	
Operating expenditures	<u>45,248</u>	<u>33,377</u>	
Total	<u>791,881</u>	<u>779,050</u>	<u>12,831</u>

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Dental Health:			
Salaries and benefits	259,403	259,301	
Operating expenditures	172,416	124,221	
Capital outlay	34,298	49,126	
Total	466,117	432,648	33,469
Clinic:			
Salaries and benefits	1,317,616	1,321,572	
Operating expenditures	358,735	305,880	
Capital outlay	6,464	6,464	
Total	1,682,815	1,633,916	48,899
Women, Infants, and Children:			
Salaries and benefits	326,574	311,402	
Operating expenditures	38,461	34,056	
Total	365,035	345,458	19,577
Primary Care Center:			
Operating expenditures	7,000	-	
Total	7,000	-	7,000
Total health	4,785,856	4,583,264	202,592
Social Services:			
Administration:			
Salaries and benefits	8,216,728	8,200,862	
Operating expenditures	655,100	560,509	
Capital outlay	72,436	72,433	
Total	8,944,264	8,833,804	110,460
Public Assistance:			
Adult resources	865,992	701,744	
Child resources	3,262,000	2,818,250	
Temporary resources	914,749	845,748	
Medicaid	65,000	5,187	
Total	5,107,741	4,370,929	736,812
Total social services	14,052,005	13,204,733	847,272

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Medical examiner	80,000	60,750	19,250
Mental health	120,138	120,879	(741)
Sheltered home	8,500	8,500	-
Council on Adolescent Health	12,000	12,000	-
Food for the Elderly	13,473	13,473	-
Senior Center	5,000	5,000	-
Adolescent Substance Abuse	27,319	27,319	-
Psychological services	19,832	19,832	-
Youthful Sex Offender Services	33,500	33,500	-
Juvenile Justice Intervention	195	195	-
Parents and Adolescents	14,843	14,843	-
Miscellaneous CBA expenditures	12,006	11,566	440
Caldwell House	6,000	6,000	-
Project Challenge	65,098	65,098	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	21,733	21,733	-
Rural Planning Organization	30,000	30,000	-
Western Piedmont Regional Transit Authority	64,046	64,046	-
Robin's Nest	10,000	10,000	-
Caldwell Friends	10,669	10,669	-
Total	<u>561,852</u>	<u>542,903</u>	<u>18,949</u>
Total human services	<u>19,697,190</u>	<u>18,614,941</u>	<u>1,082,249</u>
Cultural and Recreational:			
Library:			
Salaries and benefits	926,915	933,738	
Operating expenditures	268,609	259,819	
Capital outlay	22,985	22,985	
Total	<u>1,218,509</u>	<u>1,216,542</u>	<u>1,967</u>
Library Buildings:			
Operating expenditures	<u>30,900</u>	<u>27,383</u>	
Total	<u>30,900</u>	<u>27,383</u>	<u>3,517</u>
County Parks and Recreation:			
Wilson's Creek Center	<u>48,441</u>	<u>37,175</u>	
Total	<u>48,441</u>	<u>37,175</u>	<u>11,266</u>

CALDWELL COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Over/Under
Special Services:			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
Baton Ruritan Park	8,000	8,000	-
Dudley Shoals Park	5,000	5,000	-
Oak Hill Park	9,628	9,628	-
Collettsville Park	18,114	18,114	-
North Catawba Optimist Park	14,500	14,500	-
Kings Creek Community Athletic	1,500	1,500	-
Gamewell Optimist Club	3,500	3,500	-
Special Olympics	2,500	2,500	-
Fort Defiance	3,500	3,500	-
Total	<u>70,242</u>	<u>70,242</u>	<u>-</u>
Total cultural and recreational	<u>1,368,092</u>	<u>1,351,342</u>	<u>16,750</u>
Education:			
Public Schools:			
Current expense	<u>14,922,265</u>	<u>14,922,265</u>	
Total	<u>14,922,265</u>	<u>14,922,265</u>	<u>-</u>
Community College:			
Current expense	3,373,619	3,365,512	
Capital outlay	<u>180,000</u>	<u>180,000</u>	
Total	<u>3,553,619</u>	<u>3,545,512</u>	<u>8,107</u>
Education Foundation	<u>11,520</u>	<u>11,520</u>	<u>-</u>
Kids at Work	<u>54,359</u>	<u>54,359</u>	<u>-</u>
Communities in Schools	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total education	<u>18,574,763</u>	<u>18,566,656</u>	<u>8,107</u>
Debt Service:			
Principal retirement	2,531,900	2,538,666	(6,766)
Interest and fees	<u>473,644</u>	<u>465,350</u>	<u>8,294</u>
Total debt service	<u>3,005,544</u>	<u>3,004,016</u>	<u>1,528</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Contingency	<u>33,867</u>	<u>-</u>	<u>33,867</u>
Total expenditures	<u>78,486,255</u>	<u>75,686,268</u>	<u>2,799,987</u>
Revenues over (under) expenditures	<u>(8,263,055)</u>	<u>(1,831,666)</u>	<u>6,431,389</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	1,557,919	1,457,000	(100,919)
Transfers:			
Transfers from other funds	1,019,276	1,019,276	-
Transfers to other funds	(506,200)	(506,200)	-
Proceeds from sale of capital assets	25,570	63,209	37,639
Appropriated fund balance	<u>6,166,490</u>	<u>-</u>	<u>(6,166,490)</u>
Total other financing sources (uses)	<u>8,263,055</u>	<u>2,033,285</u>	<u>(6,229,770)</u>
Net change in fund balance	<u>\$ -</u>	201,619	<u>\$ 201,619</u>
Fund Balance:			
Beginning of year - July 1		<u>13,890,834</u>	
End of year - June 30		<u>\$ 14,092,453</u>	

PUBLIC SCHOOLS CAPITAL PROJECT FUND

This fund is used to track the costs associated with the renovations of existing schools.



CALDWELL COUNTY, NORTH CAROLINA**PUBLIC SCHOOLS CAPITAL PROJECT FUND - MAJOR FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

	Actual		
Project Authorization	Prior Years	Current Year	Total To Date
Revenues:			
Restricted intergovernmental:			
ADM funds	\$ 405,691	\$ 234,440	\$ 138,000
Public school lottery funds	20,137,925	4,391,672	677,486
Investment earnings	1,799	7,078	66,087
Total revenues	20,545,415	4,633,190	881,573
Expenditures:			
Capital outlay:			
Education:			
Granite Falls Middle School:			
Construction	25,693,418	-	1,578,158
Lower Creek Elementary School:			
Land	10,000	-	10,000
Sawmills Elementary improvements:			
Design fees	1,906,582	-	1,299,360
William Lenoir Middle improvements:			
Equipment and construction	14,452,861	14,415,512	-
School improvements - ADM	405,691	234,440	138,000
School improvements - lottery	5,137,925	4,391,672	677,486
Debt service:			
Interest and fees	100,000	75,575	-
Total expenditures	47,706,477	19,117,199	3,703,004
Revenues over (under) expenditures	(27,161,062)	(14,484,009)	(2,821,431)
Other Financing Sources (Uses):			
Installment purchase financing issued	26,800,000	14,546,908	12,300,000
Appropriated fund balance	51,062	-	-
Transfers:			
Transfers from other funds	310,000	300,000	10,000
Total other financing sources (uses)	27,161,062	14,846,908	12,310,000
Net change in fund balance	\$ -	\$ 362,899	\$ 9,488,569

CALDWELL COUNTY, NORTH CAROLINA**GENERAL CAPITAL PROJECT FUND - MAJOR FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Local option sales tax	\$ 1,807,276	\$ 1,833,308	\$ 1,117,495	\$ 2,950,803
Investment earnings	-	4,588	26,887	31,475
Miscellaneous revenue	-	18,502	2,423	20,925
Total revenues	<u>1,807,276</u>	<u>1,856,398</u>	<u>1,146,805</u>	<u>3,003,203</u>
Expenditures:				
Capital outlay:				
Public safety:				
Sheriff	101,200	-	30,884	30,884
EMS base renovations	3,394,999	248,610	123,246	371,856
Animal shelter	100,000	-	20,726	20,726
Human services:				
HHS Building Road Project	491,835	146,185	325,998	472,183
Environmental protection:				
Groundwater monitoring	359,947	156,230	55,550	211,780
Economic and physical development:				
Capital accumulation	<u>988,450</u>	<u>259,788</u>	<u>31,293</u>	<u>291,081</u>
Education:				
Community college capital outlay	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>350,000</u>
Total expenditures	<u>5,786,431</u>	<u>810,813</u>	<u>937,697</u>	<u>1,748,510</u>
Revenues over (under) expenditures	<u>(3,979,155)</u>	<u>1,045,585</u>	<u>209,108</u>	<u>1,254,693</u>
Other Financing Sources (Uses) :				
Installment purchase financing issued	3,045,000	-	3,045,000	3,045,000
Appropriated fund balance	32,462	-	-	-
Transfers from other funds	1,580,969	974,769	606,200	1,580,969
Transfers to other funds	<u>(679,276)</u>	<u>-</u>	<u>(679,276)</u>	<u>(679,276)</u>
Total other financing sources (uses)	<u>3,979,155</u>	<u>974,769</u>	<u>2,971,924</u>	<u>3,946,693</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,020,354</u>	<u>\$ 3,181,032</u>	<u>\$ 5,201,386</u>

SALES TAX REINVESTMENT FUND

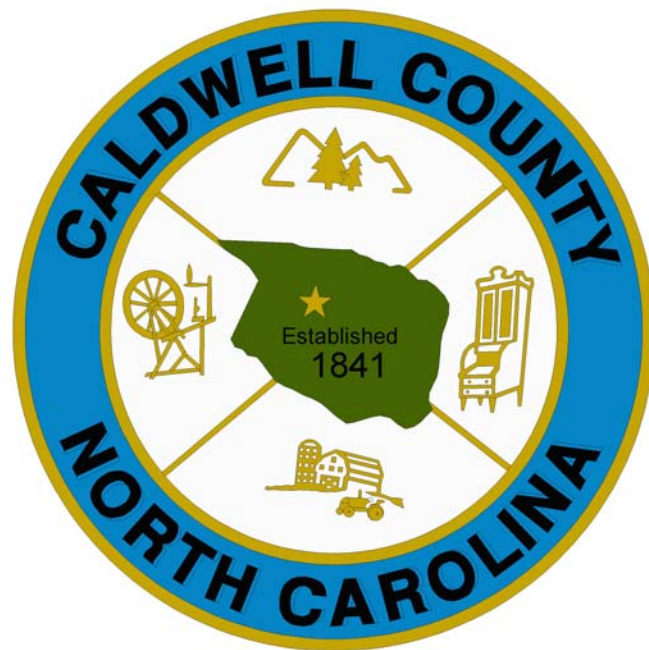
This fund accounts for contributions of a portion of sales tax revenues from five municipalities to be used for the common good of the County and its citizens, primarily for economic development purposes.



CALDWELL COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - SALES TAX REINVESTMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental:			
Local municipalities	\$ 600,000	\$ 600,000	\$ -
Other unrestricted revenue	-	20,000	20,000
Restricted intergovernmental	-	38,025	38,025
Investment earnings	-	53,639	53,639
Total revenues	<u>600,000</u>	<u>711,664</u>	<u>111,664</u>
Expenditures:			
Economic development:			
Economic development incentive	2,250,000	306,542	1,943,458
Grant expenditures	-	38,025	(38,025)
Total	<u>2,250,000</u>	<u>344,567</u>	<u>1,905,433</u>
Total expenditures	<u>2,250,000</u>	<u>344,567</u>	<u>1,905,433</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>367,097</u>	<u>2,017,097</u>
Other Financing Sources (Uses):			
Transfers:			
Transfers to other funds	(350,000)	(350,000)	-
Appropriated fund balance	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>(350,000)</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>17,097</u>	<u>\$ 17,097</u>
Fund Balance:			
Beginning of year - July 1		<u>4,438,549</u>	
End of year - June 30		<u>\$ 4,455,646</u>	



COMBINING STATEMENTS FOR NONMAJOR FUNDS



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

	Special Revenue Fund (Schedule D-1)	Capital Project Fund	Total Nonmajor Governmental Funds (Exhibit C)
Assets:			
Cash and cash equivalents	\$ 588,093	\$ 20,846	\$ 608,939
Taxes receivable - net	229,836	-	229,836
Accounts receivable	35,885	883,887	919,772
Due from other governments	12,198	-	12,198
Total assets	<u>\$ 866,012</u>	<u>\$ 904,733</u>	<u>\$ 1,770,745</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 39,204	\$ -	\$ 39,204
Total liabilities	<u>39,204</u>	<u>-</u>	<u>39,204</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>229,836</u>	<u>-</u>	<u>229,836</u>
Total deferred inflows of resources	<u>229,836</u>	<u>-</u>	<u>229,836</u>
Fund Balances:			
Restricted:			
Stabilization for state statute	48,083	883,887	931,970
Restricted, all other	574,631	20,846	595,477
Unassigned	<u>(25,742)</u>	<u>-</u>	<u>(25,742)</u>
Total fund balances	<u>596,972</u>	<u>904,733</u>	<u>1,501,705</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 866,012</u>	<u>\$ 904,733</u>	<u>\$ 1,770,745</u>

CALDWELL COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Fund (Schedule D-2)	Capital Project Fund (Schedule E-1)	Total Nonmajor Governmental Funds (Exhibit D)
Revenues:			
Ad valorem taxes	\$ 4,141,264	\$ -	\$ 4,141,264
Local option sales tax	-	3,559,209	3,559,209
Restricted intergovernmental	430,622	-	430,622
Investment earnings	<u>6,675</u>	<u>-</u>	<u>6,675</u>
Total revenues	<u>4,578,561</u>	<u>3,559,209</u>	<u>8,137,770</u>
Expenditures:			
Current:			
Public safety	4,410,171	-	4,410,171
Education	-	1,725,636	1,725,636
Debt service:			
Principal retirement	-	1,414,991	1,414,991
Interest and fees	<u>-</u>	<u>355,214</u>	<u>355,214</u>
Total expenditures	<u>4,410,171</u>	<u>3,495,841</u>	<u>7,906,012</u>
Net change in fund balances	168,390	63,368	231,758
Fund Balances:			
Beginning of the year - July 1	<u>428,582</u>	<u>841,365</u>	<u>1,269,947</u>
End of year - June 30	<u><u>\$ 596,972</u></u>	<u><u>\$ 904,733</u></u>	<u><u>\$ 1,501,705</u></u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

Fire District Fund – accounts for the ad valorem tax levies for the fire districts.

Rescue Fund – accounts for the ad valorem tax levies for the rescue readiness tax.

Emergency Telephone System Fund – accounts for collection of monies to provide enhanced 911 services.



CALDWELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2019

	Fire Districts Fund	Rescue Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 31,987	\$ 84,528	\$ 471,578	\$ 588,093
Taxes receivable - net	220,102	9,734	-	229,836
Accounts receivable	-	-	35,885	35,885
Due from other governments	-	-	12,198	12,198
Total assets	<u>\$ 252,089</u>	<u>\$ 94,262</u>	<u>\$ 519,661</u>	<u>\$ 866,012</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 32,850	\$ -	\$ 6,354	\$ 39,204
Total liabilities	<u>32,850</u>	<u>-</u>	<u>6,354</u>	<u>39,204</u>
Deferred Inflows of Resources:				
Property taxes receivable	<u>220,102</u>	<u>9,734</u>	<u>-</u>	<u>229,836</u>
Total deferred inflows of resources	<u>220,102</u>	<u>9,734</u>	<u>-</u>	<u>229,836</u>
Fund Balances:				
Restricted:				
Stabilization for state statute	-	-	48,083	48,083
Restricted, all other	-	109,407	465,224	574,631
Assigned	-	-	-	-
Unassigned	<u>(863)</u>	<u>(24,879)</u>	<u>-</u>	<u>(25,742)</u>
Total fund balances	<u>(863)</u>	<u>84,528</u>	<u>513,307</u>	<u>596,972</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 252,089</u>	<u>\$ 94,262</u>	<u>\$ 519,661</u>	<u>\$ 866,012</u>

CALDWELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Fire Districts Fund	Rescue Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ 4,141,264	\$ -	\$ -	\$ 4,141,264
Restricted intergovernmental	-	-	430,622	430,622
Investment earnings	1,881	-	4,794	6,675
Total revenues	<u>4,143,145</u>	<u>-</u>	<u>435,416</u>	<u>4,578,561</u>
Expenditures:				
Public safety	<u>4,143,589</u>	<u>-</u>	<u>266,582</u>	<u>4,410,171</u>
Total expenditures	<u>4,143,589</u>	<u>-</u>	<u>266,582</u>	<u>4,410,171</u>
Net change in fund balances	(444)	-	168,834	168,390
Fund Balances:				
Beginning of year - July 1	<u>(419)</u>	<u>84,528</u>	<u>344,473</u>	<u>428,582</u>
End of year - June 30	<u>\$ (863)</u>	<u>\$ 84,528</u>	<u>\$ 513,307</u>	<u>\$ 596,972</u>

CALDWELL COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - FIRE DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 4,252,446	\$ 4,141,264	\$ (111,182)
Investment earnings	525	1,881	1,356
Total revenues	<u>4,252,971</u>	<u>4,143,145</u>	<u>(109,826)</u>
Expenditures:			
Public safety:			
Bethlehem Fire District	12,612	8,736	3,876
Blowing Rock Fire District	191,644	191,282	362
Collettsville Fire District	297,356	288,650	8,706
Gamewell Fire District	405,580	384,292	21,288
Grace Chapel Fire District	473,300	463,365	9,935
Granite Falls Fire District	103,673	100,548	3,125
Gunpowder Fire District	588,070	575,580	12,490
Kings Creek Fire District	196,019	190,810	5,209
Little River Fire District	230,612	220,345	10,267
North Catawba Fire District	788,405	774,822	13,583
Patterson Fire District	251,479	245,056	6,423
Sawmills Fire District	417,822	414,778	3,044
Valmead Fire District	180,303	174,227	6,076
Yadkin Fire District	116,096	111,098	4,998
Total expenditures	<u>4,252,971</u>	<u>4,143,589</u>	<u>109,382</u>
Net change in fund balance	<u>\$ -</u>	(444)	<u>\$ (444)</u>
Fund Balance:			
Beginning of year - July 1		<u>(419)</u>	
End of year - June 30		<u>\$ (863)</u>	

CALDWELL COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
911 funds	\$ 405,552	\$ 430,622	\$ 25,070
Investment earnings	-	4,794	4,794
Total revenues	<u>405,552</u>	<u>435,416</u>	<u>29,864</u>
Expenditures:			
Public safety:			
Implemental functions	10,000	3,254	6,746
Telephone	110,000	80,675	29,325
Software maintenance	25,000	12,650	12,350
Hardware maintenance	225,000	157,969	67,031
Training	8,000	4,493	3,507
Capital outlay	27,552	7,541	20,011
Total expenditures	<u>405,552</u>	<u>266,582</u>	<u>138,970</u>
Net change in fund balance	<u>\$ -</u>	168,834	<u>\$ 168,834</u>
Fund Balance:			
Beginning of year - July 1		<u>344,473</u>	
End of year - June 30		<u>\$ 513,307</u>	

NONMAJOR CAPITAL PROJECT FUND

Capital project funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.

Schools Capital Project Fund – Sales Tax - This fund is used to account for the portion of the sales tax that is received by the County but is restricted to the use of public school system capital needs.



CALDWELL COUNTY, NORTH CAROLINA**SCHOOLS CAPITAL PROJECT FUND - SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Local option sales tax	\$ 3,345,000	\$ 3,559,209	\$ 214,209
Restricted intergovernmental revenues:			
Public school lottery	378,081	-	(378,081)
Total revenues	<u>3,723,081</u>	<u>3,559,209</u>	<u>(163,872)</u>
Expenditures:			
Capital outlay:			
Education:			
School improvements - sales tax	1,954,255	1,725,636	228,619
Debt service:			
Principal retirement	1,415,000	1,414,991	9
Interest and fees	353,826	355,214	(1,388)
Total expenditures	<u>3,723,081</u>	<u>3,495,841</u>	<u>227,240</u>
Net change in fund balance	<u>\$ -</u>	63,368	<u>\$ 63,368</u>
Fund Balance:			
Beginning of year - July 1		<u>841,365</u>	
End of year - June 30		<u>\$ 904,733</u>	



ENTERPRISE FUND

Enterprise funds account for operations that are financed and operated in a manner similar to a business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

The sole enterprise fund operated by Caldwell County is its Water Fund. This fund provides water lines to various areas of the County where municipal water lines are not available. The water is purchased from municipalities and then carried via lines owned by the County to its various customers. The operations of this fund are financed entirely from user fees; no local tax dollars are necessary to operate the Water Fund.

Water Tanks Capital Project Fund - This fund has two purposes. The first is the upgrading of existing water meters to “radio read” meters that allow for readings to be taken without staff having to exit a vehicle or record any numbers. This will speed up the meter reading process and save staff time resulting in a cost savings over the long-term. This portion has been completed. The second purpose is to upgrade our existing water system infrastructure. The county had a hydraulic study performed which identified areas that need improvement in order to maintain water quality and water pressure. One of the key parts of this is to add an additional storage tank to the system. This project is funded entirely with existing funds generated by the water operations fund. The design and permitting process for one of the new tanks has been completed. The county anticipates seeking construction bids in the near future.



CALDWELL COUNTY, NORTH CAROLINA

WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,538,000	\$ 3,599,413	\$ 61,413
Reconnection fees	25,000	16,547	(8,453)
Water taps	45,000	53,150	8,150
Other operating revenues	5,000	3,499	(1,501)
Total operating revenues	<u>3,613,000</u>	<u>3,672,609</u>	<u>59,609</u>
Non-operating revenues:			
Investment earnings	<u>3,000</u>	<u>73,371</u>	<u>70,371</u>
Total non-operating revenues	<u>3,000</u>	<u>73,371</u>	<u>70,371</u>
Total revenues	<u>3,616,000</u>	<u>3,745,980</u>	<u>129,980</u>
Expenditures:			
Operating expenses:			
Water purchases		1,385,288	
Salaries		489,396	
Employee benefits		149,212	
Travel and training		3,608	
Contractual services		51,862	
Repairs and maintenance		34,620	
Other operating expenditures		1,137,561	
Capital outlay		134,345	
Total operating expenses	<u>3,999,904</u>	<u>3,385,892</u>	<u>614,012</u>
Total expenditures	<u>3,999,904</u>	<u>3,385,892</u>	<u>614,012</u>
Revenues over (under) expenditures	<u>(383,904)</u>	<u>360,088</u>	<u>743,992</u>

CALDWELL COUNTY, NORTH CAROLINA

WATER FUND

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers:			
Transfers to other funds	(100,000)	(100,000)	-
Intrafund transfers from (to) water capital projects	(1,600,000)	(1,600,000)	-
Appropriated fund balance	2,083,904	-	(2,083,904)
Total other financing sources (uses)	<u>383,904</u>	<u>(1,700,000)</u>	<u>(2,083,904)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,339,912)</u>	<u>\$ (1,339,912)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Intrafund transfers - capital projects		1,600,000	
Depreciation		(379,798)	
Change in net pension liability		(58,754)	
Change in deferred outflows of resources - pension		48,541	
Change in deferred inflows of resources - pension		1,265	
Change in deferred outflows of resources - OPEB		4,762	
Change in deferred inflows of resources - OPEB		(7,773)	
Change in OPEB liability		7,500	
Change in compensated absences		1,635	
Capital outlay		134,345	
Water Capital Project Fund activities:			
Capital project expenditures (total)		(669,973)	
Capital project items capitalized to capital assets		669,973	
Investment earnings		<u>18,402</u>	
Change in net position		<u>\$ 30,213</u>	

CALDWELL COUNTY, NORTH CAROLINA

WATER TANKS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Investment earnings	\$ -	\$ 3,588	\$ 18,402	\$ 21,990
Total revenues	-	3,588	18,402	21,990
Expenditures:				
Water projects:				
Engineering	200,000	-	-	-
Construction	2,612,000	203,357	669,973	873,330
Maintenance supplies	410,000	400,000	-	400,000
Total expenditures	3,222,000	603,357	669,973	1,273,330
Revenues over (under) expenditures	(3,222,000)	(599,769)	(651,571)	(1,251,340)
Other Financing Sources (Uses) :				
Transfer (to) from Water Fund	3,222,000	1,622,000	1,600,000	3,222,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,022,231	\$ 948,429	\$ 1,970,660



AGENCY FUNDS

(Fiduciary Fund Types)

Trust funds are used to account for assets held by the County in a trustee capacity. Agency funds are used to account for assets held by the County as agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds:

Social Services Fund – accounts for monies held by the Social Services department for the benefit of certain individuals in the County.

Tax Collector Fund – accounts for ad valorem property taxes that are billed and collected by the County for a municipality within the County.

Inmate Trust Fund – accounts for monies held for prisoners at the Caldwell County Jail.

Fines and Forfeitures Fund – accounts for various legal fines and forfeitures that the County is required to remit to the Caldwell County Board of Education

Deed of Trust Fund – accounts for the \$5 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.

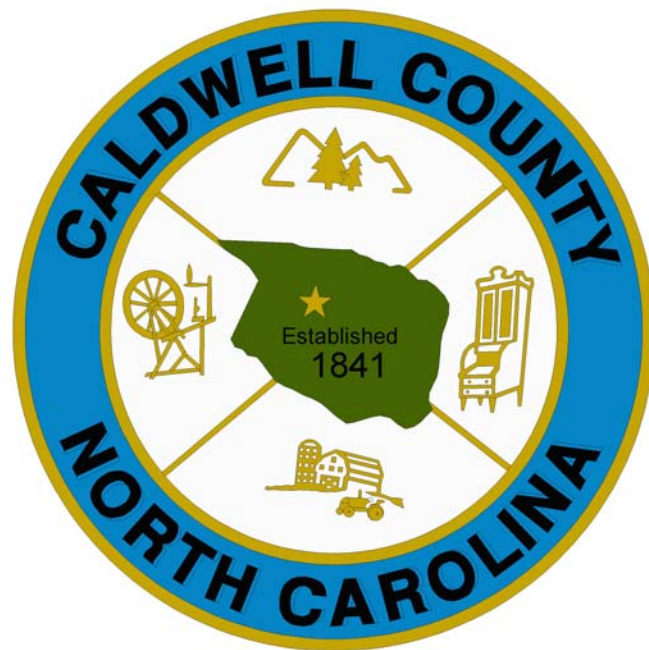


CALDWELL COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 43,465	\$ 112,675	\$ 133,980	\$ 22,160
Liabilities:				
Miscellaneous liabilities	\$ 43,465	\$ 112,675	\$ 133,980	\$ 22,160
Tax Collector Fund:				
Assets:				
Cash and cash equivalents	\$ 3,455	\$ 1,936,955	\$ 1,934,422	\$ 5,988
Accounts receivable	5,691	4,661	5,692	4,660
Total assets	\$ 9,146	\$ 1,941,616	\$ 1,940,114	\$ 10,648
Liabilities:				
Intergovernmental payable	\$ 9,146	\$ 1,941,616	\$ 1,940,114	\$ 10,648
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 42,226	\$ 378,992	\$ 374,772	\$ 46,446
Liabilities:				
Intergovernmental payable	\$ 42,226	\$ 378,992	\$ 374,772	\$ 46,446
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 275,534	\$ 275,534	\$ -
Accounts receivable	26,198	12,388	26,198	12,388
Total assets	\$ 26,198	\$ 287,922	\$ 301,732	\$ 12,388
Liabilities:				
Intergovernmental payable - State of NC	\$ -	\$ 275,534	\$ 275,534	\$ -
Intergovernmental payable	26,198	12,388	26,198	12,388
Total liabilities	\$ 26,198	\$ 287,922	\$ 301,732	\$ 12,388
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 337,230	\$ 337,230	\$ -
Liabilities:				
Intergovernmental payable - State of NC	\$ -	\$ 337,230	\$ 337,230	\$ -
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 89,146	\$ 3,041,386	\$ 3,055,938	\$ 74,594
Accounts receivable	31,889	17,049	31,890	17,048
Total assets	\$ 121,035	\$ 3,058,435	\$ 3,087,828	\$ 91,642
Liabilities:				
Miscellaneous liabilities	\$ 43,465	\$ 112,675	\$ 133,980	\$ 22,160
Intergovernmental payables	77,570	2,945,760	2,953,848	69,482
Total liabilities	\$ 121,035	\$ 3,058,435	\$ 3,087,828	\$ 91,642



OTHER SCHEDULES

This section contains additional information on property taxes.

- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**



CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2019

Fiscal Year	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 44,376,434	\$ 42,876,647	1,499,787
2017-2018	1,644,621	-	689,445	955,176
2016-2017	1,076,200	-	355,871	720,329
2015-2016	805,275	-	240,754	564,521
2014-2015	585,086	-	162,661	422,425
2013-2014	570,963	-	200,980	369,983
2012-2013	447,875	-	113,124	334,751
2011-2012	366,689	-	73,140	293,549
2010-2011	304,310	-	77,845	226,465
2009-2010	237,018	-	65,190	171,828
2008-2009	179,072	-	179,072	-
Total	<u>\$ 6,217,109</u>	<u>\$ 44,376,434</u>	<u>\$ 45,034,729</u>	5,558,814
Allowance for doubtful receivables				<u>(3,350,100)</u>
Ad valorem taxes receivable - net				<u>\$ 2,208,714</u>
Reconciliation with Revenues:				
Ad valorem taxes				\$ 45,059,775
Reconciling items:				
Interest collected				(666,318)
Discounts and adjustments allowed				487,942
Miscellaneous adjustments				(8,516)
Amount written off for tax year 2008-2009, per Statute of Limitations				159,580
Amount written off for tax year 2012-2013, per Statute of Limitations (vehicles)				<u>2,266</u>
Total collections and credits				<u>\$ 45,034,729</u>

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2019

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at:					
Current year's rate	\$ 6,799,274,193	\$ 0.6300	\$ 42,936,611	\$ 38,927,370	\$ 4,009,241
Total	<u>6,799,274,193</u>		<u>42,936,611</u>	<u>38,927,370</u>	<u>4,009,241</u>
Discoveries:					
Current year taxes	<u>228,543,257</u>		<u>1,439,823</u>	<u>1,439,823</u>	<u>-</u>
Total	<u>228,543,257</u>		<u>1,439,823</u>	<u>1,439,823</u>	<u>-</u>
Total property valuation	<u>\$ 7,027,817,450</u>				
Net Levy			44,376,434	40,367,193	4,009,241
Uncollected tax at June 30, 2019			<u>1,499,787</u>	<u>1,499,787</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 42,876,647</u>	<u>\$ 38,867,406</u>	<u>\$ 4,009,241</u>
Current Levy Collection Percentage			<u>96.62%</u>	<u>96.28%</u>	<u>100.00%</u>

CALDWELL COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2019****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	<u>100%</u>
Real property	\$ 5,091,030,467
Personal property	<u>1,936,786,983</u>
Total assessed valuation	<u>\$ 7,027,817,450</u>
Tax rate per \$100 (2)	<u>\$ 0.6300</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 44,376,434</u>

In addition to the County-wide rate, the County levies taxes on behalf of several fire districts and the Rescue Squad Association:

Fire Districts	\$ 3,134,779
Rescue Squad Association	<u>-</u>
Total	<u>\$ 3,134,779</u>

(1) Percentage of appraised value has been established by statute.

(2) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.

(3) The levy includes interest and penalties.

CALDWELL COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND UNSPENT BALANCE
PSAP RECONCILIATION
JUNE 30, 2019

Amounts reported on the Emergency Telephone System Fund budget to actual (Schedule D-6)
are different from the PSAP Revenue-Expenditure report because:

Ending fund balance, reported on budget to actual (Schedule D-5)	\$ 513,307
Allowable 911 expenditures previously reported in the General Fund (interfund transfer to be recorded in the Emergency Telephone System Fund in the subsequent year):	<u>210</u>
Ending balance, PSAP Revenue-Expenditure report	<u><u>\$ 513,517</u></u>

STATISTICAL SECTION

(unaudited)

The information contained in this section includes tables showing trends and is provided for supplementary analysis only.



STATISTICAL SECTION

This part of Caldwell County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. The following schedules fall in this category:

- Net Position by Component – *table 1*
- Changes in Net Position – *table 2*
- Fund Balances of Governmental Funds – *table 3*
- Changes in Fund Balance of Governmental Funds – *table 4*

Revenue Capacity – These schedules present information to help the reader assess the factors affecting the County's ability to generate its property taxes. The following schedules fall in this category:

- Assessed Value of Taxable Property – *table 5*
- Property Tax Rates - Direct and Overlapping – *table 6*
- Principal Property Taxpayers – *table 7*
- Property Tax Levies and Collections – *table 8*

Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. The following schedules fall in this category:

- Ratios of Outstanding Debt by Type – *table 9*
- Ratios of General Bonded Debt Outstanding – *table 10*
- Direct and Overlapping Governmental Activities Debt – *table 11*
- Legal Debt Margin Information – *table 12*

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. The following schedules fall in this category:

- Demographic and Economic Statistics – *table 13*
- Principal Employers – *table 14*

Operating Information – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The following schedules fall in this category:

- Full-Time Equivalent County Employees by Function – *table 15*
- Operating Indicators by Function – *table 16*
- Capital Asset Statistics by Function – *table 17*
- Miscellaneous Information – *table 18*



CALDWELL COUNTY, NORTH CAROLINA

**Net Position by Component
For the Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 15,967,772	\$ 18,196,511	\$ 17,405,500	\$ 16,244,931	\$ 30,783,723	18,060,668	20,245,509	21,196,659	21,014,795	17,318,673
Restricted	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616	6,665,914
Unrestricted	(6,696,269)	(8,145,952)	(3,643,043)	2,972,940	(13,203,563)	(15,528,468)	(15,970,780)	(13,606,813)	(11,598,214)	(9,209,633)
Total governmental activities net position	\$ 9,485,877	\$ 18,303,078	\$ 20,630,422	\$ 25,180,476	\$ 23,442,054	\$ 9,701,109	\$ 10,453,851	\$ 14,044,623	\$ 15,695,197	\$ 14,774,954
Business-Type Activities										
Net investment in capital assets	\$ 9,348,526	\$ 8,965,042	\$ 6,706,831	\$ 6,542,043	6,135,073	5,928,124	5,631,176	5,396,787	5,406,248	5,830,768
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,704,866	4,593,808	4,692,293	5,391,897	5,870,662	6,484,095	6,706,120	7,246,103	7,726,382	7,332,075
Total business-type activities net position	\$ 13,053,392	\$ 13,558,850	\$ 11,399,124	\$ 11,933,940	\$ 12,005,735	\$ 12,412,219	\$ 12,337,296	\$ 12,642,890	\$ 13,132,630	\$ 13,162,843
Primary Government										
Net investment in capital assets	\$ 25,316,298	\$ 27,161,553	\$ 24,112,331	\$ 22,786,974	\$ 36,918,796	\$ 23,988,792	\$ 25,876,685	\$ 26,593,446	\$ 26,421,043	\$ 23,149,441
Restricted	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616	6,665,914
Unrestricted	(2,991,403)	(3,552,144)	1,049,250	8,364,837	(7,332,901)	(9,044,373)	(9,264,660)	(6,360,710)	(3,871,832)	(1,877,558)
Total primary government net position	\$ 22,539,269	\$ 31,861,928	\$ 32,029,546	\$ 37,114,416	\$ 35,447,789	\$ 22,113,328	\$ 22,791,147	\$ 26,687,513	\$ 28,827,827	\$ 27,937,797

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

Fiscal Year Ended June 30,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General Government										
Public Safety	\$ 5,963,274	\$ 5,924,927	\$ 5,572,490	\$ 5,937,620	\$ 6,305,830	\$ 6,211,896	\$ 6,845,366	\$ 6,431,654	\$ 6,514,507	\$ 7,506,731
Environmental Protection	15,643,605	15,870,157	16,479,850	17,203,962	19,957,279	19,274,686	20,638,553	21,653,096	21,793,763	24,761,507
Economic and Physical Development	439,077	571,484	474,617	468,991	330,695	368,373	509,242	550,780	578,401	523,614
Human Services	3,145,167	3,090,772	3,703,056	3,769,854	5,354,305	6,951,531	7,639,737	6,452,959	7,030,709	7,455,800
Cultural and Recreational	22,866,817	23,302,680	23,268,124	22,368,529	21,721,385	21,860,299	22,248,546	22,610,724	18,548,252	18,787,491
Education	1,428,632	1,397,666	1,415,319	1,384,266	1,413,792	1,366,651	1,441,711	1,487,024	1,550,598	1,228,472
Interest	20,444,673	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632	22,611,641	24,345,296
Total governmental activities expenses	2,463,201	2,144,724	1,546,524	966,760	1,121,084	1,829,765	1,117,397	1,124,600	813,953	895,464
Business-Type Activities:										
Water	72,394,446	71,902,712	74,536,229	72,622,451	78,541,727	89,310,898	81,853,881	80,947,469	79,441,824	85,504,375
Total business-type activities expenses	2,608,119	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223	3,080,206	3,634,169
Total Primary Government Expenses	2,608,119	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223	3,080,206	3,634,169
	75,002,565	74,523,059	77,365,029	75,420,931	81,895,814	92,383,515	85,477,454	84,220,692	82,522,030	89,138,544
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	1,875,506	2,241,816	2,298,938	1,879,735	2,213,386	\$ 2,350,903	\$ 2,219,976	\$ 2,396,343	\$ 2,004,610	\$ 2,197,028
Public Safety	4,079,127	3,974,707	4,021,004	4,198,842	4,319,569	4,155,880	4,294,169	3,819,540	3,397,084	3,441,255
Environmental Protection	883,503	881,014	853,585	858,482	926,598	964,897	883,338	1,049,356	1,098,694	1,238,594
Economic and Physical Development	18,000	9,000	17,000	18,829	24,809	30,287	63,890	23,050	32,479	34,135
Human Services	2,536,232	2,200,069	1,505,761	715,138	198,949	158,856	189,690	204,388	179,399	208,025
Cultural and Recreational	38,255	37,251	34,829	29,951	29,777	28,804	26,813	18,464	19,911	36,616
Other Grants and Contributions:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	1,596,709	1,708,091	1,376,670	1,293,563	1,344,280	1,392,403	2,238,320	1,488,320	1,862,926	1,779,751
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Human Services	15,572,645	16,041,424	15,377,107	14,768,143	14,534,714	14,658,535	16,072,575	15,799,464	11,310,939	11,656,203
Cultural and Recreational	268,837	265,019	257,945	280,495	252,531	248,640	234,056	274,389	262,222	257,324
Education	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General Government	154,641	-	-	-	-	-	-	-	-	-
Public Safety	15,060	-	-	-	-	395,275	-	-	-	-
Education	791,670	4,497,261	1,122,112	998,602	1,453,620	144,191	396,930	1,005,124	2,591,790	815,486
Economic and Physical Development	83,413	200,048	430,414	(99,395)	95,594	-	1,014,715	135,791	34,568	-
Cultural and Recreational	36,300	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	27,949,898	32,055,700	27,295,365	24,942,385	25,393,827	24,528,671	27,634,472	26,214,229	22,794,622	21,664,417
Business-Type Activities:										
Charges for Services:										
Water	3,388,353	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972	3,630,964	3,672,609
Other Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,388,353	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972	3,630,964	3,672,609
Total Primary Government Program Revenues	31,338,251	35,342,114	30,692,513	28,403,690	28,816,855	28,061,451	31,179,765	29,786,201	26,425,586	25,337,026

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	(44,444,548)	(39,847,012)	(47,240,864)	(47,680,066)	(53,147,900)	(64,782,227)	(54,219,409)	(54,733,240)	(56,647,202)	(63,839,958)
Business-type activities	780,234	666,067	568,348	662,825	68,941	460,163	(78,280)	298,749	550,758	38,440
Total primary government net expense	(43,664,314)	(39,180,945)	(46,672,516)	(47,017,241)	(53,078,959)	(64,322,064)	(54,297,689)	(54,434,491)	(56,096,444)	(63,801,518)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	38,312,526	38,582,825	38,944,274	38,830,489	41,145,366	42,083,076	43,443,559	46,145,791	46,573,903	48,916,444
Local Option Sales Tax	8,627,362	8,797,924	9,288,329	9,371,153	9,841,286	10,399,692	10,545,869	11,288,798	11,444,115	12,197,179
Other Taxes and License	1,041,337	1,023,585	1,141,149	1,048,889	1,089,813	1,124,511	969,058	1,291,439	1,089,152	1,335,621
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Investment Earnings	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941	370,471
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	2,801,006	-	-	-	-	-	-
Transfers	173,757	172,170	134,699	134,700	-	-	-	-	15,725	100,000
Total Governmental Activities	48,299,084	48,664,213	49,568,207	52,230,120	52,093,866	53,617,954	54,972,151	58,756,587	59,178,836	62,919,715
Business-Type Activities:										
Investment Earnings	6,872	11,561	7,697	6,671	2,874	2,003	3,357	6,845	16,620	91,773
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	(2,601,072)	-	-	-	-	-	-	-
Transfers	(173,757)	(172,170)	(134,699)	(134,700)	-	-	-	-	(15,725)	(100,000)
Total Business-Type Activities	(166,885)	(160,609)	(2,728,074)	(128,029)	2,874	2,003	3,357	6,845	895	(8,227)
Total Primary Government General Revenues and Other Change in Net Position	48,132,199	48,503,604	46,840,133	52,102,091	52,096,740	53,619,957	54,975,508	58,763,432	59,179,731	62,911,488
Change in Net Position										
Governmental activities	3,854,536	8,817,201	2,327,343	4,550,054	(1,054,034)	(11,164,273)	752,742	4,023,347	2,531,634	(920,243)
Business-type activities	613,349	505,458	(2,159,726)	534,796	71,815	462,166	(74,923)	305,594	551,653	30,213
Total Primary Government, June 30	\$ 4,467,885	\$ 9,322,659	\$ 167,617	\$ 5,084,850	\$ (982,219)	\$ (10,702,107)	\$ 677,819	\$ 4,328,941	\$ 3,083,287	\$ (890,030)

CALDWELL COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 4,398,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	2,010,967	-	-	-	-	-	-	-	-	-
Undesignated	9,776,196	-	-	-	-	-	-	-	-	-
Non-spendable	-	57,415	65,931	51,253	59,193	78,107	64,293	116,396	65,935	70,027
Restricted	-	3,865,044	4,767,310	4,597,110	4,437,430	4,934,175	4,571,255	5,035,904	5,110,904	4,717,626
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	891,066	3,170,924	4,832,465	6,719,990	7,554,536	5,293,708	5,349,474	5,221,742	6,402,933
Unassigned	-	11,217,875	9,066,420	6,946,418	5,403,379	3,021,352	3,498,350	3,391,976	3,492,253	2,901,867
Total General Fund	\$ 16,186,031	\$ 16,031,400	\$ 17,070,585	\$ 16,427,246	\$ 16,619,992	\$ 15,588,170	\$ 13,427,606	\$ 13,893,750	\$ 13,890,834	\$ 14,092,453
All Other Governmental Funds										
Reserved	\$ 613,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	3,182,408	-	-	-	-	-	-	-	-	-
Special Revenue Funds	2,086,224	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Restricted in Special Revenue Fund	-	1,058,304	659,752	1,365,272	703,132	488,292	661,631	326,430	429,001	1,527,477
Restricted in Capital Project Fund	-	3,329,171	1,441,024	223	13,840,506	3,563,177	946,236	1,092,443	1,106,097	14,389,485
Committed in Capital Project Fund	-	1,387,486	1,387,543	3,767,538	3,102,875	1,902,498	965,658	962,975	2,118,551	1,874,217
Committed in Special Revenue Fund	-	-	-	2,677,056	-	-	-	-	-	-
Assigned Special Revenue Fund	-	1,557,064	1,911,739	33,666	3,117,800	3,527,221	3,958,397	4,783,399	4,438,549	4,455,646
Unassigned in Capital Project Fund	-	-	(260,947)	-	-	(828,751)	-	-	-	(1,210,848)
Unassigned in Special Revenue Fund	-	(8,838)	-	(15)	(17,528)	(11,933)	(92)	(59)	(419)	(25,742)
Total all other governmental funds	\$ 5,882,120	\$ 7,323,187	\$ 5,139,111	\$ 7,843,740	\$ 20,746,785	\$ 8,640,504	\$ 6,531,830	\$ 7,165,188	\$ 8,091,779	\$ 21,010,235

The county implemented GASB 54 starting with the fiscal year ended June 30, 2011.

The total for the fiscal year ended June 30, 2014 was inflated due to the county borrowing and holding but not yet expending funds for a new middle school

The increase from the fiscal year ended June 30, 2017 to the fiscal year ended June 30, 2018 was minimal in the General Fund.

The main increase took place in the other governmental funds. This was due to the county's accumulation of sales tax article 44 section 524 funds. These funds are provided by the state to counties who have lower than average retail sales. This money must be spent on either economic development, public education or the community college. The county has not spent a large portion of these funds choosing rather to accumulate them so they can be used on a future project.

CALDWELL COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad Valorem Taxes	\$ 37,919,512	\$ 38,320,869	\$ 38,541,713	\$ 39,022,556	\$ 41,619,214	\$ 42,571,130	\$ 43,648,495	\$ 46,110,069	\$ 46,575,273	\$ 49,201,039
Local Options Sales Taxes	7,427,362	7,597,924	8,088,329	8,134,653	8,507,179	9,522,192	9,598,869	10,417,798	10,834,115	11,577,179
Other Taxes	348,168	333,579	336,917	368,196	406,041	428,432	448,698	442,271	520,956	552,603
Inter-governmental	20,689,220	25,446,252	21,409,559	19,553,041	20,309,332	19,373,274	22,064,303	21,002,980	17,630,702	16,367,207
Permits & Fees	827,023	783,483	853,603	892,712	979,459	931,087	988,384	909,252	979,574	1,051,454
Sales and Services	7,856,820	7,442,493	6,823,988	6,137,928	5,850,886	5,645,211	5,726,191	5,436,642	5,288,156	5,263,584
Investment Earnings	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941	370,471
Miscellaneous	326,142	275,395	231,880	322,125	325,850	201,836	295,520	503,351	198,837	348,877
Total Revenues	\$ 75,538,349	\$ 80,287,704	\$ 76,345,745	\$ 74,475,094	\$ 78,015,362	\$ 78,683,837	\$ 82,784,125	\$ 84,852,922	\$ 82,083,554	\$ 84,732,414
Expenditures										
General Government	\$ 5,898,084	\$ 5,697,609	\$ 5,590,159	\$ 5,832,168	6,075,394	6,002,597	6,877,314	6,273,085	6,661,990	7,067,260
Public Safety	15,432,491	16,696,104	15,879,567	16,365,114	17,851,907	17,853,941	20,978,370	20,278,212	21,463,205	22,482,523
Environmental Protection	486,076	670,461	492,800	484,047	344,473	402,536	537,042	569,454	634,799	568,219
Economic & Physical Development	3,134,328	3,083,359	3,692,991	3,767,605	5,454,012	6,964,432	7,618,898	6,447,532	7,026,565	7,448,709
Human Services	23,139,590	23,156,413	22,703,809	22,004,519	21,289,154	22,239,953	22,714,866	22,819,988	18,077,155	18,124,153
Cultural & Recreational	1,336,651	1,341,927	1,323,224	1,300,335	1,330,819	1,347,740	1,378,635	1,395,475	1,462,763	1,139,278
Education	20,444,673	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632	22,611,641	24,345,296
Capital Projects	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	2,229,692	2,916,456	1,842,524	2,057,591	2,627,889
Principal	4,771,192	9,216,941	4,566,328	4,129,494	3,689,354	3,319,456	4,394,126	4,408,808	4,378,276	3,953,657
Interest	2,463,207	2,144,724	1,546,524	966,760	1,093,326	1,306,878	1,208,520	1,201,437	818,662	820,564
Total Expenditures	\$ 77,106,292	\$ 81,607,840	\$ 77,871,651	\$ 75,372,511	\$ 79,465,796	\$ 93,114,923	\$ 90,037,556	\$ 85,873,147	\$ 85,192,647	\$ 88,577,548
Excess of revenues over (under) expenditures	\$ (1,567,943)	\$ (1,320,136)	\$ (1,525,906)	\$ (897,417)	\$ (1,450,434)	\$ (14,431,086)	\$ (7,253,431)	\$ (1,020,225)	\$ (3,109,093)	\$ (3,845,134)
Other Financing Sources (Uses)										
Bond Proceeds	8,725,000	-	-	-	-	-	-	-	-	-
Payment to Bond Holders (refinancing)	(8,625,000)	-	-	-	-	-	-	-	-	-
Bond Premium	154,641	-	-	-	-	-	-	-	-	-
Installment purchase financing issued	2,971,361	2,438,507	231,080	-	14,500,000	1,247,810	-	-	-	-
Payment on Installment purchases (refinancing)	-	-	-	-	-	-	-	12,639,000	1,940,415	16,802,000
Sales of Capital Assets	21,355	3,481	15,236	2,824,007	46,225	45,173	67,737	66,203	34,732	63,209
Transfers in	657,546	1,270,780	446,352	384,430	-	632,893	1,278,468	313,371	1,516,573	1,635,476
Transfers out	(483,789)	(1,106,196)	(311,653)	(249,640)	-	(632,893)	(1,278,468)	(313,371)	(1,516,573)	(1,535,476)
Total other financing sources (uses)	3,421,114	2,606,572	381,015	2,958,797	14,546,225	1,292,983	67,737	277,203	1,975,147	16,965,209
Net change in fund balances	1,853,171	1,286,436	(1,144,891)	2,061,380	13,095,791	(13,138,103)	(7,185,694)	(743,022)	(1,133,946)	13,120,075
Debt Service as a percentage of governmental expenditures	9.54%	14.15%	7.98%	6.88%	6.02%	5.09%	6.43%	6.68%	6.25%	5.64%

CALDWELL COUNTY, NORTH CAROLINA

Assessed Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Other			
2010	\$ 3,311,783,748	\$ 1,103,927,916	\$ 151,108,254	\$ 809,946,209	\$ 5,376,766,127	0.6599
2011	3,323,782,084	1,107,927,362	151,108,254	888,755,661	5,471,573,361	0.6599
2012	3,426,480,303	902,868,206	148,757,743	1,062,451,120	5,540,557,372	0.6599
2013	3,414,325,936	920,237,105	167,839,261	1,172,319,060	5,674,721,362	0.6299
2014	3,659,115,363	947,655,902	162,932,838	1,537,951,255	6,307,655,358	0.6000
2015	3,657,284,205	996,743,902	172,991,129	1,606,514,532	6,433,533,768	0.6000
2016	3,689,922,794	1,030,356,302	192,102,157	1,709,561,514	6,621,942,767	0.6000
2017	3,687,722,501	1,155,096,002	193,828,780	1,644,220,879	6,680,868,162	0.6300
2018	3,702,907,198	1,145,810,002	215,587,323	1,733,348,971	6,797,653,494	0.6300
2019	3,721,285,395	1,143,940,019	225,805,053	1,936,786,983	7,027,817,450	0.6300

CALDWELL COUNTY, NORTH CAROLINA

North Carolina

Property Tax Rates

Direct and Overlapping Governments

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

		Taxes Payable in the Fiscal Year Ended June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
COUNTY DIRECT RATE											
County-Wide Rate *		\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6299	\$ 0.6599	\$ 0.6599	\$ 0.6599
CITY											
City of Lenoir		0.5800	0.5800	0.5800	0.5800	0.5800	0.5600	0.5600	0.5400	0.5400	0.5400
City of Hickory		0.5875	0.5665	0.5665	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000	0.5000
SPECIAL DISTRICTS											
Lenoir Special District		0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
TOWNS											
Hudson		0.4300	0.4300	0.4300	0.3900	0.3900	0.3900	0.3700	0.3700	0.3700	0.3700
Granite Falls		0.4485	0.4485	0.4485	0.4400	0.4400	0.4400	0.4400	0.4200	0.4200	0.4200
Rhodhiss		0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Blowing Rock		0.3900	0.3700	0.3700	0.3300	0.3100	0.2800	0.2800	0.2800	0.2800	0.2800
Sawmills		0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Rutherford College		0.1200	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
VILLAGES											
Cedar Rock		0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
RESCUE SERVICES		-	-	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085
FIRE DISTRICTS		0.0395	0.0395	0.0395	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310
		to	to	to	to	to	to	to	to	to	to
		0.1580	0.1385	0.1385	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300

* The county-wide direct property tax rate is shown above, there are no component rates.

CALDWELL COUNTY, NORTH CAROLINA

Principal Property Taxpayers,
Current Year and Ten Years Ago

Taxpayer	Fiscal Year Ended June 30, 2019			Fiscal Year Ended June 30, 2009		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Google	\$ 685,408,222	1		\$ 118,199,030	1	2.14%
Tapaha Dynamics LLC	355,607,300	2		53,889,600	4	0.98%
MDI/Merchant Distributors	143,171,719	3		116,033,065	2	2.10%
Duke Energy	88,281,681	4		60,526,364	3	1.10%
Blue Ridge Electric Membership	64,201,277	5		47,409,862	5	0.86%
Walmart	35,951,123	6		19,875,703	9	0.36%
Piedmont Natural Gas	31,357,271	7				
Bernhardt Industries	29,192,250	8		27,307,818	7	0.50%
Heritage Home Group LLC/HHG Real Property llc	22,408,316	9				
Exela	20,539,703	10				
Greer Labs						
Scaled Air Corporation						
Broyhill Industries, Inc.				28,577,192	6	0.52%
Neptco				19,782,983	10	0.36%
BellSouth				22,831,759	8	0.41%
Kincaid Furniture						
Bemis						
Shuford Mills						

* Source: Caldwell County Tax Records

CALDWELL COUNTY, NORTH CAROLINA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2019	\$ 44,275,250	\$ 42,775,463	96.61%	-	\$ 42,775,463	96.61%
2018	42,839,522	41,194,901	96.16%	689,444.76	41,884,346	97.77%
2017	42,109,895	40,529,324	96.25%	504,371.05	41,033,696	97.44%
2016	39,744,478	38,217,503	96.16%	444,680	38,662,183	97.28%
2015	38,611,973	37,065,023	95.99%	787,917	37,852,940	98.03%
2014	37,906,403	35,909,696	94.73%	1,306,005	37,215,701	98.18%
2013	35,746,118	34,386,100	96.20%	674,344	35,060,443	98.08%
2012	36,566,382	35,461,834	96.98%	524,571	35,986,405	98.41%
2011	35,009,037	34,160,132	93.79%	474,653	34,634,785	95.10%
2010	35,997,030	35,325,921	96.99%	368,412	35,694,334	98.00%

CALDWELL COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Installment Purchases	Capital Leases	Water Bonds	General Obligation Bonds	Installment Purchases	Capital Leases			
2010	\$ 7,090,000	\$ -	\$ 43,825,627	\$ 112,113	\$ -	\$ -	\$ 1,606,775	\$ -	\$ 52,634,515	3.18%	\$ 657.77
2011	5,485,000	-	38,759,815	-	-	-	1,444,683	-	45,689,498	2.67%	570.98
2012	3,945,000	-	35,964,568	-	-	-	-	-	39,909,568	2.48%	479.82
2013	2,445,000	-	33,335,074	-	-	-	-	-	35,780,074	2.31%	430.48
2014	1,385,000	-	45,815,967	-	-	-	-	-	47,200,967	2.97%	567.89
2015	825,000	-	43,771,174	-	-	-	-	-	44,596,174	2.77%	536.55
2016	500,000	-	39,236,947	998,248	-	-	-	-	40,735,195	2.53%	490.09
2017	185,000	-	35,788,397	748,686	-	-	-	-	36,722,083	2.13%	441.81
2018	-	-	33,075,223	499,124	-	-	-	-	33,574,347	1.27%	403.94
2019	-	-	46,698,307	249,562	-	-	-	-	46,947,869	1.69%	564.84

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

CALDWELL COUNTY, NORTH CAROLINA

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended June 30	General Bonded Debt Outstanding	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita	Population
2010	\$ 7,090,000	0.43%	0.13%	\$ 88.60	80,020
2011	5,485,000	0.32%	0.10%	68.55	80,020
2012	3,945,000	0.24%	0.07%	47.43	83,176
2013	2,445,000	0.16%	0.04%	29.42	83,117
2014	1,385,000	0.09%	0.02%	16.66	83,117
2015	825,000	0.05%	0.01%	9.93	83,117
2016	500,000	0.03%	0.01%	6.06	82,445
2017	185,000	0.01%	0.00%	2.25	82,292
2018	-	n/a	n/a	n/a	81,623
2019	-	n/a	n/a	n/a	81,981

CALDWELL COUNTY, NORTH CAROLINA

Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Caldwell County	\$ 46,947,869	100.00%	\$ 46,947,869
Total Direct Debt	\$ 46,947,869		\$ 46,947,869
Underlying City of Lenoir	\$ 1,667,907	100.00%	\$ 1,667,907
Overlapping City of Hickory	44,088,502	1.93%	850,908
Total Underlying and Overlapping Debt	\$ 45,756,409		\$ 2,518,815
Grand Total	\$ 92,704,278		\$ 49,466,684

CALDWELL COUNTY, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 5,377,766,127	\$ 5,389,529,112	\$ 5,540,557,372	\$ 5,674,721,362	\$ 6,307,655,358	\$ 6,433,533,768	\$ 6,621,942,767	\$ 6,680,868,162	\$ 6,797,653,494	\$ 7,027,817,450
Debt Limit 8% of Assessed Value (statutory limitation)	430,221,290	431,162,329	443,244,590	453,977,709	504,612,429	514,682,701	529,755,421	534,469,453	543,812,280	562,225,396
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	52,634,496	45,689,498	39,909,568	35,780,074	47,200,967	44,596,174	40,735,195	36,537,387	34,099,526	46,947,869
Legal Debt Margin	\$ 377,586,794	\$ 385,472,831	\$ 407,464,516	\$ 407,386,989	\$ 457,411,462	\$ 470,086,527	\$ 489,020,226	\$ 497,932,066	\$ 509,712,754	\$ 515,277,527
Total net debt applicable to the limit as a percentage of debt limit	12.23%	10.60%	8.07%	10.26%	9.35%	8.66%	7.69%	6.84%	6.27%	8.35%

CALDWELL COUNTY, NORTH CAROLINA

Demographic and Economic Statistics

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Public School Enrollment	Private School Enrollment	Unemployment Rate
2010	80,020	\$ 1,656,654,060	\$ 20,703	40	12,888	400	12.70%
2011	83,209	1,711,957,296	21,217	42	12,452	400	13.30%
2012	83,117	1,609,311,354	19,362	42	12,555	400	13.20%
2013	83,117	1,549,300,880	18,640	42	12,333	400	10.00%
2014	82,590	1,587,544,980	19,222	42	12,072	421	7.40%
2015	82,321	1,609,540,192	19,552	44	12,060	400	7.10%
2016	82,445	1,611,964,640	19,552	43	11,918	400	6.30%
2017	82,292	1,725,827,824	20,972	43	11,569	400	4.20%
2018	81,623	2,653,400,484	32,508	44	12,187	205	4.00%
2019	81,981	2,772,178,515	33,815	44	11,236	164	3.80%

**** Source:** North Carolina Department of Commerce

CALDWELL COUNTY, NORTH CAROLINA

Principal Employers Current Year and Ten Years Ago

	2019			2009		
	Employer	Employees	Rank	Total County Employment	Employees	Rank
	Caldwell County Schools	1000+	1	35,193	1000+	1
	Merchants Distributors Inc	1000+	2		1000+	3
	Bernhardt Furniture Co Inc	1000+	3		1000+	2
	Caldwell Memorial Hospital Inc	500-999	4			
	Caldwell County	500-999	5		500-999	4
	Wal-Mart Associates Inc	500-999	6		500-999	9
	Caldwell Community Coll & Tech Inst	500-999	7		500-999	8
	Sealed Air	250-499	8		500-999	6
	Fairfield Chair Company	250-499	9			
	Exela Pharma Science	250-499	10			
	Broyhill Furniture Industries Inc				500-999	5
	Thomasville Furniture Ind Inc				500-999	7
	Universal Mental Health Services				250-500	10

*** Source: North Carolina Department of Commerce*

CALDWELL COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety	226	225	221	217	207	197	198	188	188	187
Health and Human Services	222	220	223	225	221	218	216	246	242	240
Environmental Protection	4	4	4	4	2	2	1	1	1	1
Economic Development	3	3	3	3	3	3	3	3	4	4
General Government	82	83	78	76	79	79	77	79	85	85
Cultural and Recreational	19	19	17	19	20	19	19	19	19	19
Enterprise Fund	13	13	14	13	13	12	12	13	13	13
Total	569	567	560	557	545	530	526	549	552	549

**All data presented on table 15 comes from records maintained by staff of Caldwell County.

*** Data prior to 2010 is not available

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Average Daily Population at Jail	174	168	172	197	247	246	198	195	189	188
Number of Arrests by Sheriff Department	2,814	3,316	3,440	2,867	3,514	3,508	3,473	3,207	3,499	3,457
Responses by Sheriff Department	39,064	44,145	43,507	44,507	42,950	41,244	41,384	34,293	37,062	61,584
Health and Human Services										
Department of Social Services										
Adult Medicaid applications completed	1,411	1,470	1,381	1,470	1,683	2,490	2,430	2,608	2,278	2,212
Family Medicaid applications completed	2,919	3,484	701	3,484	3,790	5,728	6,417	6,580	8,068	8,460
New Children enrolled in Medicaid	978	593	n/a	n/a	n/a	2,952	4,053	4,342	5,365	5,599
Special Assistance applications completed	93	78	95	78	48	117	146	178	167	127
Food Stamps applications taken	4,193	5,059	4,800	5,059	5,478	4,061	4,900	5,582	565	5,826
Food Stamps applications approved	3,921	5,123	4,614	5,123	5,296	4,976	3,832	4,171	4,033	4,033
Food Stamps applications denied	787	647	761	647	1,513	990	1,009	1,047	984	1,491
Child Support orders	249	376	304	376	304	417	404	499	549	621
Medicaid Transportation requests	22,427	18,903	20,402	18,903	18,758	16,137	16,554	13,234	12,290	10,927
Average children receiving Child Care Subsidy each month	759	703	763	703	674	712	740	766	850	856
Emergency Assistance applications taken	n/a	3,562	3,349	3,562	3,504	3,841	4,832	5,017	3,773	3,544
Emergency Assistance applications approved	n/a	3,530	3,286	3,530	3,452	3,803	4,754	4,957	3,745	3,485
Work First applications completed	42	39	42	39	28	39	83	162	170	222
Average monthly enrollment in Adolescent Parenting Program	-	-	-	-	-	-	-	-	17	18
Adult Protective Services referrals	537	717	744	717	592	630	707	652	512	421
Reported cases of Physical or Sexual Abuse to Children	24	39	27	39	70	58	50	58	64	36
New cases of children placed in Foster Care	97	84	81	84	92	124	136	108	141	103
Finalized Adoptions	41	64	50	64	46	57	39	28	42	48
Clients seen at reception desk	29,064	32,786	30,647	32,786	41,760	49,303	49,787	35,303	34,878	33,852
Telephone calls received by switch board	57,861	90,565	52,916	90,565	73,723	89,011	100,547	107,194	99,229	103,617
Total Number of CPS Reports Investigated	744	1,057	1,134	1,057	1,117	1,020	1,000	1,979	1,830	1,095
Economic Impact of Social Services Administered Programs										
Medicaid	116,437,663	109,814,040	116,437,663	109,814,040	n/a	107,070,682	106,270,617	101,671,025	97,187,390	94,971,287
Food Stamps	17,088,842	20,987,778	17,088,842	20,987,778	21,289,069	20,793,667	21,117,486	24,787,284	23,495,280	21,734,319
Work First	155,580	163,094	155,580	163,094	123,334	144,606	209,246	172,302	147,626	147,626
Rest Home	1,087,510	1,111,753	1,087,510	1,111,753	1,187,968	1,289,393	1,418,374	1,344,695	1,352,486	1,307,034
Energy & Crisis	752,264	723,218	752,264	723,218	797,677	706,333	809,228	896,386	1,054,851	1,160,671
Foster Care and Adoption	5,792,063	5,590,066	5,792,063	5,590,066	5,827,764	5,305,442	5,136,449	4,870,092	4,529,359	4,226,791
Child Daycare	3,329,635	2,996,704	3,329,635	2,996,704	2,850,529	2,925,670	2,987,568	3,187,595	3,606,396	2,492,378
Child Support	5,646,128	5,165,874	5,646,128	5,165,874	5,796,790	5,831,040	6,191,419	6,417,807	6,561,065	6,524,085
Total	\$ 150,289,685	\$ 146,552,527	\$ 150,289,685	\$ 146,552,527	\$ 37,873,131	\$ 144,066,833	\$ 144,140,387	\$ 143,347,186	\$ 137,934,455	\$ 132,564,191

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Health Department										
Rabies vaccinations given by animal control	1,254	1,283	1,290	1,199	1,350	923	832	893	1,442	1,448
Animals adopted out from the animal shelter	425	326	246	240	285	227	215	178	226	211
Dollars paid out by the WIC program	\$ 1,373,811	\$ 1,350,455	\$ 1,283,237	\$ 1,299,752	\$ 1,518,926	\$ 1,641,404	1,681,599	1,662,408	1,558,068	1,619,081
Home visits made by home health agency	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11,436	17,950	17,950
Immunization rate for two year old children	84%	87%	87%	88%	90%	94%	89%	76%	79%	74%
Number of children seen by dentist	2,694	2,580	1,673	2,120	2,506	2,377	2,414	1,416	3,196	3,291
Adult and child immunizations	n/a	n/a	n/a	n/a	n/a	2,762	1,465	1,188	n/a	n/a
Primary clinic visits	2,331	2,974	9,107	9,279	9,195	8,647	9,125	1,800	2,120	n/a
Nutrition contacts for WIC	19,470	17,123	7,851	8,045	8,124	8,215	8,576	9,243	n/a	n/a
Inspections carried out by Environmental Health	2,525	2,784	2,728	1,873	1,722	1,377	1,144	1,158	1,650	n/a
Maternity care encounters	2,138	1,768	1,936	2,040	2,254	2,465	2,306	2,415	3,240	n/a
Local TV programs for health education	12	18	27	14	12	14	12	14	25	21
Environmental Protection										
Solid Waste Investigations	102	139	151	101	152	70	49	42	45	139
Solid Waste Fines Issued	-	-	-	-	-	-	-	-	-	-
Economic Development										
Building Permits Issued										
New non-residential permits	79	88	54	90	77	65	76	65	73	59
Non-residential additions	122	113	71	90	61	60	88	78	52	54
New residential permits	150	115	99	90	117	98	74	63	87	119
Residential additions	139	169	152	150	155	138	145	174	194	145
Total Issued	490	485	376	420	410	361	383	380	406	377
Economic Development Incentive Payments	\$ 5,913,458	\$ 5,373,148	\$ 4,273,959	\$ 5,437,696	\$ 5,437,696	\$ 3,932,145	\$ 2,495,915	\$ 1,238,559	\$ 1,249,713	\$ 1,284,854
Major Subdivisions Approved										
Preliminary	-	-	2	1	1	-	-	-	-	1
Final	3	3	-	1	-	-	-	-	-	1
Cell Tower colocator requests approved	n/a	1	-	-	-	-	-	-	-	-
Rezoning requests	n/a	1	2	-	-	3	1	-	1	3
Variance requests	-	-	-	9	1	-	-	-	1	1
Planning violation investigations	214	209	n/a	n/a	18	17	21	17	13	8
Planning violation complaints	215	209	n/a	n/a	18	17	21	17	13	8
Street signs installed (E911)	20	44	54	84	55	65	91	105	69	288

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Cultural and Recreational										
Library branches	3	3	3	3	3	3	3	3	3	3
Library staff	n/a	19,86	19,86	19,86	19,86	19,86	19,86	19,86	19,86	19,86
Full time staff	18,00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part time staff	10,00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total number of print items	122,549	122,931	131,818	125,744	128,154	142,376	133,987	140,854	138,102	136,848
Total number of electronic materials	168,281	84,342	118,265	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total number of non-print items	n/a	n/a	n/a	18,031	16,687	19,891	16,288	24,475	23,776	21,977
Registered Borrowers	34,795	32,905	30,907	40,082	37,911	39,537	36,917	64,383	61,747	59
Total circulation	299,353	274,273	277,787	265,294	287,732	318,608	331,252	357,792	363,323	384,377
Number of visits to libraries	347,724	316,532	307,405	297,928	206,366	226,191	283,828	314,742	294,231	275,595
Reference questions answered	74,776	62,456	59,956	50,856	53,820	29,146	50,038	42,392	47,946	43,763
Number of uses of public computers	45,665	49,322	41,243	43,223	50,586	55,250	59,341	67,780	71,569	70,832
Meeting rooms attendance	n/a	n/a	15,484	22,730	19,006	18,669	26,857	27,642	38,024	34,687
Study room attendance	693	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Library programs hosted	667	546	570	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Library program attendance	12,957	16,962	11,244	n/a	n/a	n/a	n/a	n/a	n/a	n/a

** All data presented on table 16 comes from records maintained by staff of Caldwell County.

CALDWELL COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Jail capacity	185	185	185	185	185	185	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600
Number of ambulances	13	13	13	13	13	13	14	14	15	13
Number of squad cars	99	99	90	91	90	90	75	75	72	87
Health and Human Services										
Square footage available to Health Department	45,660	45,660	45,660	45,660	45,660	45,660	45,660	45,660	45,660	45,660
Square footage available to DSS	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736
Environmental Protection										
Number of convenience sites in County	9	9	9	9	9	9	9	9	9	9
General Government										
Square footage in County office building	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550
Cultural and Recreational										
Number of libraries in County	3	3	3	3	3	3	3	3	3	3
Square footage used by libraries	34,661	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741
Number of parks in County	4	4	4	4	4	4	4	4	4	4

* Data prior to 2009 is not available.

** All data presented on table 17 comes from records maintained by staff of Caldwell County.

CALDWELL COUNTY, NORTH CAROLINA**Miscellaneous Information****June 30, 2018**

Date of Incorporation	1,841
Form of Government	Commission - Manager
Number of Employees	
Full-Time Permanent	569
Other	118
Area in square miles	110
Number of Government Facilities and Services:	
Miles of Street	589 paved 108 unpaved
Fire Protection (a)	
Number of Stations	14
Number of Firefighters	549
Number of Responses	12,534
Law Enforcement (b)	
Number of Stations	1
Number of Officers	82
Cultural and Recreational	
Parks	13
Acres Covered by Parks	379
Acres Covered by National Forest	45,603
Number of Libraries	3
Number of Volumes	122,549
Number of Electronic Materials	168,281
Facilities and Services Not Included in the Reporting Entity	
Hospitals	
Number of Hospitals	1
Number of Patient Beds	120
Education (K-12)	
Number of Schools	26
Number of Classrooms	1,013
Number of Teachers	787
Number of Students	11,523
Higher Education (Caldwell Community College)	
Number of Locations	2
Number of Students	3,721

(a) Includes municipal and volunteer fire departments

(b) Includes Caldwell County and Towns of Lenoir, Granite Falls, Hudson and Rhodhiss

* All data presented on this page comes from records maintained by staff of Caldwell County.

