

**COUNTY OF CALDWELL
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2012

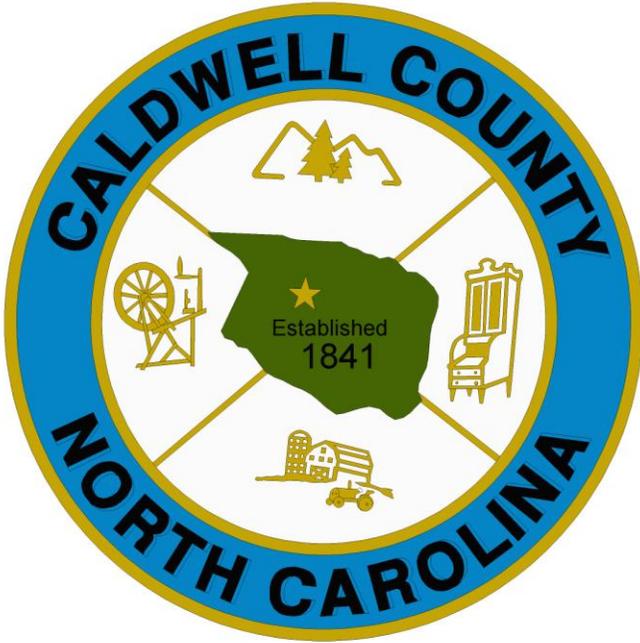


CALDWELL COUNTY, NORTH CAROLINA

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2012**

**Prepared by
Finance Department**



CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	i-v
	GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
	Organizational Chart	vii
	List of Principal Officials	viii
	Financial Section:	
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-13
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
A	Statement of Net Assets	14
B	Statement of Activities	15-16
	Fund Financial Statements:	
C	Balance Sheet - Governmental Funds	17
D	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	20
G	Statement of Net Assets - Proprietary Fund	21
H	Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	22

CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements (continued):	
I	Statement of Cash Flows - Proprietary Fund	23-24
J	Statement of Fiduciary Net Assets - Fiduciary Fund	25
	Notes to the Financial Statements	26-59
	Required Supplemental Financial Data:	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	60
A-2	Other Post-Employment Benefits - Required Supplementary Information	61
	Supplementary Information:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	62-73
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	74
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	75
	Nonmajor Special Revenue Funds:	
D-1	Combining Balance Sheet	76-77
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78-79
D-3	Sales Tax Reinvestment Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	80

CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Special Revenue Funds (continued):	
D-4	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	81
D-5	Rescue Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	82
D-6	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	83
D-7	Scattered Site Housing Project Fund - Schedule of Revenues and Expenditures - Budget and Actual	84
	Nonmajor Capital Project Funds:	
E-1	Combining Balance Sheet	85
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	86
E-3	School Capital Projects Fund - Sales Tax Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	87
E-4	Public Schools Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual	88
E-5	General Capital Projects Fund - Schedule of Revenues and Expenditures - Budget and Actual	89
	Enterprise Funds:	
F-1	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	90-91
F-2	Yadkin Valley Reservoir Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	92

CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

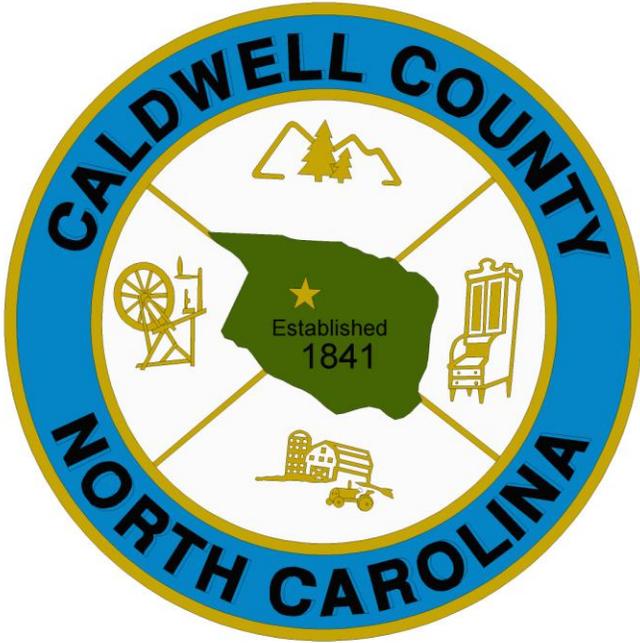
<u>Schedule</u>		<u>Page</u>
	Agency Funds:	
G-1	Combining Statement of Changes in Assets and Liabilities	93
	Other Schedules:	
H-1	General Fund - Schedule of Ad Valorem Taxes Receivable	94
H-2	Analysis of Current Tax Levy - County-Wide Levy	95-96
I-1	Emergency Telephone System Fund Upsent Balance PSAP Reconciliation	97
	Table	
	Statistical Section:	
1	Net Assets by Component, Last Nine Fiscal Years	98
2	Changes in Net Assets, Last Nine Fiscal Years	99-100
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	101
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	102
5	Assessed Value of Taxable Property, Last Ten Fiscal Years	103
6	Property Tax Rate, Direct and Overlapping Governments, Last Ten Fiscal Years	104
7	Principal Property Tax Payers, Current Year and Ten Years Ago	105
8	Property Tax Levies and Collections, Last Ten Fiscal Years	106
9	Ratios of Outstanding Debt by Type Last Ten Fiscal Years	107

CALDWELL COUNTY, NORTH CAROLINA

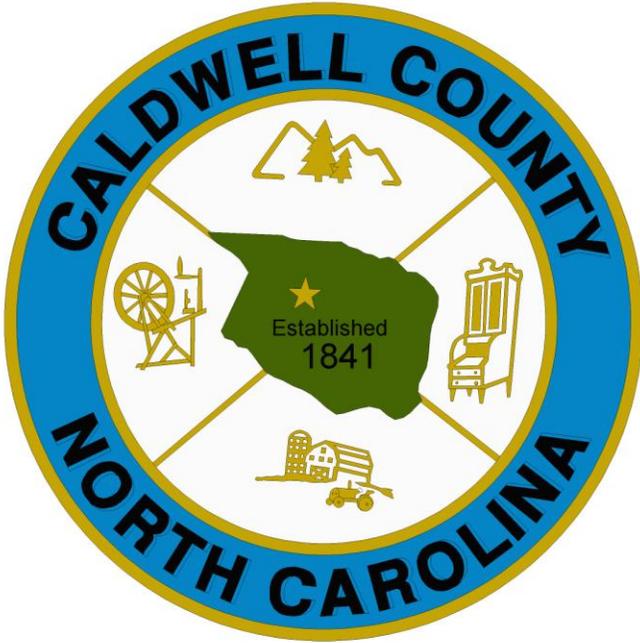
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Table</u>		<u>Page</u>
	Statistical Section (continued):	
10	Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years	108
11	Direct and Overlapping Governmental Activities Debt As of June 30, 2011	109
12	Legal Debt Margin Information Last Ten Fiscal Years	110
13	Demographic and Economic Statistics	111
14	Principal Employers, Current Year and Nine Years Ago	112
15	Full-Time Equivalent County Government Employees by Function, Fiscal Years Ended June 30, 2012, 2011, and 2010	113
16	Operating Indicators by Function, Fiscal Years Ended June 30, 2012, 2011, 2010, and 2009	114-115
17	Capital Assets Statistics by Function, Fiscal Years Ended June 30, 2012, 2011, 2010, and 2009	116
18	Miscellaneous Information	117



INTRODUCTORY SECTION





CALDWELL COUNTY
P. O. BOX 2200
LENOIR NC 28645

LETTER OF TRANSMITTAL

October 4, 2012

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, 2012.

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, 2012, 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 unqualified opinion that Caldwell County's financial statements for the fiscal year ended June 30, 2012, 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 83,029. 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, Foothills Area Programs, and the Western Piedmont Council of Governments.

Economic Conditions and Outlook

The county continues to deal with the national recession and the loss of manufacturing jobs by aggressively marketing the county to encourage new businesses to locate here and existing companies to expand.

The county has partnered with the municipalities located within the county to form a pool of money for the express purpose of attracting jobs to the county. This fund will have approximately \$1 million dollars per year available for this purpose.

While the local economy still faces many challenges there have been some positive developments. The unemployment rate while still high appears to have stabilized. Sales Tax collections for fiscal year 2011-2012 were up significantly over fiscal year 2010-2011.

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, 2012, 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.

Long Term Financial Planning

The county has implemented a strategy to both reduce its outstanding debt and to reduce the interest rate it pays on outstanding debt. The county has been able to reduce its outstanding debt from approximately \$60 million to approximately \$40 million over the past four years. The remaining debt has been refinanced or adjusted to lower the interest rate. These actions will save the county millions of dollars in interest costs over the next several years.

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,



Stan Kiser
County Manager



Anthony Helton
Finance Officer

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



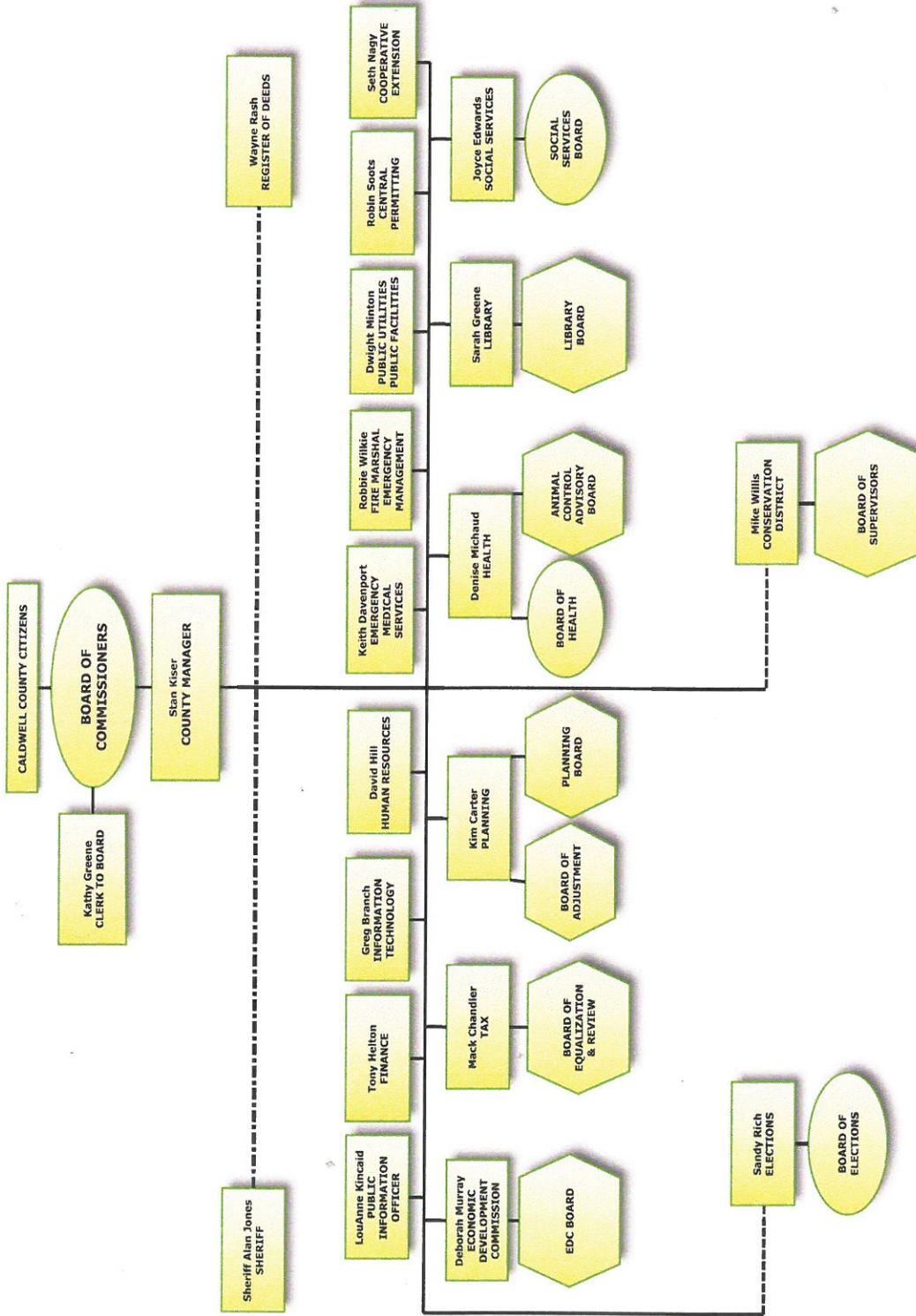
Christopher P. Morill

President

Jeffrey R. Egan

Executive Director

CALDWELL COUNTY GOVERNMENT ORGANIZATIONAL CHART



LEGEND:

- BUDGETARY CONTROL AND ADMINISTRATIVE COORDINATION -----
- ADMINISTRATIVE AND BUDGETARY CONTROL _____
- POLICY MAKING BOARDS ○
- REG. CO. OPERATING DEPTS. OR STAFF UNITS □
- ADVISORY BOARDS ⬡

CALDWELL COUNTY, NORTH CAROLINA

Principal Officials

June 30, 2012

Board of Commissioners

Ben Griffin, Chairman

Clay Bollinger, Vice-Chairman

Chris Barlow, Commissioner

Rob Bratcher, Commissioner

Mike LaBrose, Commissioner

Other County Officials

Stan Kiser, County Manager

Kathy Myers, Clerk to the Board

Alan C. Jones, Sheriff

Wayne Rash, Register of Deeds

Joyce Edwards, DSS Director

Denise Michaud, Health Director

Mack Chandler, Tax Administrator

David Hill, Human Resources Director

Sarah Greene, Library Director

Tony Helton, Finance Officer

Sandra Rich, Director of Elections

Dwight Minton, Facilities Director

Robin Soots, Central Permitting Supervisor

Kathy Hutchings, Veterans Services Director

Keith Davenport, Emergency Medical Services Director

Robbie Wilkie, Fire Marshal/Emergency Management Director

Greg Branch, 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 AUDITORS' REPORT

To the Board of Commissioners
Caldwell County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Caldwell County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Caldwell County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Caldwell Railroad Commission. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Caldwell Railroad Commission, is based solely on the report of the other auditor.

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 of material misstatement. The financial statements of the Caldwell Railroad Commission were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Caldwell County, North Carolina, as of June 30, 2012, and the respective changes in financial position and cash flows, where appropriate, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2012, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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 assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Caldwell County, North Carolina's financial statements. The combining and individual nonmajor fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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 introductory section and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 4, 2012

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, 2012. 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 of Caldwell County exceeded its liabilities at the close of the most recent fiscal year by \$32,029,546.
- The negative unrestricted net asset figure (\$3,643,164) showing in the governmental activities is due to North Carolina statutory requirements that counties carry the debt on new structures on school property while schools carry the asset. Without this statutory provision in place, Caldwell County would have \$17,425,786 of unrestricted net assets available for use in meeting the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$22,209,696.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,066,420.
- The total fund balance in the General Fund increased by \$1,039,185 as a result of activities that took place during the fiscal year ended June 30, 2012.
- 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 Assets* presents information on all of Caldwell County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 but 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 include not only Caldwell County itself (known as the *primary government*), but also a legally separate transportation system and a legally separate economic development commission for which Caldwell County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

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 16 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, General Capital Projects Fund, and Community College Capital Projects funds which are considered to be major funds. Data from the other 13 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 26 through 59 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 page 60 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 Schedules C-1 through E-5 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Caldwell County, assets exceed liabilities by \$32,029,546, at the close of the most recent fiscal year.

The largest portion of Caldwell County's net assets 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 Assets
As of June 30, 2012

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Current assets	\$ 28,955,967	\$ 29,637,093	\$ 4,942,403	\$ 4,764,002	\$ 33,898,370	\$ 34,401,095
Capital assets	37,583,394	38,404,710	6,706,831	10,457,011	44,290,225	48,861,721
Total assets	66,539,361	68,041,803	11,649,234	15,221,013	78,188,595	83,262,816
Current liabilities	6,455,085	6,517,835	219,809	351,614	6,674,894	6,869,449
Long-term liabilities	39,453,854	43,220,890	30,301	1,310,549	39,484,155	44,531,439
Total liabilities	45,908,939	49,738,725	250,110	1,662,163	46,159,049	51,400,888
Invested in capital assets, net of related debt	17,405,500	18,196,511	6,706,831	8,965,042	24,112,331	27,161,553
Restricted net assets	6,868,086	8,252,519	-	-	6,868,086	8,252,519
Unrestricted net assets	(3,643,164)	(8,145,952)	4,692,293	4,593,808	1,049,129	(3,552,144)
Total net assets	\$ 20,630,422	\$ 18,303,078	\$ 11,399,124	\$ 13,558,850	\$ 32,029,546	\$ 31,861,928

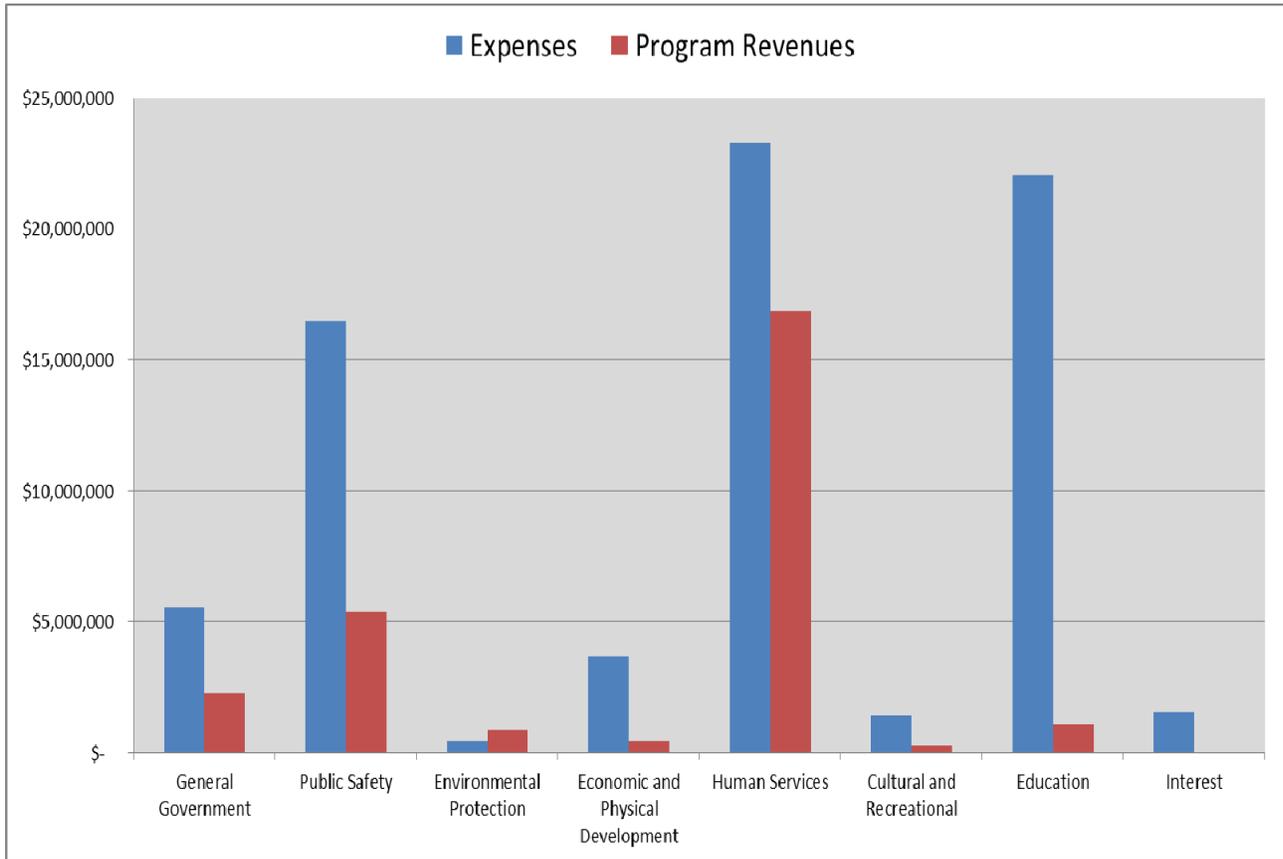
The government's net assets increased by \$167,618 during the current fiscal year. A major factor is that spending was reduced significantly during the year in response to the economic downturn the County faced. The County's General Fund was able to save \$3,017,669 versus its budget for the fiscal year ended June 30, 2012. This impact was partially offset by the Water Fund's loss on the sale of a capital asset in the amount of \$2,601,072.

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Assets
As of June 30, 2012

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,731,117	\$ 9,343,857	\$ 3,397,148	\$ 3,286,414	\$ 12,128,265	\$ 12,630,271
Operating grants and contributions	17,011,722	18,014,534	-	-	17,011,722	18,014,534
Capital grants and contributions	1,552,526	4,697,309	-	-	1,552,526	4,697,309
General revenues:						
Property taxes	38,944,274	38,582,825	-	-	38,944,274	38,582,825
Local option sales tax	9,288,329	8,797,924	-	-	9,288,329	8,797,924
Other taxes and licenses	1,141,149	1,023,585	-	-	1,141,149	1,023,585
Investment earnings	59,756	87,709	7,697	11,561	67,453	99,270
Total revenues	76,728,873	80,547,743	3,404,845	3,297,975	80,133,718	83,845,718
Expenses:						
Governmental activities:						
General government	5,572,489	5,924,927	-	-	5,572,489	5,924,927
Public safety	16,479,850	15,870,157	-	-	16,479,850	15,870,157
Environmental protection	474,617	571,484	-	-	474,617	571,484
Economic and physical development	3,703,056	3,090,772	-	-	3,703,056	3,090,772
Human services	23,268,124	23,302,680	-	-	23,268,124	23,302,680
Cultural and recreational	1,415,319	1,397,666	-	-	1,415,319	1,397,666
Education	22,076,249	19,600,302	-	-	22,076,249	19,600,302
Interest	1,546,524	2,144,724	-	-	1,546,524	2,144,724
Business-type activities:						
Water Fund	-	-	2,828,800	2,620,347	2,828,800	2,620,347
Total expenses	74,536,228	71,902,712	2,828,800	2,620,347	77,365,028	74,523,059
Special item - loss on disposal	-	-	(2,601,072)	-	(2,601,072)	-
Increase (decrease) in net assets before transfers	2,192,645	8,645,031	(2,025,027)	677,628	167,618	9,322,659
Transfers in (out)	134,699	172,170	(134,699)	(172,170)	-	-
Increase in net assets	2,327,344	8,817,201	(2,159,726)	505,458	167,618	9,322,659
Net Assets:						
Beginning net assets	18,303,078	9,485,877	13,558,850	13,053,392	31,861,928	22,539,269
Ending net assets	\$ 20,630,422	\$ 18,303,078	\$ 11,399,124	\$ 13,558,850	\$ 32,029,546	\$ 31,861,928

Governmental Activities. Governmental activities increased Caldwell County's net assets by \$2,327,344. This increase is a result of conservative leadership from the Board of Commissioners which includes spending only on necessary items and making every effort to improve revenue flows.

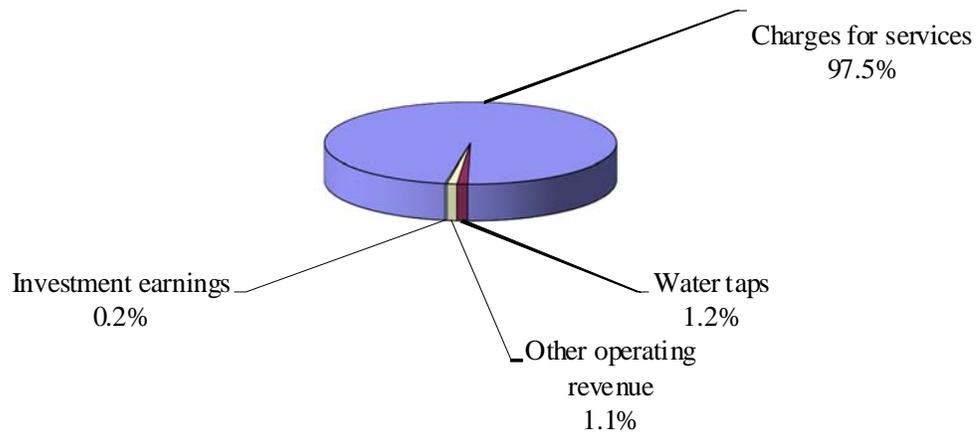
Expenses and Program Revenues



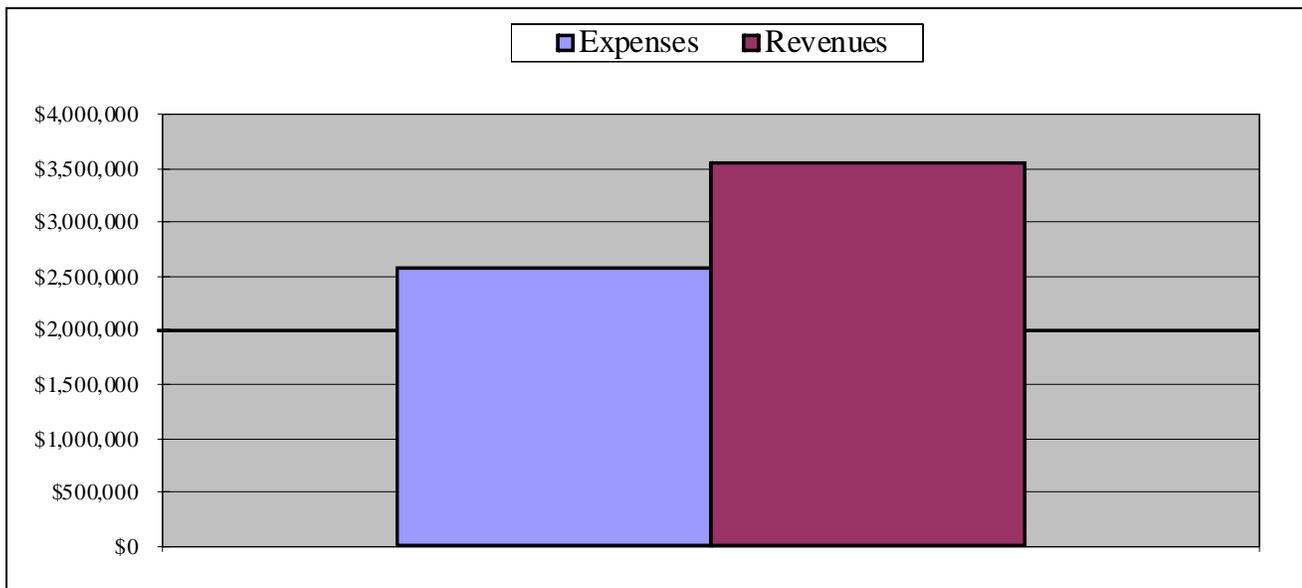
Business-Type Activities. Business-type activities decreased Caldwell County’s net assets by \$2,159,726. The key element in this decrease is as follows:

- The loss on the sale of a capital asset

Revenues by Source – Business-Type Activities



Expenses and Revenues

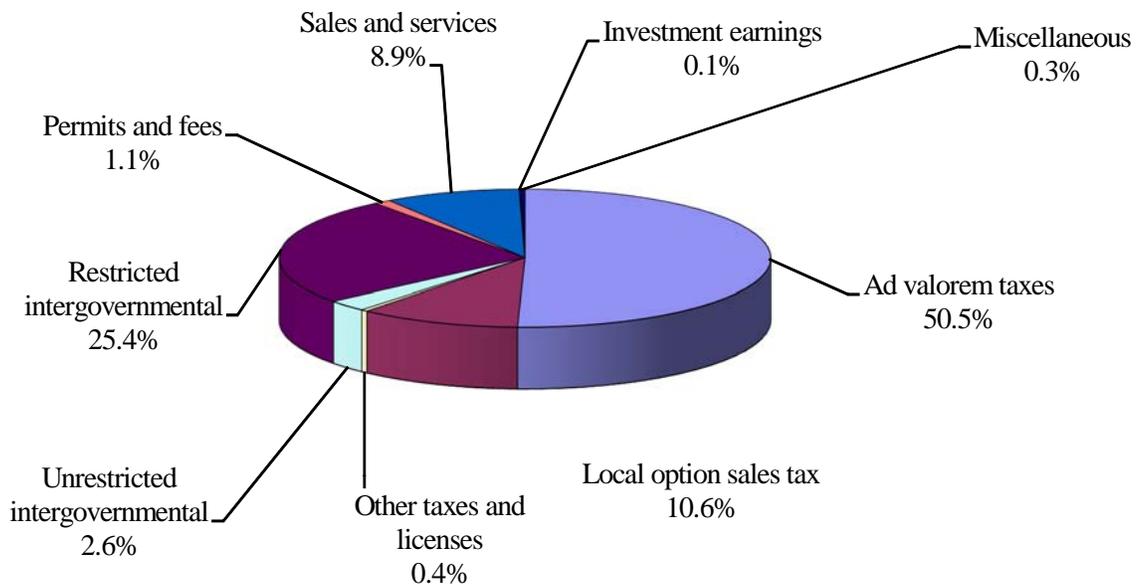


Financial Analysis of the Government's Funds

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.

Revenues by Source – Governmental Funds



As of the end of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$22,209,696, a decrease of \$1,144,891 in comparison with the prior year. This decrease is the result of the expenditure of the Capital Project Fund related to public schools. The assets that result from these expenditures are not owned by the county. Approximately 40 percent of this total amount, \$8,805,473 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 \$9,066,420, while total fund balance reached \$17,070,585. The county's Fund Balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$12,440,488 or 18.7 percent, of expenditures.

The total Fund Balance of Caldwell County's General Fund increased by \$1,039,185 during the current fiscal year. This increase reflects General Fund expenditures totaling over 3 million dollars less than the budget amount.

Proprietary Funds. Caldwell County's propriety funds provide the same type of information found in government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget reflected an increase in appropriation of \$4,018,081, and the major changes can be briefly summarized as follows:

- Capital outlay purchases in the amount of \$603,871 were added to the budget during the fiscal year.
- The County added \$314,593 to the budget for debt service to allow for the early payoff of certain outstanding installment purchase debts.
- Flow through grant funds in the amount of \$2,195,531 were added to the budget during the fiscal year for the Department of Social Services.
- Extra flow-through funds in the amount of \$223,152 were added to allow for an economic development grant to be paid through the County.
- Additional funds were added for public safety during the year that totaled \$347,819
- Various other increases to multiple line items constitute the remaining increase in the expenditure budget. Overall, the expenditures in the General Fund were \$3,017,669 less than the revised budget.

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, 2012 amounts to \$44,290,225. 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:

- Due to the economy and the uncertainty of various revenue sources available to the County, elected leadership chose to do very few capital projects.
- The final outstanding debts associated with the County's Water Fund were paid off during the fiscal year.
- The final remaining 59-month financing issued for the purchase of vehicles and equipment was paid off during the year. All remaining County debt is related to long-term assets held either by the County, the public school system, or the community college.

Table 3
Capital Assets, Net of Depreciation
As of June 30, 2012

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Land	\$ 7,277,547	\$ 7,304,075	\$ 20,000	\$ 1,610,312	\$ 7,297,547	\$ 8,914,387
Construction in progress	-	-	-	1,572,595	-	1,572,595
Buildings	22,445,090	22,716,095	103,529	116,787	22,548,619	22,832,882
Equipment, furniture, and vehicles	7,860,757	8,384,539	-	104,832	7,860,757	8,489,371
Water System	-	-	6,583,302	7,550,756	6,583,302	7,550,756
Total capital assets, net of depreciation, where applicable	<u>\$ 37,583,394</u>	<u>\$ 38,404,710</u>	<u>\$ 6,706,831</u>	<u>\$ 10,955,281</u>	<u>\$ 44,290,225</u>	<u>\$ 49,359,991</u>

Additional information on Caldwell County's capital assets can be found in note 2 on pages 40 and 41 of this report.

Long-Term Debt. At the end of the current fiscal year, Caldwell County had total bonded debt outstanding of \$3,945,000. The County currently does not have outstanding revenue bonds.

Table 4
General Obligation Bonds Outstanding
As of June 30, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
General obligation bonds	<u>\$ 3,945,000</u>	<u>\$ 5,485,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,945,000</u>	<u>\$ 5,485,000</u>

Caldwell County's **total debt decreased during the year by \$5,779,911.** This was the result of annual principal payments reducing our outstanding debt combined with the early payoff of various installment purchase loans.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation. The current debt limitation for Caldwell County is approximately \$403,335,000, 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 on pages 51 thru 55 of this report.

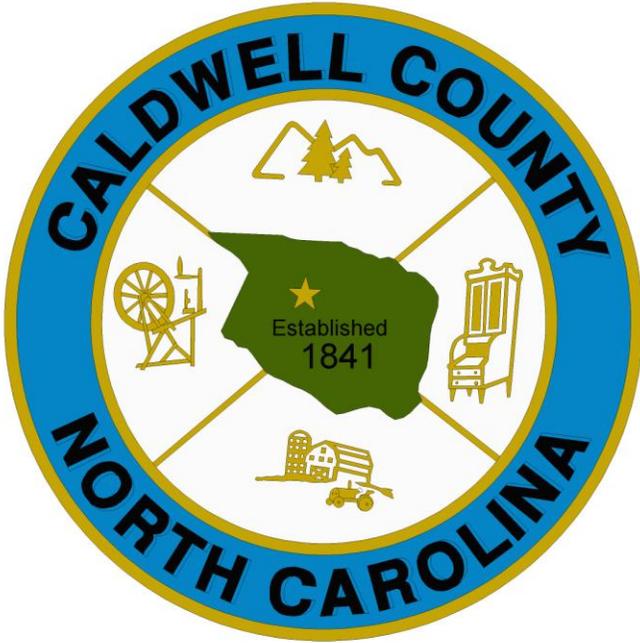
Economic Factors and Next Year's Budgets and Rates

Caldwell County continues to maintain a sound financial condition despite the current economic downturn. Caldwell County's fund balance percentage as calculated by the Local Government Commission is 18.7 percent as of June 30, 2012. This is double the required minimum of 8 percent. Despite the effects of the recession, the County's financial position remains strong. Property and sales tax collections exceeded budget for fiscal year 2011-2012. Actual expenditures in the General Fund came in over 3 million dollars below the budget. This resulted in an increase to the General Fund, fund balance, of \$1,039,185.

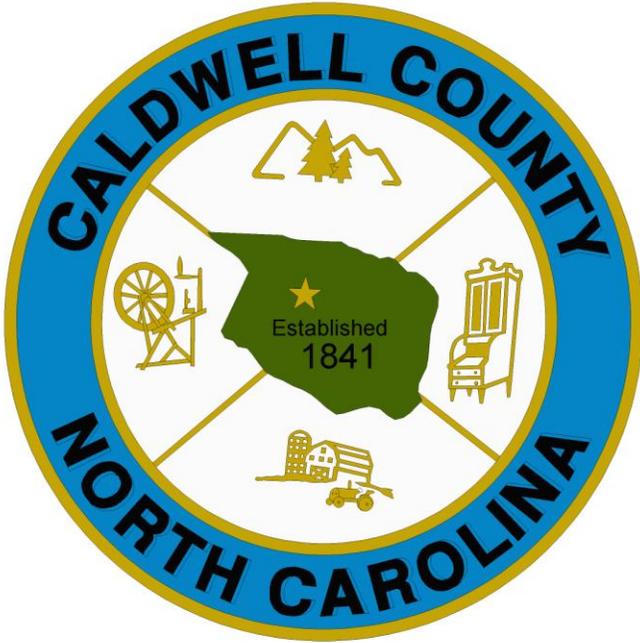
The budget for fiscal year 2012-2013 reduces the tax rate that was in place for fiscal year 2011-2012 by three cents. The new rate is 62.99 cents per one hundred dollars of valuation.

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 ASSETS
JUNE 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Caldwell Railroad Commission
Assets:				
Current assets:				
Cash and cash equivalents	\$ 18,228,835	\$ 4,303,442	\$ 22,532,277	\$ 13,583
Taxes receivable, net	4,047,698	-	4,047,698	-
Accounts receivable, net	5,476,752	409,019	5,885,771	-
Due from other governments	245,141	54,960	300,101	-
Inventories	65,931	47,963	113,894	-
Restricted cash and cash equivalents	891,610	83,700	975,310	-
Total current assets	<u>28,955,967</u>	<u>4,899,084</u>	<u>33,855,051</u>	<u>13,583</u>
Non-current assets:				
Due from other governments, noncurrent	-	43,319	43,319	-
Non-depreciable capital assets	7,277,547	20,000	7,297,547	-
Depreciable capital assets, net	30,305,847	6,686,831	36,992,678	1,523,583
Total non-current assets	<u>37,583,394</u>	<u>6,750,150</u>	<u>44,333,544</u>	<u>1,523,583</u>
Total assets	<u>66,539,361</u>	<u>11,649,234</u>	<u>78,188,595</u>	<u>1,537,166</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	2,200,742	133,209	2,333,951	8,314
Unearned revenues	18,049	-	18,049	-
Customer deposits	-	83,700	83,700	-
Current portion of long-term liabilities	4,266,294	2,900	4,269,194	-
Total current liabilities	<u>6,485,085</u>	<u>219,809</u>	<u>6,704,894</u>	<u>8,314</u>
Long-term liabilities:				
Due in more than one year	39,423,854	30,301	39,454,155	-
Total long-term liabilities	<u>39,423,854</u>	<u>30,301</u>	<u>39,454,155</u>	<u>-</u>
Total liabilities	<u>45,908,939</u>	<u>250,110</u>	<u>46,159,049</u>	<u>8,314</u>
Net Assets:				
Invested in capital assets, net of related debt	17,405,500	6,706,831	24,112,331	1,523,583
Restricted for:				
Stabilization for State statute	5,242,112	-	5,242,112	-
Register of Deeds	114,654	-	114,654	-
Public safety	706,490	-	706,490	-
Economic & physical development	121	-	121	-
Education	804,709	-	804,709	-
Unrestricted (deficit)	<u>(3,643,164)</u>	<u>4,692,293</u>	<u>1,049,129</u>	<u>5,269</u>
Total net assets	<u>\$ 20,630,422</u>	<u>\$ 11,399,124</u>	<u>\$ 32,029,546</u>	<u>\$ 1,528,852</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, 2012**

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,572,489	\$ 2,298,938	\$ -	\$ -
Public safety	16,479,850	4,021,004	1,376,670	-
Environmental protection	474,617	853,585	-	-
Economic and physical development	3,703,056	17,000	-	430,414
Human services	23,268,124	1,505,761	15,377,107	-
Cultural and recreational	1,415,319	34,829	257,945	-
Education	22,076,249	-	-	1,122,112
Interest	1,546,524	-	-	-
Total governmental activities	<u>74,536,228</u>	<u>8,731,117</u>	<u>17,011,722</u>	<u>1,552,526</u>
Business-Type Activities:				
Water Fund	2,828,800	3,397,148	-	-
Total primary government	<u>\$ 77,365,028</u>	<u>\$ 12,128,265</u>	<u>\$ 17,011,722</u>	<u>\$ 1,552,526</u>
Component Unit:				
Caldwell Railroad Commission	\$ 144,690	\$ -	\$ 35,000	\$ 8,701
Total component unit	<u>\$ 144,690</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 8,701</u>

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Local option sales tax
- Other taxes and licenses

Investment earnings

Special item - loss on disposal of capital assets

Total general revenues, excluding transfers

Transfers

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Caldwell Railroad Commission
\$ (3,273,551)	\$ -	\$ (3,273,551)	
(11,082,176)	-	(11,082,176)	
378,968	-	378,968	
(3,255,642)	-	(3,255,642)	
(6,385,256)	-	(6,385,256)	
(1,122,545)	-	(1,122,545)	
(20,954,137)	-	(20,954,137)	
(1,546,524)	-	(1,546,524)	
(47,240,863)	-	(47,240,863)	
-	568,348	568,348	
(47,240,863)	568,348	(46,672,515)	
			\$ (100,989)
			(100,989)
38,944,274	-	38,944,274	-
9,288,329	-	9,288,329	-
1,141,149	-	1,141,149	-
59,756	7,697	67,453	160
-	(2,601,072)	(2,601,072)	-
49,433,508	(2,593,375)	46,840,133	160
134,699	(134,699)	-	-
49,568,207	(2,728,074)	46,840,133	160
2,327,344	(2,159,726)	167,618	(100,829)
18,303,078	13,558,850	31,861,928	1,629,681
\$ 20,630,422	\$ 11,399,124	\$ 32,029,546	\$ 1,528,852

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

CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 14,210,633	\$ 4,018,202	\$ 18,228,835
Taxes receivable (net)	3,670,204	377,494	4,047,698
Accounts receivable (net)	4,862,279	614,473	5,476,752
Due from other governments	181,668	63,473	245,141
Inventories	65,931	-	65,931
Restricted cash and cash equivalents	88,490	803,120	891,610
Total assets	<u>\$ 23,079,205</u>	<u>\$ 5,876,762</u>	<u>\$ 28,955,967</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,840,585	\$ 360,157	\$ 2,200,742
Deferred revenue	4,168,035	377,494	4,545,529
Total liabilities	<u>6,008,620</u>	<u>737,651</u>	<u>6,746,271</u>
Fund Balances:			
Non-spendable:			
Inventories	65,931	-	65,931
Restricted:			
Stabilization for State statute	4,564,166	677,946	5,242,112
Restricted, all other	203,144	1,422,830	1,625,974
Committed	-	1,387,543	1,387,543
Assigned	3,170,924	1,911,739	5,082,663
Unassigned	9,066,420	(260,947)	8,805,473
Total fund balances	<u>17,070,585</u>	<u>5,139,111</u>	22,209,696
Total liabilities and fund balances	<u>\$ 23,079,205</u>	<u>\$ 5,876,762</u>	

Amounts reported for governmental activities in the Statement of Net Assets 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. 37,583,394

Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets. 4,527,480

Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (43,690,148)

Net assets of governmental activities, per Exhibit A \$ 20,630,422

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, 2012

	General Fund	Other Governmental Funds	Total
Revenues:			
Ad valorem taxes	\$ 35,417,978	\$ 3,123,735	\$ 38,541,713
Local option sales taxes	5,596,247	2,492,082	8,088,329
Other taxes and licenses	336,917	-	336,917
Unrestricted intergovernmental	821,232	1,200,000	2,021,232
Restricted intergovernmental	17,178,077	2,210,250	19,388,327
Permits and fees	853,603	-	853,603
Sales and services	6,823,988	-	6,823,988
Investment earnings	49,193	10,563	59,756
Miscellaneous	231,880	-	231,880
Total revenues	<u>67,309,115</u>	<u>9,036,630</u>	<u>76,345,745</u>
Expenditures:			
Current:			
General government	5,254,181	335,978	5,590,159
Public safety	12,235,746	3,643,821	15,879,567
Environmental protection	324,299	168,501	492,800
Economic and physical development	2,506,840	1,186,151	3,692,991
Human services	22,690,914	12,895	22,703,809
Cultural and recreational	1,323,224	-	1,323,224
Education	17,843,534	4,232,715	22,076,249
Debt service:			
Principal retirement	3,137,565	1,428,763	4,566,328
Interest and fees	1,397,777	148,747	1,546,524
Total expenditures	<u>66,714,080</u>	<u>11,157,571</u>	<u>77,871,651</u>
Revenues over (under) expenditures	<u>595,035</u>	<u>(2,120,941)</u>	<u>(1,525,906)</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	231,080	-	231,080
Transfers from other funds	322,093	124,259	446,352
Transfers to other funds	(124,259)	(187,394)	(311,653)
Proceeds from sale of capital assets	15,236	-	15,236
Total other financing sources (uses)	<u>444,150</u>	<u>(63,135)</u>	<u>381,015</u>
Net change in fund balances	1,039,185	(2,184,076)	(1,144,891)
Fund Balances:			
Beginning of year - July 1	<u>16,031,400</u>	<u>7,323,187</u>	<u>23,354,587</u>
End of year - June 30	<u>\$ 17,070,585</u>	<u>\$ 5,139,111</u>	<u>\$ 22,209,696</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, 2012**

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) \$ (1,144,891)

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	332,342
Sales and services	70,219

Expenses related to compensated absences, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement. (469,128)

Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures. 24,870

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. 1,116,205

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. (34,670)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (1,902,851)

Principal repayments 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. (This line includes debt refunding transactions.) 4,566,328

Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities. (231,080)

Change in net assets of governmental activities, per Exhibit B \$ 2,327,344

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
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 34,871,700	\$ 35,060,869	\$ 35,417,978	\$ 357,109
Local option sales taxes	5,000,000	5,293,685	5,596,247	302,562
Other taxes and licenses	387,400	393,400	336,917	(56,483)
Unrestricted intergovernmental	614,535	649,535	821,232	171,697
Restricted intergovernmental	15,071,858	17,773,812	17,178,077	(595,735)
Permits and fees	810,995	826,995	853,603	26,608
Sales and services	7,718,664	7,101,969	6,823,988	(277,981)
Investment earnings	75,000	75,000	49,193	(25,807)
Miscellaneous	202,750	227,503	231,880	4,377
Total revenues	<u>64,752,902</u>	<u>67,402,768</u>	<u>67,309,115</u>	<u>(93,653)</u>
Expenditures:				
Current:				
General government	5,995,056	6,079,277	5,254,181	825,096
Public safety	12,002,445	12,898,730	12,235,746	662,984
Environmental protection	346,326	352,216	324,299	27,917
Economic and physical development	2,550,919	2,771,390	2,506,840	264,550
Human services	21,764,070	23,898,748	22,690,914	1,207,834
Cultural and recreational	1,334,259	1,350,259	1,323,224	27,035
Intergovernmental:				
Education	17,730,593	17,845,456	17,843,534	1,922
Debt service:				
Principal retirement	2,844,300	3,389,086	3,137,565	251,521
Interest and fees	1,145,700	1,146,587	1,397,777	(251,190)
Total expenditures	<u>65,713,668</u>	<u>69,731,749</u>	<u>66,714,080</u>	<u>3,017,669</u>
Revenues over (under) expenditures	<u>(960,766)</u>	<u>(2,328,981)</u>	<u>595,035</u>	<u>2,924,016</u>
Other Financing Sources (Uses):				
Installment purchase financing issued	-	231,080	231,080	-
Transfers from (to) special revenue funds	125,000	187,394	187,394	-
Transfers from (to) Enterprise Fund	134,700	134,700	134,699	(1)
Transfers from (to) capital project funds	-	(124,259)	(124,259)	-
Proceeds from sale of capital assets	10,000	13,900	15,236	1,336
Contingency	(200,000)	(159,246)	-	159,246
Appropriated fund balance	891,066	2,045,412	-	(2,045,412)
Total other financing sources (uses)	<u>960,766</u>	<u>2,328,981</u>	<u>444,150</u>	<u>(1,884,831)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,039,185	<u>\$ 1,039,185</u>
Fund Balance:				
Beginning of year - July 1			<u>16,031,400</u>	
End of year - June 30			<u>\$ 17,070,585</u>	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	<u>Water Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,303,442
Accounts receivable net	409,019
Due from other governments	54,960
Inventories	47,963
Restricted cash and cash equivalents	<u>83,700</u>
Total current assets	<u>4,899,084</u>
Non-current assets:	
Non-current portion of due from other governments	<u>43,319</u>
Capital assets:	
Non-depreciable capital assets	20,000
Capital assets (net of depreciation)	<u>6,686,831</u>
Total capital assets	<u>6,706,831</u>
Total non-current assets	<u>6,750,150</u>
Total assets	<u>11,649,234</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	133,209
Customer deposits	83,700
Current portion of compensated absences payable	<u>2,900</u>
Total current liabilities	<u>219,809</u>
Non-current liabilities:	
Compensated absences payable	<u>30,301</u>
Total non-current liabilities	<u>30,301</u>
Total liabilities	<u>250,110</u>
Net Assets:	
Invested in capital assets	6,706,831
Unrestricted	<u>4,692,293</u>
Total net assets	<u>\$ 11,399,124</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 ASSETS PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Water Fund</u>
Operating Revenues:	
Charges for services	\$ 3,320,772
Water taps	39,908
Other operating revenues	36,468
Total operating revenues	<u>3,397,148</u>
Operating Expenses:	
Water operations	2,228,001
Depreciation	539,967
Total operating expenses	<u>2,767,968</u>
Operating income (loss)	<u>629,180</u>
Non-Operating Revenues (Expenses):	
Investment earnings	7,697
Interest and fees	(60,832)
Total non-operating revenues (expenses)	<u>(53,135)</u>
Income (loss) before transfers and special item	576,045
Transfer to governmental funds	(134,699)
Special item - loss on disposal of capital assets	<u>(2,601,072)</u>
Change in net assets	(2,159,726)
Net Assets:	
Beginning of year - July 1	<u>13,558,850</u>
End of year - June 30	<u>\$ 11,399,124</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, 2012

	Water Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 3,417,497
Cash paid for goods and services	(1,629,109)
Cash paid to or on behalf of employees	(568,978)
Net cash provided (used) by operating activities	1,219,410
Cash Flows from Non-Capital Financing Activities:	
Transfers from (to) other funds	(134,699)
Net cash provided (used) by non-capital financing activities	(134,699)
Cash Flows from Capital and Related Financing Activities:	
Proceeds from sale of capital assets	561,834
Debt principal paid	(1,444,663)
Interest and fees paid	(60,832)
Net cash provided (used) by capital and related financing activities	(943,661)
Cash Flows from Investing Activities:	
Investment earnings	7,697
Net increase (decrease) in cash and cash equivalents	148,747
Cash and Cash Equivalents:	
Beginning of year - July 1	4,238,395
End of year - June 30	\$ 4,387,142

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, 2012

	<u>Water Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>629,180</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	539,967
Change in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(27,548)
(Increase) decrease in inventory and other current assets	(2,696)
(Increase) decrease in due from other governments	47,897
Increase (decrease) in accounts payable and accrued liabilities	29,586
Increase (decrease) in customer deposits	5,041
Increase (decrease) in compensated absences payable	<u>(2,017)</u>
Total adjustments	<u>590,230</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,219,410</u></u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2012

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 144,060
Accounts receivable	<u>21,573</u>
Total assets	<u>165,633</u>
Liabilities:	
Miscellaneous liabilities	73,073
Intergovernmental payable	<u>92,560</u>
Total liabilities	<u>165,633</u>
Net assets	<u>\$ -</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, 2012

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 Railroad Commission (“Railroad”) is a publicly supported organization that manages the railroad activities under a lease agreement with the Caldwell County Railroad. In addition, the Railroad promotes the economic growth along the rail corridor and has recently completed the construction of a rail trans-load facility for use by existing and new industries within the County and surrounding areas.

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.

The Railroad has a June 30 year-end and is presented as if it is a separate proprietary fund of the County (discrete presentation).

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Caldwell County Railroad Commission	Discrete	The Railroad is governed by a nine-member Board that is appointed by the County Commissioners. They can remove any member with or without cause.	Caldwell County Railroad Commission 1909 Hickory Blvd PO Box 2888 Lenoir, NC 28645
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

B. Basis of Presentation

Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Assets 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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 and blended component units. 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.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

forfeitures that the County is required to remit to the Caldwell County Board of Education and the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Deed of Trust fund, which accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.

Nonmajor Funds. The County maintains eight legally budgeted nonmajor funds. The Sales Tax Reinvestment Fund, Fire District Fund, Rescue Fund, Emergency Telephone System Fund, and the Scattered Site Housing Project Fund are reported as nonmajor special revenue funds. The Schools Capital Projects Fund – Sales Tax, Public Schools Capital Project Fund, and General Capital Projects Fund are reported as nonmajor capital project funds.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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 revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because, generally, they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, and 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 Scattered Site Housing Fund Special Revenue Fund, Public Schools Capital Project Fund, General Capital Projects Fund and the Yadkin Valley Reservoir Fund, which are consolidated with the enterprise operating fund for reporting purposes.

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

This 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.

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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

F. Assets, Liabilities, 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 and the Railroad 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 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 as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. 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 essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

The unexpended proceeds of installment loans issued by the County are classified as restricted assets because their use is completely restricted to the purpose for which the installment agreements were originally issued.

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 funds are also classified as restricted assets because their use is restricted for future law enforcement expenditures.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due 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, 2011. 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.

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 are recorded at estimated fair value on the date of donation. 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, 2012

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 Assets.

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.

Net Assets/Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statutes.

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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 of 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 Economic & Physical Development – portion of fund balance restricted by revenue source for economic and physical development purposes.

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

Restricted fund balance at June 30, 2012 is as follows:

Purpose	General Fund	Other Governmental Funds
Restricted, all other:		
Register of Deeds	\$ 114,654	\$ -
Public Safety	88,490	618,000
Education	-	804,709
Economic & Physical Development	-	121
Total	\$ 203,144	\$ 1,422,830

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Future Capital Projects – portion of fund balance budgeted by the Board to be used for future capital projects

Committed fund balance at June 30, 2012 is as follows:

Purpose	General Fund	Other Governmental Funds
Future capital projects	\$ -	\$ 1,387,543
Total	\$ -	\$ 1,387,543

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.

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

Assigned fund balance at June 30, 2012 is as follows:

Purpose	General Fund	Other Governmental Funds
Subsequent year's expenditures	\$ 3,170,924	\$ 1,500,000
Economic development	-	411,739
Total	\$ 3,170,924	\$ 1,911,739

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

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	\$ 17,070,585
Less:	
Inventories	(65,931)
Stabilization by State Statute	<u>(4,564,166)</u>
Fund balance available for appropriation	<u>\$ 12,440,488</u>

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 undercollateralization, and this

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The 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, 2012, the County's deposits had a carrying amount of \$21,762,220 and a bank balance of \$22,918,713. Of the bank balance, \$621,722 was covered by federal depository insurance, and \$22,296,991 was covered by collateral held under the Pooling Method.

At June 30, 2012, the County had \$6,695 cash on hand.

Investments

As of June 30, 2012, the County's investments consisted of \$1,882,732 in the North Carolina Capital Management Trust's cash portfolio, which carried a credit rating of AAAM by Standard & Poor's. The County has no policy on credit risk.

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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 719,200	\$ 107,880	\$ 827,080
2010	1,234,700	123,470	1,358,170
2011	807,343	40,367	847,710
2012	847,649	-	847,649
Total	<u>\$ 3,608,892</u>	<u>\$ 271,717</u>	<u>\$ 3,880,609</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Receivables

Receivables at the government-wide level at June 30, 2012 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General property taxes	\$ -	\$ 7,276,478	\$ -	\$ 7,276,478
Allowance for doubtful accounts	-	(3,606,274)	-	(3,606,274)
Fire district taxes	-	640,705	-	640,705
Allowance for doubtful accounts	-	(312,811)	-	(312,811)
Rescue squad taxes	-	94,924	-	94,924
Allowance for doubtful accounts	-	(45,324)	-	(45,324)
Total	-	4,047,698	-	4,047,698
Ambulance receivables	6,025,824	-	-	6,025,824
Allowance for doubtful accounts	(5,314,002)	-	-	(5,314,002)
Sales tax receivable	1,994,815	-	-	1,994,815
Other receivables	2,770,115	-	-	2,770,115
Sales tax refund	-	-	245,141	245,141
Total governmental activities	\$ 5,476,752	\$ 4,047,698	\$ 245,141	\$ 9,769,591
Business-Type Activities:				
Water	\$ 663,870	\$ -	\$ -	\$ 663,870
Allowance for doubtful accounts	(254,851)	-	-	(254,851)
Sales tax refund due	-	-	7,111	7,111
Due from City of Lenoir, current portion	-	-	47,849	47,849
Total	409,019	-	54,960	463,979
Due from City of Lenoir, non-current	-	-	43,319	43,319
Total business-type activities	\$ 409,019	\$ -	\$ 98,279	\$ 507,298

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Increases	Decreases	Transfers	Balance June 30, 2012
Governmental Activities:					
Non-Depreciated Capital Assets:					
Land	\$ 7,304,075	\$ -	\$ (26,528)	\$ -	\$ 7,277,547
Total non-depreciated capital assets	7,304,075	-	(26,528)	-	7,277,547
Depreciated Capital Assets:					
Buildings	30,126,601	319,963	-	-	30,446,564
Equipment and furniture	11,200,723	252,955	-	-	11,453,678
Vehicles	4,466,215	543,287	(389,029)	-	4,620,473
Total depreciated capital assets	45,793,539	1,116,205	(389,029)	-	46,520,715
Less Accumulated Depreciation:					
Buildings	7,410,507	590,968	-	-	8,001,475
Equipment and furniture	3,788,616	899,769	-	-	4,688,385
Vehicles	3,493,781	412,114	(380,887)	-	3,525,008
Total accumulated depreciation	14,692,904	\$ 1,902,851	\$ (380,887)	\$ -	16,214,868
Total depreciated capital assets, net	31,100,635				30,305,847
Governmental activities capital assets, net	\$ 38,404,710				\$ 37,583,394

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 247,281
Public safety	1,177,605
Economic and physical development	4,375
Environmental protection	3,358
Human services	392,882
Cultural and recreational	77,350
Total	\$ 1,902,851

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Increases	Decreases	Transfers	Balance June 30, 2012
Business-Type Activities:					
Non-Depreciated Capital Assets:					
Land	\$ 3,182,906	\$ -	\$ (3,162,906)	\$ -	\$ 20,000
Total non-depreciated capital assets	3,182,906	-	(3,162,906)	-	20,000
Depreciated Capital Assets:					
Buildings	113,456	-	-	-	113,456
Water lines	15,425,665	-	-	-	15,425,665
Water valves	254,907	-	-	-	254,907
Fire hydrants	485,698	-	-	-	485,698
Water meters	369,839	-	-	-	369,839
Other system components	2,796,082	-	-	-	2,796,082
Equipment and vehicles	688,941	-	(10,169)	-	678,772
Total depreciated capital assets	20,134,588	-	(10,169)	-	20,124,419
Less Accumulated Depreciation:					
Buildings	7,091	2,836	-	-	9,927
Water lines	10,224,650	386,861	-	-	10,611,511
Water valves	193,973	3,809	-	-	197,782
Fire hydrants	287,578	7,662	-	-	295,240
Water meters	369,506	-	-	-	369,506
Other system components	1,209,136	49,937	-	-	1,259,073
Equipment and vehicles	615,856	88,862	(10,169)	-	694,549
Total accumulated depreciation	12,907,790	\$ 539,967	\$ (10,169)	\$ -	13,437,588
Total depreciated capital assets, net	7,226,798				6,686,831
Business-type activities capital assets, net	\$ 10,409,704				\$ 6,706,831

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2012 were as follows:

	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 1,416,317	\$ 133,209	\$ 1,549,526
Hospitalization reserve	784,425	-	784,425
Total	\$ 2,200,742	\$ 133,209	\$ 2,333,951

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. Caldwell County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS 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, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.97% and 7.05%, respectively, of annual covered payroll. The contribution requirements of members and of Caldwell County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$1,331,659 \$1,244,002, and \$958,358 respectively. The contributions made by the County equaled the required contributions for each year.

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. The Separation Allowance is equal to .85 percent 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 this plan.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan member entitled to, but not yet receiving, benefits	-
Active plan members	<u>71</u>
Total	<u>73</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.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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. These benefit payments are very immaterial amounts. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation of the Separation Allowance for the current year were as follows:

Annual required contribution	\$	87,203
Interest on net pension obligation		29,966
Adjustment to annual required contribution		(35,753)
Annual pension cost		81,416
Contributions made		24,561
Increase (decrease) in net pension obligation		56,855
Net pension obligation:		
Beginning of year - July 1		599,325
End of year - June 30	\$	656,180

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 68,967	39.50%	\$ 533,644
2011	90,242	27.22%	599,325
2012	81,416	30.17%	656,180

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$703,032. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,570,263, and the ratio of the UAAL to the covered payroll was 27.35 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets are increasing or decreasing, over time, related to the actuarial accrued liability for benefits.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. All law enforcement officers employed by the County participate in the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment, and benefits are provided to all law enforcement officers employed by the County. In a defined contribution plan, benefits depend solely on the amounts contributed to the Plan plus investment earnings. 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 five percent 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, 2012 were \$153,371, which consisted of \$125,566 from the County and \$27,805 from the law enforcement officers.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county Register of Deeds whom 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 provision to the North Carolina General Assembly. The Register 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 Fund. 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. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012, the County's required and actual contributions were \$5,950.

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.

Membership of the Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	20	-
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	461	67
Total	481	67

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.

The current ARC rate is 2.40% of annual covered payroll. For the current year, the County contributed \$11,975, or 0.06%, of annual covered payroll. The County purchases insurance from a private carrier for healthcare coverage. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 2.40% and 2.40% of covered payroll, respectively. Each employee contributed \$30 per month for his or her coverage and an additional amount for dependent coverage for a total employee contribution in the amount of \$761,520. Retirees are

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

responsible for one half of the cost of coverage plus actual cost of any covered dependents subject to the established guidelines for retiree eligibility for post-employment health coverage. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation for the healthcare benefits:

	Governmental Activities
Annual required contribution	\$ 455,226
Interest on net OPEB obligation	43,387
Adjustments to annual required contribution	(41,448)
Annual OPEB cost (expense)	457,165
Contributions made	(11,975)
Increase (decrease) in net OPEB obligation	445,190
Net OPEB obligation:	
Beginning of year - July 1	1,084,680
End of year - June 30	\$ 1,529,870

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012 were as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 438,772	18.81%	\$ 776,889
2011	456,615	32.60%	1,084,680
2012	457,165	2.62%	1,529,870

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Funding Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,478,302. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,002,847, and the ratio of the UAAL to the covered payroll was 18.3 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual medical cost trend increase of 10.5 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 30 years.

As of June 30, 2012, management had decided to continue funding the liability on a pay-as-you-go basis going into the next fiscal year.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. 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. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2012, the County made contributions to the State for death benefits of \$18,424. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.09% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

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 thirty 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 \$400,508 reported as landfill closure and post-closure care liability at June 30, 2012, represents a cumulative amount reported to date based on the use of 100 percent 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.

During the fiscal year ended June 30, 1998, construction began on a new County landfill. Republic Industries will operate the new 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Deferred/Unearned Revenues

The balance of deferred revenues on the fund statements and unearned revenues in the government-wide statements at year-end is composed of the following elements:

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable, net (General Fund and Special Revenue Fund)	\$ 4,047,698	\$ -
Ambulance receivables, net (General Fund)	479,782	-
Prepaid taxes, not yet earned (General Fund)	<u>18,049</u>	<u>18,049</u>
Total	<u>\$ 4,545,529</u>	<u>\$ 18,049</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 Parkway Insurance Services, Inc. equal to replacement cost values of owned property subject to a limit of \$36 million 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 fully insured for its health insurance with Blue Cross and Blue Shield of North Carolina 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 carries flood insurance with a \$1,000,000 limit and a \$50,000 deductible due to certain County facilities being located within the 100-year flood plain.

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, 2012

Contingent Liabilities

At June 30, 2012, 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, 2012, lease expenditures totaled \$73,926. 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>
2013	\$ 21,229
2014	5,278
2015	90
Total minimum payments required	<u>\$ 26,597</u>

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, 2012

Installment purchase contracts at June 30, 2012 are comprised of the following:

Serviced by the County's General Fund:

\$6,500,000 contract for construction of jail facilities, due in annual installments of \$540,907, including interest at 2.88%, through April 2018	\$ 2,646,752
\$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	5,676,115
\$16,300,000 contract for the Early College facility on the campus of CCC&TI, upgrade to emergency communications system to include new towers, and 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)	12,946,648
\$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)	10,021,272
\$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	2,575,180
\$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	<u>2,098,600</u>
Total serviced by the General Fund	<u>35,964,567</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	\$ 2,629,494	\$ 870,112
2014	2,629,354	985,592
2015	2,653,726	907,969
2016	2,678,883	829,562
2017	2,704,849	750,345
2018-2022	11,911,704	2,618,936
2023-2027	10,756,557	873,588
Total	\$ 35,964,567	\$ 7,836,104

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. The County's Water Fund issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water Fund, are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

The County's general obligation bonds at June 30, 2012 are comprised of the following individual issues:

Serviced by the County's General Fund -

General Obligation Bonds:

\$8,725,000 2009 General Obligation Refunding Bonds, due in annual installments of \$185,000 to \$1,635,000 through June 1, 2018 at an interest rate of 2% to 3%; due June 1 and December 1	<u>\$ 3,945,000</u>
Total general obligation bonds serviced by the General Fund	<u>\$ 3,945,000</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,500,000	\$ 95,400
2014	1,060,000	65,400
2015	560,000	41,550
2016	325,000	24,750
2017	315,000	15,000
2018	185,000	5,550
Total	<u>\$ 3,945,000</u>	<u>\$ 247,650</u>

At June 30, 2012, the County had a legal debt margin of approximately \$403,000,000.

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, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Governmental Activities:					
General obligation debt	\$ 5,485,000	\$ -	\$ 1,540,000	\$ 3,945,000	\$ 1,500,000
Installment purchases	38,759,815	231,080	3,026,328	35,964,567	2,629,294
Compensated absences	1,226,940	1,038,225	1,071,142	1,194,023	107,000
OPEB accrued liability	1,084,680	457,165	11,975	1,529,870	-
Accrued post-closure care	425,378	8,933	33,803	400,508	30,000
Net pension obligation	599,325	81,416	24,561	656,180	-
Total governmental activities	<u>\$ 47,581,138</u>	<u>\$ 1,816,819</u>	<u>\$ 5,707,809</u>	<u>\$ 43,690,148</u>	<u>\$ 4,266,294</u>
Business-Type Activities:					
Installment purchases	\$ 1,444,663	\$ -	\$ 1,444,663	\$ -	\$ -
Compensated absences	35,218	27,103	29,120	33,201	2,900
Total business-type activities	<u>\$ 1,479,881</u>	<u>\$ 27,103</u>	<u>\$ 1,473,783</u>	<u>\$ 33,201</u>	<u>\$ 2,900</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

Capital Assets, Net of Related Debt

Capital assets, net of related debt, at June 30, 2012 are computed as follows:

Capital assets, net of accumulated depreciation	\$ 37,583,394
Less capital debt:	
Gross debt	39,909,567
Less:	
School debt related to assets to which the County does not hold title	(18,928,553)
Unexpended debt proceeds	<u>(803,120)</u>
Net capital debt	<u>20,177,894</u>
Capital assets, net of related debt	<u>\$ 17,405,500</u>

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, 2012, there were no industrial revenue bonds outstanding.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2012 are summarized below.

<u>From</u>	<u>To</u>	<u>Amount</u>
Water Fund	General Fund	\$ 134,699
Emergency Telephone System Fund	General Fund	62,394
Rescue Fund	General Fund	125,000
General Fund	General Capital Projects	124,259
Total		<u>\$ 446,352</u>

Transfers between the major funds, other nonmajor governmental funds, and enterprise funds were primarily to support the capital projects and operations of the funds.

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.

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, 2012, \$13,626,327 of debt issued for this purpose was still outstanding.

The County contributed \$3,286,073 for operating and capital purposes during the fiscal year ended June 30, 2012. In addition, the County made debt service payments of \$1,543,698 during the fiscal year on general obligation bonds 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

4. Jointly Governed Organizations

The Western Piedmont Council of Governments (“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 \$20,134 to the Council during the fiscal year ended June 30, 2012.

The Region E Development Corporation (“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. (“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, 2012, the County provided \$13,473.

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, 2012, Caldwell County contributed \$48,254.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

5. Benefit Payments Issued by the State

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

	<u>Total Issued</u>	<u>Federal</u>	<u>State</u>	<u>County</u>
Medicaid	\$ 101,671,025	\$ 64,362,093	\$ 37,308,576	\$ 356
Women, Infants, and Children	1,662,408	1,662,408	-	-
Temporary assistance for needy families	172,302	172,302	-	-
Adoption Subsidy	2,612,807	1,405,001	722,840	484,966
Title IV-E Foster Care	1,726,982	1,044,217	332,040	350,725
TEA Foster Care	14,234	14,234	-	-
State Foster Home Funds	461,425	-	230,713	230,712
Title IV-E Adoption Assistance	33,899	16,949	8,475	8,475
Title IV-B Adoption Assistance	20,928	-	15,696	5,232
Special Assistance	1,344,696	-	672,348	672,348
Low Income Energy Assistance	896,386	896,386	-	-
Total	<u>\$ 110,617,092</u>	<u>\$ 69,573,590</u>	<u>\$ 39,290,688</u>	<u>\$ 1,752,814</u>

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.

Other Commitment

The County has a financial commitment in the amount of \$755,607 to purchase land for Caldwell EDC Properties, LLC to benefit economic development efforts within the County. The commitment requires annual payments of principal and interest in the amount of \$101,899 through July 15, 2020.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

7. Special Item – Loss on Disposal of Capital Asset

During the fiscal year ending June 30, 2012, the County sold the Yadkin Valley Reservoir Property. The total cost of this asset, including the cost to purchase the land and other costs associated with preparing it to function as a reservoir, such as engineering and environmental studies, equaled \$3,162,906. The proceeds of the sale were \$561,834, resulting in a loss on disposal of \$2,601,072.

CALDWELL COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2006	\$ -	\$ 470,898	\$ 470,898	0.00%	\$ 2,107,516	22.34%
12/31/2007	-	498,601	498,601	0.00%	2,568,242	19.41%
12/31/2008	-	468,987	468,987	0.00%	2,690,608	17.43%
12/31/2009	-	741,020	741,020	0.00%	2,648,855	27.98%
12/31/2010	-	681,558	681,558	0.00%	2,523,247	27.01%
12/31/2011	-	703,032	703,032	0.00%	2,570,263	27.35%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2007	\$ 54,871	31.51%
2008	58,923	41.65%
2009	64,367	48.54%
2010	64,291	42.38%
2011	92,130	26.66%
2012	87,203	28.17%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:
Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial Assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25-7.85%
* Includes inflation at	3.00%
Cost of living adjustment	N/A

CALDWELL COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 5,065,903	\$ 5,065,903	0.00%	\$ 20,000,963	25.3%
12/31/2010	-	3,478,302	3,478,302	0.00%	19,002,847	18.3%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 438,772	4.13%
2010	438,772	18.81%
2011	455,226	32.69%
2012	455,226	2.63%

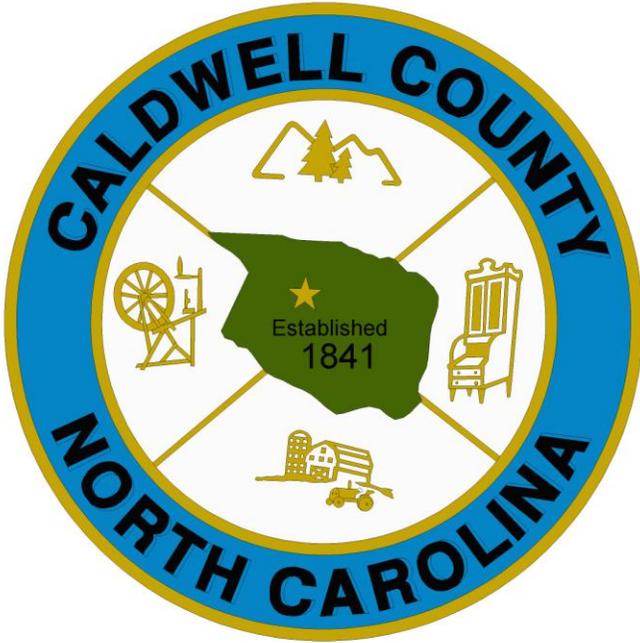
Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return *	4%
Medical cost trend rate	10.5% - 5.0%
Year of Ultimate trend rate	2018
* Includes inflation at 3.00%	

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
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 35,060,869	\$ 35,417,978	\$ 357,109
Local Option Sales Tax:			
Article 39 one percent	2,653,685	2,740,548	86,863
Article 40 one-half of one percent	2,190,000	2,385,832	195,832
Article 42 one-half of one percent	450,000	443,225	(6,775)
Article 44 one-half of one percent	-	26,642	26,642
Total	<u>5,293,685</u>	<u>5,596,247</u>	<u>302,562</u>
Other Taxes and Licenses:			
Real estate transfer tax	165,000	118,188	(46,812)
Local occupancy tax	81,000	81,674	674
Scrap tire tax	100,000	100,272	272
White goods tax	35,000	25,212	(9,788)
Schedule B licenses	10,000	8,838	(1,162)
Gross receipts tax	2,400	2,733	333
Total	<u>393,400</u>	<u>336,917</u>	<u>(56,483)</u>
Unrestricted Intergovernmental:			
Payment in lieu of taxes	100,000	122,107	22,107
State hold-harmless reimbursement	100,000	248,269	148,269
Cable franchise tax	435,000	433,856	(1,144)
EDC occupancy tax	14,535	17,000	2,465
Total	<u>649,535</u>	<u>821,232</u>	<u>171,697</u>
Restricted Intergovernmental:			
Federal and State aid - health	2,710,276	2,957,279	247,003
Federal and State aid - social services	12,941,038	12,419,828	(521,210)
Federal and State aid - law enforcement	327,108	324,258	(2,850)
Federal and State aid - library	141,000	142,080	1,080
Federal and State aid - miscellaneous	1,030,305	589,305	(441,000)
Federal and State aid - JCPC	207,164	207,164	-
Federal and State aid - ambulance	175,000	316,905	141,905
Federal and State shared - controlled substance	65,921	66,256	335
Court facility fees	160,000	140,538	(19,462)
ABC revenue	16,000	14,464	(1,536)
Total	<u>17,773,812</u>	<u>17,178,077</u>	<u>(595,735)</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Permits and Fees:			
Inspection department	235,000	216,605	(18,395)
Marriage license	12,000	11,863	(137)
Environmental fees	60,000	52,985	(7,015)
Civil fees	95,000	144,033	49,033
Weapons permits	68,000	77,595	9,595
Register of Deeds	325,000	316,571	(8,429)
Miscellaneous	31,995	33,951	1,956
Total	<u>826,995</u>	<u>853,603</u>	<u>26,608</u>
Sales and Services:			
Home health receipts	1,603,163	1,315,689	(287,474)
Ambulance fees	2,400,000	2,399,354	(646)
Animal control	46,500	58,497	11,997
Jail fees	1,400,750	1,279,098	(121,652)
Jail commissary	90,000	89,637	(363)
Sheriff collection fees	4,000	1,628	(2,372)
Health Department fees	318,625	190,072	(128,553)
Household fees	500,000	525,498	25,498
Republic Host fees	600,000	802,123	202,123
E911 services	29,659	29,659	-
Library fines and fees	30,000	34,829	4,829
Collection fees - special tax districts and towns	30,000	30,015	15
Miscellaneous	49,272	67,889	18,617
Total	<u>7,101,969</u>	<u>6,823,988</u>	<u>(277,981)</u>
Investment Earnings	<u>75,000</u>	<u>49,193</u>	<u>(25,807)</u>
Miscellaneous:			
Contributions	121,750	115,865	(5,885)
Other	105,753	116,015	10,262
Total	<u>227,503</u>	<u>231,880</u>	<u>4,377</u>
Total revenues	<u>67,402,768</u>	<u>67,309,115</u>	<u>(93,653)</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General Government:			
Administration:			
Salaries and benefits	317,445	317,277	
Operating expenditures	<u>173,374</u>	<u>148,370</u>	
Total	<u>490,819</u>	<u>465,647</u>	<u>25,172</u>
Board of Elections:			
Salaries and benefits	135,869	129,512	
Operating expenditures	<u>120,268</u>	<u>104,797</u>	
Total	<u>256,137</u>	<u>234,309</u>	<u>21,828</u>
Register of Deeds:			
Salaries and benefits	358,010	344,132	
Operating expenditures	<u>132,247</u>	<u>102,972</u>	
Total	<u>490,257</u>	<u>447,104</u>	<u>43,153</u>
Finance:			
Salaries and benefits	329,448	328,344	
Operating expenditures	<u>75,679</u>	<u>69,326</u>	
Total	<u>405,127</u>	<u>397,670</u>	<u>7,457</u>
EMS Billing:			
Salaries and benefits	81,199	80,518	
Operating expenditures	<u>36,205</u>	<u>32,017</u>	
Total	<u>117,404</u>	<u>112,535</u>	<u>4,869</u>
Information Services:			
Salaries and benefits	415,487	414,935	
Operating expenditures	<u>257,259</u>	<u>225,015</u>	
Total	<u>672,746</u>	<u>639,950</u>	<u>32,796</u>
911 Support:			
Salaries and benefits	23,275	23,238	
Operating expenditures	<u>21,384</u>	<u>9,793</u>	
Total	<u>44,659</u>	<u>33,031</u>	<u>11,628</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Tax Administrator:			
Salaries and benefits	485,571	482,914	
Operating expenditures	<u>230,253</u>	<u>174,182</u>	
Total	<u>715,824</u>	<u>657,096</u>	<u>58,728</u>
Revaluation:			
Salaries and benefits	223,069	222,291	
Operating expenditures	<u>47,925</u>	<u>43,068</u>	
Total	<u>270,994</u>	<u>265,359</u>	<u>5,635</u>
Public Information:			
Salaries and benefits	94,101	93,710	
Operating expenditures	<u>20,652</u>	<u>16,953</u>	
Total	<u>114,753</u>	<u>110,663</u>	<u>4,090</u>
Building Maintenance:			
Salaries and benefits	237,761	201,155	
Operating expenditures	<u>259,842</u>	<u>209,421</u>	
Total	<u>497,603</u>	<u>410,576</u>	<u>87,027</u>
Land Records:			
Salaries and benefits	112,695	111,188	
Operating expenditures	<u>40,007</u>	<u>37,110</u>	
Total	<u>152,702</u>	<u>148,298</u>	<u>4,404</u>
Motor Fleet:			
Salaries and benefits	133,974	131,142	
Operating expenditures	<u>173,926</u>	<u>156,070</u>	
Total	<u>307,900</u>	<u>287,212</u>	<u>20,688</u>
Human Resources:			
Salaries and benefits	218,176	216,885	
Operating expenditures	<u>43,998</u>	<u>33,652</u>	
Total	<u>262,174</u>	<u>250,537</u>	<u>11,637</u>
Veterans Administration:			
Salaries and benefits	96,511	96,140	
Operating expenditures	<u>8,201</u>	<u>7,605</u>	
Total	<u>104,712</u>	<u>103,745</u>	<u>967</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Telephone system maintenance	600	616	(16)
Law library - courthouse	4,000	4,002	(2)
Institute of Government	8,612	8,612	-
Western Piedmont Council of Governments	20,134	20,134	-
City of Lenoir - McLean	99,623	99,623	-
Caldwell County area transit systems	217,901	-	217,901
Insurance reserve	776,982	539,987	236,995
Community Service Program	6,000	6,000	-
Customer Service training	12,195	5,756	6,439
Sawmills Fire Department paving	25,000	-	25,000
Taxes, other	4,419	5,719	(1,300)
Total	<u>1,175,466</u>	<u>690,449</u>	<u>485,017</u>
Total general government	<u>6,079,277</u>	<u>5,254,181</u>	<u>825,096</u>
Animal Control:			
Salaries and benefits	381,958	367,818	
Operating expenditures	115,677	102,919	
Capital outlay	23,000	22,420	
Total	<u>520,635</u>	<u>493,157</u>	<u>27,478</u>
Sheriff's Department:			
Salaries and benefits	308,048	275,684	
Operating expenditures	230,197	195,023	
Capital outlay	52,932	31,851	
Total	<u>591,177</u>	<u>502,558</u>	<u>88,619</u>
Patrol Division:			
Salaries and benefits	1,499,111	1,462,145	
Operating expenditures	310,005	288,775	
Capital outlay	98,925	98,929	
Total	<u>1,908,041</u>	<u>1,849,849</u>	<u>58,192</u>
Investigative Division:			
Salaries and benefits	823,340	822,285	
Operating expenditures	70,743	69,690	
Capital outlay	8,265	8,265	
Total	<u>902,348</u>	<u>900,240</u>	<u>2,108</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Support Division:			
Salaries and benefits	479,849	464,762	
Operating expenditures	41,491	40,016	
Total	<u>521,340</u>	<u>504,778</u>	<u>16,562</u>
Reserve Division:			
Salaries and benefits	19,263	18,138	
Operating expenditures	3,500	3,261	
Total	<u>22,763</u>	<u>21,399</u>	<u>1,364</u>
County Jail and Building:			
Salaries and benefits	1,795,250	1,705,901	
Operating expenditures	1,093,349	987,177	
Capital outlay	100,000	74,033	
Total	<u>2,988,599</u>	<u>2,767,111</u>	<u>221,488</u>
School Resource Officer:			
Salaries and benefits	218,253	215,097	
Operating expenditures	16,866	7,788	
Total	<u>235,119</u>	<u>222,885</u>	<u>12,234</u>
Emergency Medical Services:			
Salaries and benefits	2,605,570	2,548,575	
Operating expenditures	578,670	538,639	
Capital outlay	45,342	45,342	
Total	<u>3,229,582</u>	<u>3,132,556</u>	<u>97,026</u>
Emergency Management:			
Salaries and benefits	111,685	108,485	
Operating expenditures	173,362	124,590	
Capital outlay	126,151	110,643	
Total	<u>411,198</u>	<u>343,718</u>	<u>67,480</u>
Fire Marshal:			
Salaries and benefits	171,853	169,435	
Operating expenditures	69,870	65,624	
Total	<u>241,723</u>	<u>235,059</u>	<u>6,664</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Communications Center:			
Salaries and benefits	780,099	768,603	
Operating expenditures	376,013	349,418	
Total	<u>1,156,112</u>	<u>1,118,021</u>	38,091
Special Services:			
Community service work program	4,000	-	4,000
Court reform expense	3,340	2,941	399
Crimestoppers	3,600	3,600	-
Criminal Justice Partnership Program	83,989	83,989	-
Forest contract - NC State	75,164	53,885	21,279
Total	<u>170,093</u>	<u>144,415</u>	<u>25,678</u>
Total public safety	<u>12,898,730</u>	<u>12,235,746</u>	<u>662,984</u>
Environmental Protection:			
Convenience Center:			
Salaries and benefits	167,542	161,841	
Operating expenditures	181,674	159,458	
Total	<u>349,216</u>	<u>321,299</u>	<u>27,917</u>
Special Services:			
Carolina Land and Lakes	3,000	3,000	
Total	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total environmental protection	<u>352,216</u>	<u>324,299</u>	<u>27,917</u>
Economic and Physical Development:			
Planning and Development:			
Salaries and benefits	62,434	58,372	
Operating expenditures	17,668	15,241	
Total	<u>80,102</u>	<u>73,613</u>	<u>6,489</u>
Building Inspection:			
Salaries and benefits	323,807	322,475	
Operating expenditures	50,042	39,341	
Total	<u>373,849</u>	<u>361,816</u>	<u>12,033</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Cooperative Extension:			
Salaries and benefits	29,477	29,476	
Operating expenditures	169,262	120,986	
Total	<u>198,739</u>	<u>150,462</u>	<u>48,277</u>
Soil and Water Conservation:			
Salaries and benefits	56,986	56,986	
Operating expenditures	120,253	48,925	
Total	<u>177,239</u>	<u>105,911</u>	<u>71,328</u>
Economic Development:			
Salaries and benefits	191,576	182,334	
Operating expenditures	170,155	132,301	
Total	<u>361,731</u>	<u>314,635</u>	<u>47,096</u>
Special Services:			
Economic development incentives	1,238,560	1,238,559	
Occupancy tax expenditures	81,000	81,674	
Caldwell EDC Properties, LLC	101,899	101,899	
Foothills Regional Airport Authority	78,271	78,271	
Collettsville Medical Center	80,000	-	
Total	<u>1,579,730</u>	<u>1,500,403</u>	<u>79,327</u>
Total economic and physical development	<u>2,771,390</u>	<u>2,506,840</u>	<u>264,550</u>
Human Services:			
Human Services Building:			
Salaries and benefits	105,380	104,518	
Operating expenditures	167,532	174,086	
Total	<u>272,912</u>	<u>278,604</u>	<u>(5,692)</u>
Health:			
Health Support:			
Salaries and benefits	479,454	477,240	
Operating expenditures	63,925	56,364	
Total	<u>543,379</u>	<u>533,604</u>	<u>9,775</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental Health:			
Salaries and benefits	271,004	262,751	
Operating expenditures	39,125	25,042	
Capital outlay	<u>6,492</u>	<u>6,492</u>	
Total	<u>316,621</u>	<u>294,285</u>	<u>22,336</u>
Women's Health:			
Salaries and benefits	397,541	390,479	
Operating expenditures	<u>41,778</u>	<u>33,937</u>	
Total	<u>439,319</u>	<u>424,416</u>	<u>14,903</u>
Child Health:			
Salaries and benefits	686,499	670,189	
Operating expenditures	<u>50,424</u>	<u>43,327</u>	
Total	<u>736,923</u>	<u>713,516</u>	<u>23,407</u>
Dental Health:			
Salaries and benefits	210,950	199,772	
Operating expenditures	<u>55,256</u>	<u>44,925</u>	
Total	<u>266,206</u>	<u>244,697</u>	<u>21,509</u>
Clinic:			
Salaries and benefits	1,462,574	1,434,434	
Operating expenditures	<u>392,945</u>	<u>307,176</u>	
Total	<u>1,855,519</u>	<u>1,741,610</u>	<u>113,909</u>
Home Health:			
Salaries and benefits	836,420	822,836	
Operating expenditures	<u>666,743</u>	<u>495,638</u>	
Total	<u>1,503,163</u>	<u>1,318,474</u>	<u>184,689</u>
Women, Infants, and Children:			
Salaries and benefits	331,529	328,433	
Operating expenditures	<u>90,931</u>	<u>89,361</u>	
Total	<u>422,460</u>	<u>417,794</u>	<u>4,666</u>
Total health	<u>6,083,590</u>	<u>5,688,396</u>	<u>395,194</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Social Services:			
Administration:			
Salaries and benefits	7,055,198	6,986,641	
Operating expenditures	630,117	603,511	
Capital outlay	<u>55,528</u>	<u>54,759</u>	
Total	<u>7,740,843</u>	<u>7,644,911</u>	<u>95,932</u>
Public Assistance:			
Adult resources	1,043,651	1,003,098	
Child resources	6,530,360	6,073,206	
Temporary resources	1,203,368	1,049,720	
Medicaid	<u>352,000</u>	<u>286,059</u>	
Total	<u>9,129,379</u>	<u>8,412,083</u>	<u>717,296</u>
Total social services	<u>16,870,222</u>	<u>16,056,994</u>	<u>813,228</u>
Special Services:			
Medical examiner	51,000	50,600	400
Mental health	120,138	118,602	1,536
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	37,187	37,187	-
Psychological services	20,000	20,000	-
Youthful Sex Offender Services	27,500	27,500	-
Peace Pipeline	22,984	22,984	-
Juvenile Justice Intervention	5,350	5,350	-
Parents and Adolescents	14,500	14,500	-
Miscellaneous CBA expenditures	12,083	11,664	419
Caldwell House	6,000	6,000	-
RSVP	2,000	2,000	-
Project Challenge	58,106	58,106	-
Baptist Children's Home	7,604	7,604	-
Integrated Human Services	500	500	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	18,341	18,341	-

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Rural Planning Organization	22,981	22,980	1
Western Piedmont Regional Transit Authority	29,077	29,077	-
Robin's Nest	163,000	160,252	2,748
Caldwell Friends	7,200	7,200	-
Total	<u>672,024</u>	<u>666,920</u>	<u>5,104</u>
 Total human services	 <u>23,898,748</u>	 <u>22,690,914</u>	 <u>1,207,834</u>
 Cultural and Recreational:			
Library:			
Salaries and benefits	867,665	864,565	
Operating expenditures	351,866	330,638	
Total	<u>1,219,531</u>	<u>1,195,203</u>	<u>24,328</u>
 Library Buildings:			
Operating expenditures	36,506	33,970	
Total	<u>36,506</u>	<u>33,970</u>	<u>2,536</u>
 Special Services:			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
Baton Ruritan Park	5,000	5,000	-
Oak Hill Park	14,628	14,628	-
Collettsville Park	18,114	18,114	-
Wilsons Creek Visitor Center	34,480	34,309	171
North Catawba Optimist Park	14,500	14,500	-
Fort Defiance	3,500	3,500	-
Total	<u>94,222</u>	<u>94,051</u>	<u>171</u>
 Total cultural and recreational	 <u>1,350,259</u>	 <u>1,323,224</u>	 <u>27,035</u>
 Education:			
Public Schools:			
Current expense	14,479,863	14,479,863	
Total	<u>14,479,863</u>	<u>14,479,863</u>	<u>-</u>
 Community College:			
Current expense	3,201,073	3,199,151	
Capital outlay	120,000	120,000	
Total	<u>3,321,073</u>	<u>3,319,151</u>	<u>1,922</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Education Foundation	11,520	11,520	-
Communities in Schools	33,000	33,000	-
Total education	<u>17,845,456</u>	<u>17,843,534</u>	<u>1,922</u>
Debt Service:			
Principal retirement	3,389,086	3,137,565	251,521
Interest and fees	<u>1,146,587</u>	<u>1,397,777</u>	<u>(251,190)</u>
Total debt service	<u>4,535,673</u>	<u>4,535,342</u>	<u>331</u>
Total expenditures	<u>69,731,749</u>	<u>66,714,080</u>	<u>3,017,669</u>
Revenues over (under) expenditures	<u>(2,328,981)</u>	<u>595,035</u>	<u>2,924,016</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	231,080	231,080	-
Transfers:			
From (to) special revenue funds	187,394	187,394	-
From (to) Enterprise Fund	134,700	134,699	(1)
From (to) capital project funds	(124,259)	(124,259)	-
Proceeds from sale of capital assets	13,900	15,236	1,336
Contingency	(159,246)	-	159,246
Appropriated fund balance	<u>2,045,412</u>	<u>-</u>	<u>(2,045,412)</u>
Total other financing sources (uses)	<u>2,328,981</u>	<u>444,150</u>	<u>(1,884,831)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,039,185</u>	<u>\$ 1,039,185</u>
Fund Balance:			
Beginning of year - July 1		<u>16,031,400</u>	
End of year - June 30		<u>\$ 17,070,585</u>	

COMBINING STATEMENTS FOR NONMAJOR FUNDS



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Special Revenue Funds (Schedule D-1)	Capital Project Funds (Schedule E-1)	Total Nonmajor Governmental Funds (Exhibit C)
Assets:			
Cash and cash equivalents	\$ 2,575,391	\$ 1,442,811	\$ 4,018,202
Taxes receivable - net	377,494	-	377,494
Accounts receivable	25,590	588,883	614,473
Due from other governments	16,041	47,432	63,473
Restricted cash	121	802,999	803,120
Total assets	<u>\$ 2,994,637</u>	<u>\$ 2,882,125</u>	<u>\$ 5,876,762</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 45,652	\$ 314,505	\$ 360,157
Deferred revenue	377,494	-	377,494
Total liabilities	<u>423,146</u>	<u>314,505</u>	<u>737,651</u>
Fund Balances:			
Restricted:			
Stabilization for State statute	41,631	636,315	677,946
Restricted, all other	618,121	804,709	1,422,830
Committed	-	1,387,543	1,387,543
Assigned	1,911,739	-	1,911,739
Unassigned	-	(260,947)	(260,947)
Total fund balances	<u>2,571,491</u>	<u>2,567,620</u>	<u>5,139,111</u>
Total liabilities and fund balances	<u>\$ 2,994,637</u>	<u>\$ 2,882,125</u>	<u>\$ 5,876,762</u>

CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds (Schedule D-2)	Capital Project Funds (Schedule E-2)	Total Nonmajor Governmental Funds (Exhibit D)
Revenues:			
Ad valorem taxes	\$ 3,123,735	\$ -	\$ 3,123,735
Local option sales tax	-	2,492,082	2,492,082
Unrestricted intergovernmental	1,200,000	-	1,200,000
Restricted intergovernmental	777,443	1,432,807	2,210,250
Investment earnings	6,137	4,426	10,563
Total revenues	<u>5,107,315</u>	<u>3,929,315</u>	<u>9,036,630</u>
Expenditures:			
Current:			
Public safety	3,643,821	-	3,643,821
General government	-	335,978	335,978
Environmental protection	124,988	43,513	168,501
Economic and physical development	1,186,151	-	1,186,151
Education	-	4,232,715	4,232,715
Human services	-	12,895	12,895
Debt service:			
Principal retirement	-	1,428,763	1,428,763
Interest and fees	-	148,747	148,747
Total expenditures	<u>4,954,960</u>	<u>6,202,611</u>	<u>11,157,571</u>
Revenues over (under) expenditures	<u>152,355</u>	<u>(2,273,296)</u>	<u>(2,120,941)</u>
Other Financing Sources (Uses):			
Transfers:			
From (to) General Fund	<u>(187,394)</u>	<u>124,259</u>	<u>(63,135)</u>
Total other financing sources (uses)	<u>(187,394)</u>	<u>124,259</u>	<u>(63,135)</u>
Net change in fund balances	(35,039)	(2,149,037)	(2,184,076)
Fund Balances:			
Beginning of the year - July 1	<u>2,606,530</u>	<u>4,716,657</u>	<u>7,323,187</u>
End of year - June 30	<u>\$ 2,571,491</u>	<u>\$ 2,567,620</u>	<u>\$ 5,139,111</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

Sales Tax Reinvestment 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

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

Scattered Site Housing Project – accounts for grant monies to assist citizens with housing rehabilitation

CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

	Sales Tax Reinvestment Fund	Fire District Fund	Rescue Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 1,911,739	\$ 29,764	\$ 13,853
Cash and cash equivalents, restricted	-	-	-
Taxes receivable - net	-	327,894	49,600
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 1,911,739</u>	<u>\$ 357,658</u>	<u>\$ 63,453</u>
 Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 29,764	\$ -
Deferred revenue	<u>-</u>	<u>327,894</u>	<u>49,600</u>
Total liabilities	<u>-</u>	<u>357,658</u>	<u>49,600</u>
 Fund Balances:			
Restricted:			
Stabilization for State statute	-	-	-
Restricted, all other	-	-	13,853
Assigned	<u>1,911,739</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,911,739</u>	<u>-</u>	<u>13,853</u>
 Total liabilities and fund balances	<u>\$ 1,911,739</u>	<u>\$ 357,658</u>	<u>\$ 63,453</u>

Schedule D-1

<u>Emergency Telephone System Fund</u>	<u>Scattered Site Housing Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 620,035	\$ -	\$ 2,575,391
-	121	121
-	-	377,494
25,590	-	25,590
16,041	-	16,041
<u>\$ 661,666</u>	<u>\$ 121</u>	<u>\$ 2,994,637</u>
\$ 15,888	\$ -	\$ 45,652
<u>-</u>	<u>-</u>	<u>377,494</u>
<u>15,888</u>	<u>-</u>	<u>423,146</u>
41,631	-	41,631
604,147	121	618,121
<u>-</u>	<u>-</u>	<u>1,911,739</u>
<u>645,778</u>	<u>121</u>	<u>2,571,491</u>
<u>\$ 661,666</u>	<u>\$ 121</u>	<u>\$ 2,994,637</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, 2012

	<u>Sales Tax Reinvestment Fund</u>	<u>Fire Districts Fund</u>	<u>Rescue Fund</u>
Revenues:			
Ad valorem taxes	\$ -	\$ 2,667,529	\$ 456,206
Unrestricted intergovernmental	1,200,000	-	-
Restricted intergovernmental	350,639	-	-
Investment earnings	3,764	429	94
Total revenues	<u>1,554,403</u>	<u>2,667,958</u>	<u>456,300</u>
Expenditures:			
Public safety	-	2,667,958	326,956
Environmental protection	124,988	-	-
Economic and physical development	1,074,740	-	-
Total expenditures	<u>1,199,728</u>	<u>2,667,958</u>	<u>326,956</u>
Revenues over (under) expenditures	<u>354,675</u>	<u>-</u>	<u>129,344</u>
Other Financing Sources (Uses):			
Transfers:			
To General Fund	-	-	(125,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	354,675	-	4,344
Fund Balances:			
Beginning of year - July 1	<u>1,557,064</u>	<u>-</u>	<u>9,509</u>
End of year - June 30	<u>\$ 1,911,739</u>	<u>\$ -</u>	<u>\$ 13,853</u>

Schedule D-2

<u>Emergency Telephone System Fund</u>	<u>Scattered Site Housing Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 3,123,735
-	-	1,200,000
307,085	119,719	777,443
1,850	-	6,137
<u>308,935</u>	<u>119,719</u>	<u>5,107,315</u>
648,907	-	3,643,821
-	-	124,988
-	111,411	1,186,151
<u>648,907</u>	<u>111,411</u>	<u>4,954,960</u>
<u>(339,972)</u>	<u>8,308</u>	<u>152,355</u>
<u>(62,394)</u>	-	<u>(187,394)</u>
<u>(62,394)</u>	-	<u>(187,394)</u>
(402,366)	8,308	(35,039)
<u>1,048,144</u>	<u>(8,187)</u>	<u>2,606,530</u>
<u>\$ 645,778</u>	<u>\$ 121</u>	<u>\$ 2,571,491</u>

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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental:			
Local municipalities	\$ 1,200,000	\$ 1,200,000	\$ -
Restricted intergovernmental:			
NC DENR	-	350,639	350,639
Investment earnings	-	3,764	3,764
Total revenues	<u>1,200,000</u>	<u>1,554,403</u>	<u>354,403</u>
Expenditures:			
Environmental protection:			
Contractual services	124,988	124,988	-
Total	<u>124,988</u>	<u>124,988</u>	<u>-</u>
Economic development:			
Commercial Retail Development	50,000	25,000	25,000
Economic development incentive	2,459,000	1,049,740	1,409,260
Total	<u>2,509,000</u>	<u>1,074,740</u>	<u>1,434,260</u>
Total expenditures	<u>2,633,988</u>	<u>1,199,728</u>	<u>1,434,260</u>
Revenues over (under) expenditures	<u>(1,433,988)</u>	<u>354,675</u>	<u>1,788,663</u>
Other Financing Sources (Uses):			
Contingency	1,433,988	-	(1,433,988)
Total other financing sources (uses)	<u>1,433,988</u>	<u>-</u>	<u>(1,433,988)</u>
Net change in fund balance	<u>\$ -</u>	<u>354,675</u>	<u>\$ 354,675</u>
Fund Balance:			
Beginning of year - July 1		<u>1,557,064</u>	
End of year - June 30		<u>\$ 1,911,739</u>	

CALDWELL COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 2,727,400	\$ 2,667,529	\$ (59,871)
Investment earnings	1,120	429	(691)
Total revenues	<u>2,728,520</u>	<u>2,667,958</u>	<u>(60,562)</u>
Expenditures:			
Public safety:			
Bethlehem Fire District	6,685	6,083	602
Blowing Rock Fire District	40,893	39,580	1,313
Collettsville Fire District	185,348	184,705	643
Gamewell Fire District	231,075	222,628	8,447
Grace Chapel Fire District	344,311	340,193	4,118
Granite Falls Fire District	84,371	69,463	14,908
Gunpowder Fire District	463,004	458,722	4,282
Kings Creek Fire District	148,720	148,297	423
Little River Fire District	149,528	148,074	1,454
North Catawba Fire District	435,134	434,962	172
Patterson Fire District	163,283	144,980	18,303
Sawmills Fire District	294,830	291,976	2,854
Valmead Fire District	126,137	124,028	2,109
Yadkin Fire District	55,201	54,267	934
Total expenditures	<u>2,728,520</u>	<u>2,667,958</u>	<u>60,562</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ -</u>	

CALDWELL COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 475,500	\$ 456,206	\$ (19,294)
Investment earnings	-	94	94
Total revenues	<u>475,500</u>	<u>456,300</u>	<u>(19,200)</u>
Expenditures:			
Public safety	<u>358,587</u>	<u>326,956</u>	<u>31,631</u>
Revenues over (under) expenditures	<u>116,913</u>	<u>129,344</u>	<u>12,431</u>
Other Financing Sources (Uses):			
Transfers:			
To General Fund	(125,000)	(125,000)	-
Appropriated fund balance	<u>8,087</u>	<u>-</u>	<u>(8,087)</u>
Total other financing sources (uses)	<u>(116,913)</u>	<u>(125,000)</u>	<u>(8,087)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,344</u>	<u>\$ 4,344</u>
Fund Balance:			
Beginning of year - July 1		<u>9,509</u>	
End of year - June 30		<u>\$ 13,853</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
911 funds	\$ 489,169	\$ 307,085	\$ (182,084)
Investment earnings	<u>-</u>	<u>1,850</u>	<u>1,850</u>
Total revenues	<u>489,169</u>	<u>308,935</u>	<u>(180,234)</u>
Expenditures:			
Public safety:			
Implemental functions	7,000	2,820	4,180
Telephone	140,000	122,342	17,658
Software maintenance	45,000	28,027	16,973
Hardware maintenance	124,159	123,658	501
Training	4,000	2,361	1,639
Capital outlay	218,927	115,749	103,178
S.L. 2010-158 expenditures	<u>254,390</u>	<u>253,950</u>	<u>440</u>
Total	<u>793,476</u>	<u>648,907</u>	<u>144,569</u>
Total expenditures	<u>793,476</u>	<u>648,907</u>	<u>144,569</u>
Revenues over (under) expenditures	<u>(304,307)</u>	<u>(339,972)</u>	<u>(35,665)</u>
Other Financing Sources (Uses):			
Transfers:			
From (to) General Fund	(62,394)	(62,394)	-
Appropriated fund balance	<u>366,701</u>	<u>-</u>	<u>(366,701)</u>
Total other financing sources (uses)	<u>304,307</u>	<u>(62,394)</u>	<u>(366,701)</u>
Net change in fund balance	<u>\$ -</u>	<u>(402,366)</u>	<u>\$ (402,366)</u>
Fund Balance:			
Beginning of year - July 1		<u>1,048,144</u>	
End of year - June 30		<u>\$ 645,778</u>	

CALDWELL COUNTY, NORTH CAROLINA

SCATTERED SITE HOUSING PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted intergovernmental:				
Federal grants	\$ 1,161,214	\$ 212,578	\$ 119,719	\$ 332,297
Expenditures:				
Economic and physical development:				
Rehabilitation:				
Salaries and related costs	5,936	-	-	-
Administrative	116,030	44,292	872	45,164
Relocation	63,250	-	-	-
Rehabilitation	883,929	136,173	110,539	246,712
Construction supervision	9,899	-	-	-
Clearance	4,420	300	-	300
Emergency assistance	77,750	40,000	-	40,000
Total expenditures	<u>1,161,214</u>	<u>220,765</u>	<u>111,411</u>	<u>332,176</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (8,187)</u>	<u>\$ 8,308</u>	<u>\$ 121</u>

NONMAJOR CAPITAL PROJECT FUNDS

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.

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 includes the following individual projects:

The Lighting Grant – is a project that will replace the light fixtures in certain county buildings with ones that are more energy efficient.

The Mount Herman Landfill Project – will install a generator that will convert methane gas trapped below ground in to electricity which can then be used to power the county's garage and sold to a utility company.

Capital Accumulation – these are funds set aside to address future needs.



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS JUNE 30, 2012

	Schools Capital Project Fund Sales Tax	Public Schools Capital Project Fund	General Capital Projects Fund	Total
Assets:				
Cash and cash equivalents	\$ 1,710	\$ 49,276	\$ 1,391,825	\$ 1,442,811
Accounts receivable	588,785	-	98	588,883
Due from other governments	-	43,690	3,742	47,432
Restricted cash	-	802,999	-	802,999
Total assets	<u>\$ 590,495</u>	<u>\$ 895,965</u>	<u>\$ 1,395,665</u>	<u>\$ 2,882,125</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 310,223	\$ 4,282	\$ 314,505
Total liabilities	<u>-</u>	<u>310,223</u>	<u>4,282</u>	<u>314,505</u>
Fund Balances:				
Restricted:				
Stabilization for State statute	588,785	43,690	3,840	636,315
Restricted, all other	1,710	802,999	-	804,709
Committed	-	-	1,387,543	1,387,543
Unassigned	-	(260,947)	-	(260,947)
Total fund balances	<u>590,495</u>	<u>585,742</u>	<u>1,391,383</u>	<u>2,567,620</u>
Total liabilities and fund balances	<u>\$ 590,495</u>	<u>\$ 895,965</u>	<u>\$ 1,395,665</u>	<u>\$ 2,882,125</u>

CALDWELL COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Schools Capital Project Fund Sales Tax	Public Schools Capital Project Fund	General Capital Projects Fund	Total
Revenues:				
Local option sales tax	\$ 2,492,082	\$ -	\$ -	\$ 2,492,082
Restricted intergovernmental	1,122,112	-	310,695	1,432,807
Investment earnings	-	1,732	2,694	4,426
Total revenues	<u>3,614,194</u>	<u>1,732</u>	<u>313,389</u>	<u>3,929,315</u>
Expenditures:				
Capital outlay:				
Education	2,035,802	2,196,913	-	4,232,715
General government	-	-	335,978	335,978
Human services	-	-	12,895	12,895
Environmental protection	-	-	43,513	43,513
Debt service:				
Principal retirement	1,428,763	-	-	1,428,763
Interest and fees	148,747	-	-	148,747
Total expenditures	<u>3,613,312</u>	<u>2,196,913</u>	<u>392,386</u>	<u>6,202,611</u>
Revenues over (under) expenditures	882	(2,195,181)	(78,997)	(2,273,296)
Other Financing Sources (Uses):				
Transfers:				
From (to) General Fund	-	-	124,259	124,259
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>124,259</u>	<u>124,259</u>
Net change in fund balance	882	(2,195,181)	45,262	(2,149,037)
Fund Balances:				
Beginning of year - July 1	<u>589,613</u>	<u>2,780,923</u>	<u>1,346,121</u>	<u>4,716,657</u>
End of year - June 30	<u>\$ 590,495</u>	<u>\$ 585,742</u>	<u>\$ 1,391,383</u>	<u>\$ 2,567,620</u>

CALDWELL COUNTY, NORTH CAROLINA

**SCHOOLS CAPITAL PROJECTS FUND - SALES TAX
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Local option sales tax	\$ 2,500,000	\$ 2,492,082	\$ (7,918)
Restricted intergovernmental revenues:			
ADM funds	135,000	169,215	34,215
Public school lottery	<u>848,830</u>	<u>952,897</u>	<u>104,067</u>
Total revenues	<u>3,483,830</u>	<u>3,614,194</u>	<u>130,364</u>
Expenditures:			
Capital outlay:			
Education:			
School improvements - ADM	135,000	169,215	(34,215)
School improvements - sales tax	1,330,660	1,321,860	8,800
School improvements - lottery	440,659	544,727	(104,068)
Debt service:			
Principal retirement	1,428,763	1,428,763	-
Interest and fees	<u>148,748</u>	<u>148,747</u>	<u>1</u>
Total expenditures	<u>3,483,830</u>	<u>3,613,312</u>	<u>(129,482)</u>
Net change in fund balance	<u>\$ -</u>	882	<u>\$ 882</u>
Fund Balance:			
Beginning of year - July 1		<u>589,613</u>	
End of year - June 30		<u>\$ 590,495</u>	

CALDWELL COUNTY, NORTH CAROLINA

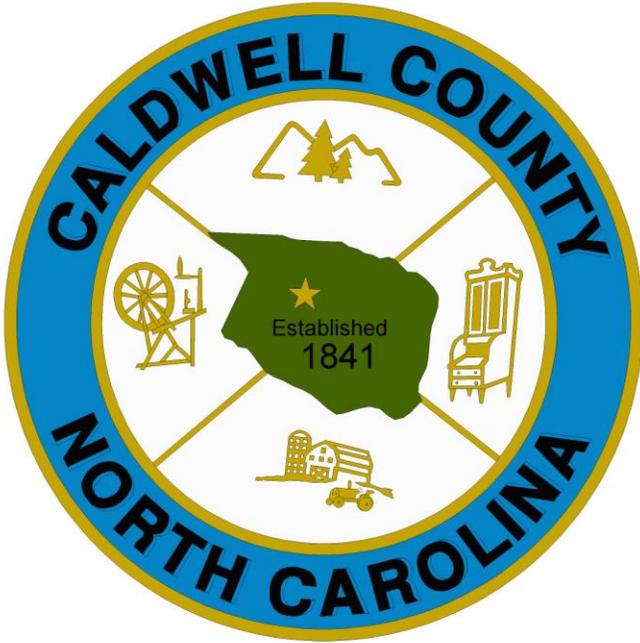
PUBLIC SCHOOLS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues:				
Investment earnings	\$ 1,763	\$ 3,655	\$ 1,732	\$ 5,387
Expenditures:				
Capital outlay:				
Education:				
Sawmills Elementary improvements:				
Construction	1,008,025	1,008,025	-	1,008,025
Design fees	109,747	109,748	-	109,748
Furniture	32,387	32,387	-	32,387
Hudson Elementary improvements:				
Construction	1,047,799	1,047,799	-	1,047,799
Design fees	87,689	87,689	-	87,689
Furniture	18,665	18,665	-	18,665
School HVAC:				
Equipment	1,998,957	114,580	1,770,995	1,885,575
Gamewell roof replacement	894,654	-	425,918	425,918
Debt service:				
Interest and fees	23,700	23,700	-	23,700
Total expenditures	5,221,623	2,442,593	2,196,913	4,639,506
Revenues over (under) expenditures	(5,219,860)	(2,438,938)	(2,195,181)	(4,634,119)
Other Financing Sources (Uses):				
Installment purchase financing issued	5,219,860	5,219,861	-	5,219,861
Total other financing sources (uses)	5,219,860	5,219,861	-	5,219,861
Net change in fund balance	\$ -	\$ 2,780,923	\$ (2,195,181)	\$ 585,742

CALDWELL COUNTY, NORTH CAROLINA

GENERAL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

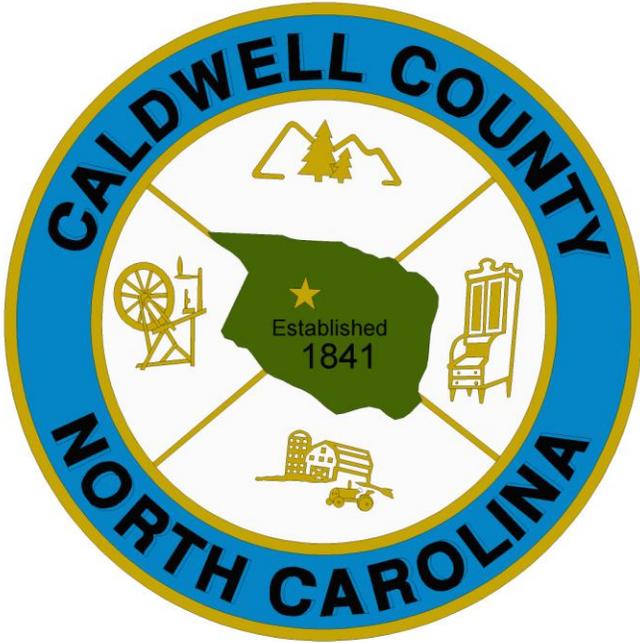
	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues:				
Restricted intergovernmental	\$ 513,736	\$ 70,883	\$ 310,695	\$ 381,578
Investment earnings	221,566	198,015	2,694	200,709
Total revenues	<u>735,302</u>	<u>268,898</u>	<u>313,389</u>	<u>582,287</u>
Expenditures:				
Capital outlay:				
General government:				
Lighting grant	187,221	-	185,365	185,365
Capital accumulation	940,402	842	150,613	151,455
Public safety:				
Capital accumulation	8,458	-	-	-
Human services:				
Capital accumulation	159,770	-	12,895	12,895
Environmental protection:				
Mt. Herman Landfill Gas Project	361,000	-	9,710	9,710
Capital accumulation	<u>283,148</u>	<u>2,373</u>	<u>33,803</u>	<u>36,176</u>
Total expenditures	<u>1,939,999</u>	<u>3,215</u>	<u>392,386</u>	<u>395,601</u>
Revenues over (under) expenditures	<u>(1,204,697)</u>	<u>265,683</u>	<u>(78,997)</u>	<u>186,686</u>
Other Financing Sources (Uses) :				
Transfer from special revenue funds	272,484	272,484	-	272,484
Transfers from General Fund	<u>932,213</u>	<u>807,954</u>	<u>124,259</u>	<u>932,213</u>
Total other financing sources (uses)	<u>1,204,697</u>	<u>1,080,438</u>	<u>124,259</u>	<u>1,204,697</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,346,121</u>	<u>\$ 45,262</u>	<u>\$ 1,391,383</u>



ENTERPRISE FUND

Enterprise Funds account for operations that are financed and operated in a manner similar to provide 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.



CALDWELL COUNTY, NORTH CAROLINA

WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,289,433	\$ 3,320,772	\$ 31,339
Reconnection fees	41,450	28,695	(12,755)
Water taps	18,175	39,908	21,733
Other operating revenues	3,500	7,773	4,273
Total operating revenues	<u>3,352,558</u>	<u>3,397,148</u>	<u>44,590</u>
Non-operating revenues:			
Investment earnings	5,000	7,697	2,697
Total non-operating revenues	<u>5,000</u>	<u>7,697</u>	<u>2,697</u>
Total revenues	<u>3,357,558</u>	<u>3,404,845</u>	<u>47,287</u>
Expenditures:			
Operating expenses:			
Water purchases		1,263,562	
Salaries		425,753	
Employee benefits		141,208	
Travel and training		351	
Contractual services		60,833	
Repairs and maintenance		12,209	
Other operating expenditures		302,550	
Capital outlay		21,535	
Total operating expenses	<u>2,299,296</u>	<u>2,228,001</u>	<u>71,295</u>
Debt service:			
Principal	1,444,663	1,444,663	-
Interest and fees	64,809	60,832	3,977
Total debt service	<u>1,509,472</u>	<u>1,505,495</u>	<u>3,977</u>
Total expenditures	<u>3,808,768</u>	<u>3,733,496</u>	<u>75,272</u>

CALDWELL COUNTY, NORTH CAROLINA

WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	(451,210)	(328,651)	122,559
Other Financing Sources (Uses):			
Transfers:			
Intrafund transfers from water capital projects	482,159	482,160	1
Transfer to General Fund	(134,699)	(134,699)	-
Proceeds from sale of capital assets	-	561,834	561,834
Appropriated fund balance	103,750	-	(103,750)
Total other financing sources (uses)	<u>451,210</u>	<u>909,295</u>	<u>458,085</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	580,644	<u>\$ 580,644</u>

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual:**

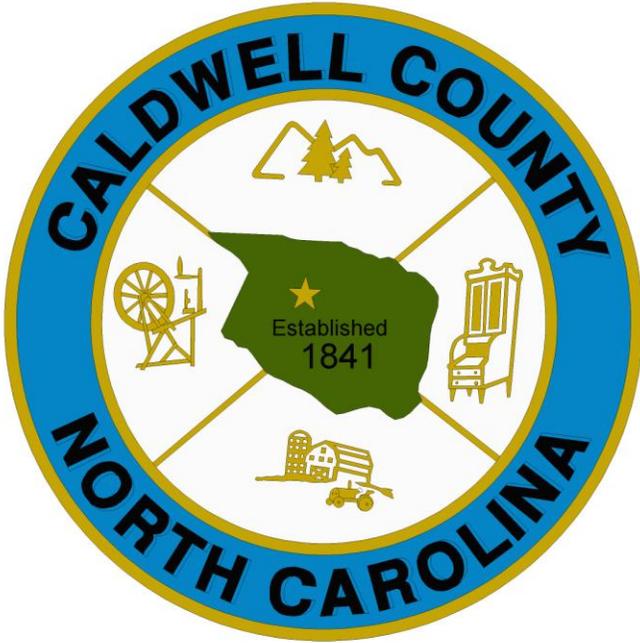
Reconciling items:

Intrafund transfers - capital projects	(482,160)
Debt principal	1,444,663
Depreciation	(539,967)
Sale of land	(561,834)
Loss on disposal of capital assets (special item)	<u>(2,601,072)</u>
Change in net assets	<u>\$ (2,159,726)</u>

CALDWELL COUNTY, NORTH CAROLINA

**YADKIN VALLEY RESERVOIR FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted intergovernmental	\$ 725,000	\$ 685,000	\$ -	\$ 685,000
Investment earnings	-	4,499	-	4,499
Total revenues	<u>725,000</u>	<u>689,499</u>	<u>-</u>	<u>689,499</u>
Expenditures:				
Water projects:				
Engineering	1,117,580	694,098	-	694,098
Land acquisition	1,590,312	1,590,312	-	1,590,312
Project expenditures	<u>541,122</u>	<u>409,630</u>	<u>-</u>	<u>409,630</u>
Total expenditures	<u>3,249,014</u>	<u>2,694,040</u>	<u>-</u>	<u>2,694,040</u>
Revenues over (under) expenditures	<u>(2,524,014)</u>	<u>(2,004,541)</u>	<u>-</u>	<u>(2,004,541)</u>
Other Financing Sources (Uses) :				
Installment purchase financing issued	755,312	755,312	-	755,312
Transfer (to) from Water Fund	1,768,702	1,727,080	(482,160)	1,244,920
Transfer from Yadkin Valley Reservoir Study Fund	<u>-</u>	<u>4,309</u>	<u>-</u>	<u>4,309</u>
Total other financing sources (uses)	<u>2,524,014</u>	<u>2,486,701</u>	<u>(482,160)</u>	<u>2,004,541</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 482,160</u>	<u>\$ (482,160)</u>	<u>\$ -</u>



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:

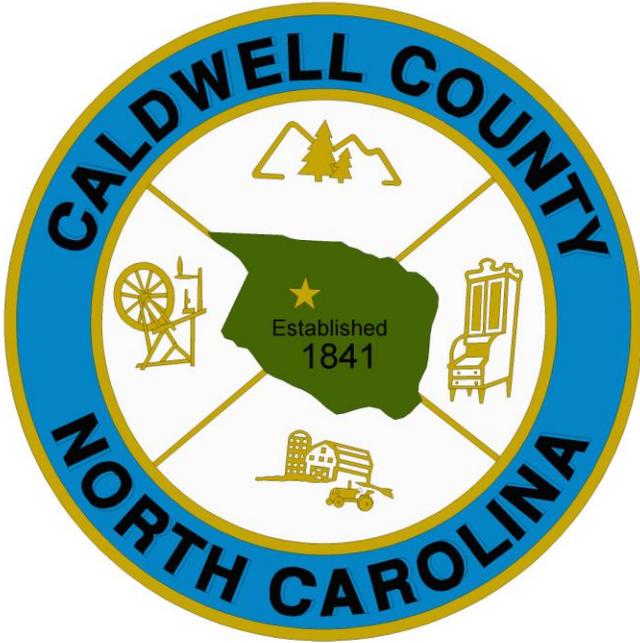
Social Services Fund – accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

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 Caldwell County Board of Education and the 3% interest on the first month's delinquent motor vehicles required to be remitted to the State.

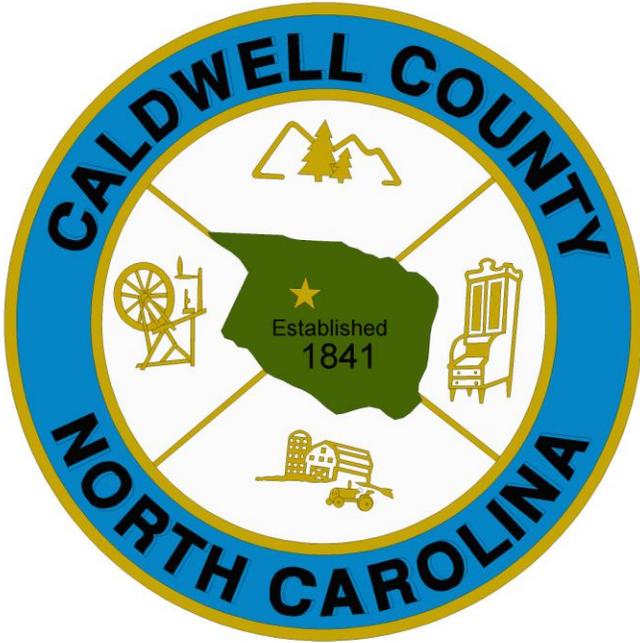
Deed of Trust Fund – accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.



CALDWELL COUNTY, NORTH CAROLINA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2012

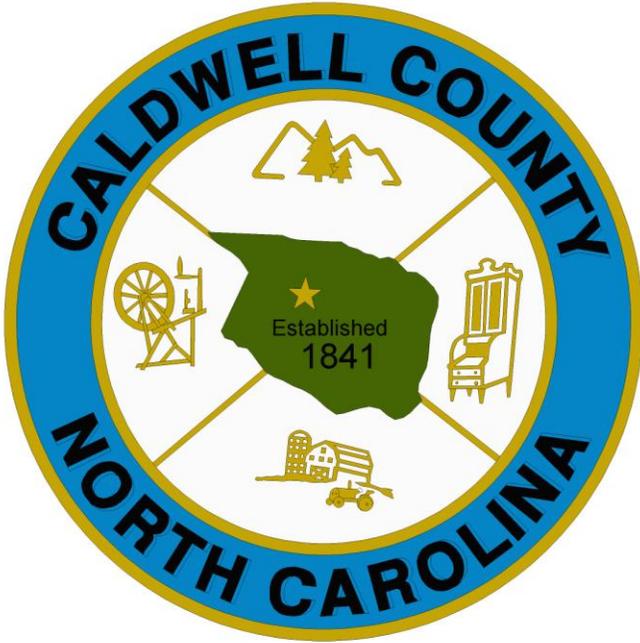
	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2012</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 23,462	\$ 320,322	\$ 270,711	\$ 73,073
Liabilities:				
Miscellaneous liabilities	\$ 23,462	\$ 320,322	\$ 270,711	\$ 73,073
Tax Collector Fund:				
Assets:				
Cash and cash equivalents	\$ 48,544	\$ 1,339,262	\$ 1,334,974	\$ 52,832
Accounts receivable	329	-	24	305
Total assets	\$ 48,873	\$ 1,339,262	\$ 1,334,998	\$ 53,137
Liabilities:				
Intergovernmental payable	\$ 48,873	\$ 1,339,262	\$ 1,334,998	\$ 53,137
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 15,537	\$ 346,049	\$ 343,537	\$ 18,049
Liabilities:				
Intergovernmental payable	\$ 15,537	\$ 346,049	\$ 343,537	\$ 18,049
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 43,633	\$ 43,633	\$ -
Accounts receivable	25,937	244,840	249,509	21,268
Total assets	\$ 25,937	\$ 288,473	\$ 293,142	\$ 21,268
Liabilities:				
Intergovernmental payable - State of NC	\$ -	\$ 43,633	\$ 43,633	\$ -
Intergovernmental payable	25,937	244,840	249,509	21,268
Total liabilities	\$ 25,937	\$ 288,473	\$ 293,142	\$ 21,268
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 42	\$ 185,712	\$ 185,648	\$ 106
Liabilities:				
Intergovernmental payable - State of NC	\$ 42	\$ 185,712	\$ 185,648	\$ 106
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 87,585	\$ 2,234,978	\$ 2,178,503	\$ 144,060
Accounts receivable	26,266	244,840	249,533	21,573
Total assets	\$ 113,851	\$ 2,479,818	\$ 2,428,036	\$ 165,633
Liabilities:				
Miscellaneous liabilities	\$ 23,462	\$ 320,322	\$ 270,711	\$ 73,073
Intergovernmental payables	90,389	2,159,496	2,157,325	92,560
Total liabilities	\$ 113,851	\$ 2,479,818	\$ 2,428,036	\$ 165,633



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, 2012

Fiscal Year	Uncollected Balance July 1, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 36,583,866	\$ 33,807,350	\$ 2,776,516
2010-2011	2,578,164	-	1,129,661	1,448,503
2009-2010	1,419,470	-	289,410	1,130,060
2008-2009	929,964	-	166,045	763,919
2007-2008	621,086	-	87,362	533,724
2006-2007	338,989	-	44,031	294,958
2005-2006	264,928	-	135,260	129,668
2004-2005	89,414	-	8,392	81,022
2003-2004	72,182	-	3,359	68,823
2002-2003	51,777	-	2,492	49,285
2001-2002	29,987	-	29,987	-
Total	\$ 6,395,961	\$ 36,583,866	\$ 35,703,349	7,276,478
Allowance for doubtful receivables				(3,606,274)
Ad valorem taxes receivable - net				\$ 3,670,204
Reconciliation with Revenues:				
Ad valorem taxes				\$ 35,417,978
Reconciling items:				
Interest collected				(372,337)
Discounts and adjustments allowed				360,821
Releases				52,979
Miscellaneous adjustments				102,339
Amount written off for tax year 1998-1999, per Statute of Limitations				29,987
Amount written off for tax year 2002-2003, per Statute of Limitations (vehicles)				111,582
Total collections and credits				\$ 35,703,349

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2012

	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	\$ 5,449,834,217	\$ 0.6599	\$ 35,980,941	\$ 32,819,880	\$ 3,161,061
Total	<u>5,449,834,217</u>		<u>35,980,941</u>	<u>32,819,880</u>	<u>3,161,061</u>
Discoveries:					
Current year taxes	154,658,361		1,022,863	1,022,863	-
Prior year taxes	19,241,878		128,948	128,948	-
Total	<u>173,900,239</u>		<u>1,151,811</u>	<u>1,151,811</u>	<u>-</u>
Abatements	<u>(83,177,084)</u>		<u>(548,886)</u>	<u>(548,886)</u>	<u>-</u>
Total property valuation	<u>\$ 5,540,557,372</u>				
Net Levy			36,583,866	33,422,805	3,161,061
Uncollected tax at June 30, 2012			<u>2,776,516</u>	<u>2,203,213</u>	<u>573,303</u>
Current Year's Taxes Collected			<u>\$ 33,807,350</u>	<u>\$ 31,219,592</u>	<u>\$ 2,587,758</u>
Current Levy Collection Percentage			<u>92.41%</u>	<u>93.41%</u>	<u>81.86%</u>

CALDWELL COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2012**

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio (1)	<u>100%</u>
Real property	\$ 4,329,348,509
Personal property	1,062,451,120
Public service companies	<u>148,757,743</u>
Total assessed valuation	<u>\$ 5,540,557,372</u>
Tax rate per \$100 (2)	<u>\$ 0.6599</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 36,583,866</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	\$ 2,473,374
Rescue Squad Association	<u>430,526</u>
Total	<u>\$ 2,903,900</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, 2012**

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-6)	\$ 645,778
Eligible 911 expenditures reported in General Fund (interfund transfer to be recorded in subsequent year):	
S.L. 2010-158 expenditures	(20,698)
Other expenditures	<u>(6,980)</u>
Ending balance, PSAP Revenue-Expenditure Report	<u>\$ 618,100</u>

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

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 Assets by Component – *table 1*
- Changes in Net Assets – *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 Assets by Component
For the Last Nine Fiscal Years *

	Fiscal Year Ended June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Invested in capital assets, net of related debt	\$ 8,555,109	\$ 10,235,817	\$ 11,810,923	\$ 19,260,600	\$ 20,964,573	\$ 13,968,057	\$ 15,967,772	\$ 18,196,511	\$ 17,405,500
Restricted	2,522,501	2,513,754	3,203,987	1,148,787	254,210	168,227	214,374	8,252,519	6,867,965
Unrestricted	(1,692,927)	(4,405,643)	(11,935,856)	(17,084,245)	(16,461,139)	(8,504,943)	(6,696,269)	(8,145,952)	(3,643,043)
Total governmental activities net assets	\$ 9,384,683	\$ 8,343,928	\$ 3,079,054	\$ 3,325,142	\$ 4,757,644	\$ 5,631,341	\$ 9,485,877	\$ 18,303,078	\$ 20,630,422
Business-Type Activities									
Invested in capital assets, net of related debt	\$ 5,197,984	\$ 5,304,996	\$ 6,398,323	\$ 7,684,021	\$ 9,021,528	\$ 9,496,025	\$ 9,348,526	\$ 8,965,042	\$ 6,706,831
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	2,251,741	3,074,832	3,240,646	2,201,633	2,948,320	2,944,018	3,704,866	4,593,808	4,692,293
Total business-type activities net assets	\$ 7,449,725	\$ 8,379,828	\$ 9,638,969	\$ 9,885,654	\$ 11,969,848	\$ 12,440,043	\$ 13,053,392	\$ 13,558,850	\$ 11,399,124
Primary Government									
Invested in capital assets, net of related debt	\$ 13,753,093	\$ 15,540,813	\$ 18,209,246	\$ 26,944,621	\$ 29,986,101	\$ 23,464,082	\$ 25,316,298	\$ 27,161,553	\$ 24,112,331
Restricted	2,522,501	2,513,754	3,203,987	1,148,787	254,210	168,227	214,374	8,252,519	6,867,965
Unrestricted	558,814	(1,330,811)	(8,695,210)	(14,882,612)	(13,512,819)	(5,560,925)	(2,991,403)	(3,552,144)	1,049,250
Total primary government net assets	\$ 16,834,408	\$ 16,723,756	\$ 12,718,023	\$ 13,210,796	\$ 16,727,492	\$ 18,071,384	\$ 22,539,269	\$ 31,861,928	\$ 32,029,546

* Information for the years preceding 2004 is not available.

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Assets, Last Nine Fiscal Years *

	Fiscal Year Ended June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental Activities:									
General Government	\$ 3,731,518	\$ 5,064,276	\$ 4,608,587	\$ 6,052,080	\$ 6,231,443	\$ 6,616,330	\$ 5,963,274	\$ 5,924,927	\$ 5,572,490
Public Safety	11,328,300	12,363,209	13,817,119	14,068,673	14,921,150	16,339,753	15,643,605	15,870,157	16,479,850
Environmental Protection	510,548	888,515	1,526,650	519,458	610,428	546,111	439,077	571,484	474,617
Economic and Physical Development	1,604,301	2,083,444	1,740,328	3,671,621	2,290,081	5,008,531	3,145,167	3,090,772	3,703,056
Human Services	25,563,616	27,428,275	27,641,093	27,336,961	26,409,787	24,885,954	22,866,817	23,302,680	23,268,124
Cultural and Recreational	1,109,928	1,247,965	1,236,653	1,257,164	1,387,251	1,512,762	1,428,632	1,397,666	1,415,319
Education	16,893,401	20,459,421	25,855,613	20,160,946	26,703,975	22,254,600	20,444,673	19,600,302	22,076,249
Interest	1,114,724	1,079,163	1,203,499	1,065,534	1,965,651	2,700,360	2,463,201	2,144,724	1,546,524
Total governmental activities expenses	61,856,336	70,614,268	77,629,542	74,132,437	80,519,766	79,864,401	72,394,446	71,902,712	74,536,229
Business-Type Activities:									
Water	2,640,428	2,419,811	2,606,437	2,709,338	3,054,383	2,976,157	2,608,119	2,620,347	2,828,800
Total business-type activities expenses	2,640,428	2,419,811	2,606,437	2,709,338	3,054,383	2,976,157	2,608,119	2,620,347	2,828,800
Total Primary Government Expenses	64,496,764	73,034,079	80,235,979	76,841,775	83,574,149	82,840,558	75,002,565	74,523,059	77,365,029
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	761,879	683,153	736,102	3,554,526	2,666,404	4,123,611	1,875,506	2,241,816	2,298,938
Public Safety	3,367,636	4,234,807	4,175,845	3,690,278	3,377,166	3,439,027	4,079,127	3,974,707	4,021,004
Environmental Protection	659,053	661,742	715,378	1,069,980	1,028,112	870,426	883,503	881,014	853,585
Economic and Physical Development	-	-	1,410	17,600	9,000	13,500	18,000	9,000	17,000
Human Services	2,645,955	2,855,251	2,532,293	1,964,784	2,331,278	2,342,048	2,536,232	2,200,069	1,505,761
Cultural and Recreational	36,110	35,124	31,405	34,104	36,127	35,224	38,255	37,251	34,829
Other Grants and Contributions:									
General Government	195,936	216,732	778,361	-	-	-	-	-	-
Public Safety	1,478,894	1,108,297	1,531,658	1,504,866	1,180,025	1,924,989	1,596,709	1,708,091	1,376,670
Environmental Protection	111,702	269,396	1,141,903	87,695	-	-	-	-	-
Economic and Physical Development	674,862	739,697	423,358	-	-	-	-	-	-
Human Services	15,145,229	15,820,732	14,987,153	14,649,380	14,333,369	15,034,049	15,572,645	16,041,424	15,377,107
Cultural and Recreational	152,879	189,822	199,154	-	247,036	316,309	268,837	265,019	257,945
Education	767,862	549,050	144,670	251,520	-	-	-	-	-
Capital Grants and Contributions:									
General Government	-	-	-	-	-	-	154,641	-	-
Public Safety	-	-	-	-	-	-	15,060	-	-
Education	-	-	-	-	1,207,502	2,880	791,670	4,497,261	1,122,112
Economic and Physical Development	-	-	-	-	557,341	214,955	83,413	200,048	430,414
Cultural and Recreational	-	-	-	-	-	-	36,300	-	-
Environmental Protection	-	-	185,831	-	-	-	-	-	-
Human Services	143,348	1,103,659	-	-	-	-	-	-	-
Total governmental activities program revenues	26,141,345	28,467,462	27,584,521	26,824,733	26,973,360	28,317,018	27,949,898	32,055,700	27,295,365

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Assets, Last Nine Fiscal Years *

	Fiscal Year Ended June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-Type Activities:									
Charges for Services:									
Water	2,713,493	3,027,928	3,010,959	3,259,396	3,447,076	3,559,079	3,388,353	3,286,414	3,397,148
Other Grants and Contributions	24,845	-	-	714,407	770,298	27,464	-	-	-
Total business-type activities program revenues	2,738,338	3,027,928	3,010,959	3,973,803	4,217,374	3,586,543	3,388,353	3,286,414	3,397,148
Total Primary Government Program Revenues	28,879,683	31,495,390	30,595,480	30,798,536	31,190,734	31,903,561	31,338,251	35,342,114	30,692,513
Net (Expense)/Revenue									
Governmental activities	(35,714,991)	(42,146,806)	(50,045,021)	(47,307,704)	(53,546,406)	(51,547,383)	(44,444,548)	(39,847,012)	(47,240,864)
Business-type activities	97,910	608,117	404,522	1,264,465	1,162,991	610,386	780,234	666,067	568,348
Total primary government net expense	(35,617,081)	(41,538,689)	(49,640,499)	(46,043,239)	(52,383,415)	(50,936,997)	(43,664,314)	(39,180,945)	(46,672,516)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes	26,724,070	26,982,828	29,947,154	30,102,801	36,900,178	38,699,401	38,312,526	38,582,825	38,944,274
Local Option Sales Tax	11,164,133	11,538,908	12,375,627	13,470,782	14,126,336	12,167,876	8,627,362	8,797,924	9,288,329
Other Taxes and License	779,232	783,986	707,390	1,241,369	1,319,737	1,011,652	1,041,337	1,023,585	1,141,149
Intergovernmental	1,213,517	1,070,102	862,379	-	-	-	-	-	-
Investment Earnings	102,016	316,142	708,810	1,077,401	1,531,438	-	144,102	87,709	59,756
Miscellaneous	345,563	202,015	278,787	-	-	344,186	-	-	-
Gain (Loss) on sale of capital assets	54,092	-	-	-	-	-	-	-	-
Transfers	140,500	192,070	(100,000)	1,116,235	(879,454)	164,583	173,757	172,170	134,699
Total Governmental Activities	40,523,123	41,106,051	44,780,147	47,008,588	52,998,235	52,387,698	48,299,084	48,664,213	49,568,207
Business-Type Activities:									
Investment Earnings	13,223	28,394	65,047	98,455	41,749	24,392	6,872	11,561	7,697
Miscellaneous	-	485,662	4,572	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	(9,530)	-	-	-	-	-	-	-	(2,601,072)
Transfers	(140,500)	(192,070)	100,000	(1,116,235)	879,454	(164,583)	(173,757)	(172,170)	(134,699)
Total Business-Type Activities	(136,807)	321,986	169,619	(1,017,780)	921,203	(140,191)	(166,885)	(160,609)	(2,728,074)
Total Primary Government General Revenues and Other Change in Net Assets	40,386,316	41,428,037	44,949,766	45,990,808	53,919,438	52,247,507	48,132,199	48,503,604	46,840,133
Change in Net Assets									
Governmental activities	4,808,132	(1,040,755)	(5,264,874)	(299,116)	(548,171)	840,315	3,854,536	8,817,201	2,327,343
Business-type activities	(38,897)	930,103	574,141	246,685	2,084,194	470,195	613,349	505,458	(2,159,726)
Total Primary Government, June 30	\$ 4,769,235	\$ (110,652)	\$ (4,690,733)	\$ (52,431)	\$ 1,536,023	\$ 1,310,510	\$ 4,467,885	\$ 9,322,659	\$ 167,617

* Information for years prior to 2004 is not available.

CALDWELL COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	Fiscal Year Ended, June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 5,513,577	\$ 6,587,043	\$ 6,928,146	\$ 6,410,449	\$ 6,657,543	\$ 5,326,518	\$ 4,638,637	\$ 4,398,868	\$ -	\$ -
Unreserved										
Designated	555,732	1,515,545	1,034,408	1,256,016	1,253,009	1,891,065	2,197,421	2,010,967	-	-
Undesignated	4,566,346	5,308,518	4,480,132	4,773,140	5,723,585	9,048,639	8,836,621	9,776,196	-	-
Non-spendable	-	-	-	-	-	-	-	-	57,415	65,931
Restricted	-	-	-	-	-	-	-	-	3,865,044	4,767,310
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	891,066	3,170,924
Unassigned	-	-	-	-	-	-	-	-	11,217,875	9,066,420
Total General Fund	\$ 10,415,655	\$ 13,411,106	\$ 12,442,686	\$ 12,439,605	\$ 13,634,137	\$ 16,266,222	\$ 15,672,679	\$ 16,186,031	\$ 16,031,400	\$ 17,070,585
All Other Governmental Funds										
Reserved	\$ 414,686	\$ 153,371	\$ 514,815	\$ 912,645	\$ 1,325,508	\$ 301,796	\$ 690,101	\$ 613,488	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	187,405	-	-	-	-	-	-	-
Special Revenue Funds	-	-	552,722	784,905	25,543,084	9,303,600	2,427,589	3,182,408	-	-
Undesignated	-	-	-	-	-	-	1,424,811	2,086,224	-	-
Capital Projects Funds	1,476,928	237,499	3,348,218	1,138,915	1,057,336	174,981	-	-	-	-
Special Revenue Funds	62,314	1,773,419	812,099	-	462,907	1,975,643	-	-	-	-
Restricted in Special Revenue Fund	-	-	-	-	-	-	-	-	1,058,304	659,752
Restricted in Capital Project Fund	-	-	-	-	-	-	-	-	3,329,171	1,441,024
Committed in Capital Project Fund	-	-	-	-	-	-	-	-	1,387,486	1,387,543
Assigned Special Revenue Fund	-	-	-	-	-	-	-	-	1,557,064	1,911,739
Unassigned in Capital Project Fund	-	-	-	-	-	-	-	-	-	-
Unassigned in Special Revenue Fund	-	-	-	-	-	-	-	-	(8,838)	-
Total all other governmental funds	\$ 1,953,928	\$ 2,164,289	\$ 5,415,259	\$ 2,836,465	\$ 28,388,835	\$ 11,756,020	\$ 4,542,301	\$ 5,882,120	\$ 7,323,187	\$ 5,139,111

Table 4

CALDWELL COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Ad Valorem Taxes	\$ 25,721,335	\$ 26,655,311	\$ 26,950,851	\$ 29,798,566	\$ 30,039,744	\$ 36,144,485	\$ 38,298,580	\$ 37,919,512	\$ 38,320,869	\$ 38,541,713
Local Options/Sales Taxes	9,525,511	11,164,133	11,558,908	12,375,627	13,054,464	13,526,236	11,567,876	7,427,362	7,597,974	8,088,329
Other Taxes	864,073	882,934	890,320	818,696	912,489	803,936	368,792	348,168	333,579	336,917
Inter-governmental	18,375,021	19,500,151	21,334,767	19,813,101	19,554,773	19,205,234	20,169,874	20,689,220	25,446,252	21,409,559
Permits & Fees	1,056,456	1,058,639	994,046	1,008,499	1,285,124	1,216,133	925,263	827,023	783,483	853,603
Sales and Services	5,640,249	6,187,694	6,814,832	6,831,770	6,938,170	6,896,220	6,678,285	7,856,820	7,442,493	6,823,988
Investment Earnings	150,316	102,016	316,142	708,810	1,077,401	1,531,438	344,186	144,102	87,709	59,756
Miscellaneous	356,995	814,104	432,148	887,405	336,927	771,705	1,760,745	326,142	275,395	231,880
Total Revenues	\$ 61,689,956	\$ 66,364,982	\$ 69,292,014	\$ 72,242,474	\$ 73,199,092	\$ 80,095,356	\$ 80,113,601	\$ 75,538,349	\$ 80,287,704	\$ 76,345,745
Expenditures										
General Government	\$ 4,383,383	\$ 3,777,010	\$ 5,032,885	\$ 4,904,887	\$ 5,698,768	\$ 6,032,771	\$ 6,479,968	\$ 5,898,084	\$ 5,697,609	\$ 5,590,159
Public Safety	10,222,222	11,471,839	12,771,176	13,829,908	13,731,898	14,734,280	16,409,321	15,432,491	16,696,104	15,879,567
Environmental Protection	381,922	490,577	632,072	1,369,494	488,892	614,322	550,449	486,076	670,461	492,800
Economic & Physical Development	1,308,102	1,566,534	2,125,501	1,649,075	1,773,648	2,290,081	4,999,351	3,134,328	3,083,359	3,692,991
Human Services	24,072,546	25,688,638	27,433,898	27,538,219	27,320,003	26,351,855	29,826,904	23,139,590	23,156,413	22,703,809
Cultural & Recreational	1,011,583	1,042,348	1,160,898	1,184,549	1,169,300	1,302,404	1,427,674	1,336,651	1,341,927	1,323,224
Education	15,890,850	16,522,846	18,671,585	15,130,472	20,160,946	26,703,975	22,254,601	20,444,673	19,600,302	22,076,249
Capital Projects	2,058,188	654,908	3,284,497	11,397,042	2,760,099	10,898,506	-	-	-	-
Debt Service	2,412,066	2,390,338	2,686,538	2,863,210	2,879,335	2,926,353	4,657,256	4,771,192	9,216,941	4,566,328
Principal	1,308,441	1,145,959	1,104,920	1,244,026	1,065,534	1,965,651	2,700,360	2,463,207	2,144,724	1,546,524
Interest	63,049,303	64,750,997	74,903,970	81,110,882	77,048,423	93,820,198	89,305,884	77,106,292	81,607,840	77,871,651
Total Expenditures	\$ (1,359,347)	\$ 1,613,985	\$ (5,611,956)	\$ (8,868,408)	\$ (3,849,331)	\$ (13,724,842)	\$ (9,192,283)	\$ (1,567,943)	\$ (1,320,136)	\$ (1,525,906)
Excess of revenues over (under) expenditures										
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	531,100	637,739	7,615,964	6,334,298	29,469,953	500,000	1,152,920	2,971,361	2,438,507	231,080
Sales of Capital Assets	-	69,888	36,575	8,957	10,260	103,566	164,583	21,355	3,481	15,236
Transfers in	235,000	334,805	791,577	1,184,922	2,440,383	-	67,518	657,546	1,270,780	446,352
Transfers out	(170,000)	(194,305)	(699,507)	(1,284,922)	(1,324,148)	(879,454)	-	(483,789)	(1,106,196)	(311,653)
Total other financing sources (uses)	596,100	848,127	7,844,609	6,243,255	30,596,448	(275,888)	1,385,021	3,421,114	2,606,572	381,015
Net change in fund balances	(763,247)	2,462,112	2,232,653	(2,625,153)	26,747,117	(14,000,730)	(7,807,262)	1,853,171	1,286,436	(1,144,891)
Debt Service as a percentage of governmental expenditures	5.90%	5.46%	5.06%	5.10%	5.23%	5.95%	8.87%	9.54%	14.15%	7.98%

CALDWELL COUNTY, NORTH CAROLINA

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Other	Personal Property	Total	Total Direct Tax Rate
	Residential Property	Commercial Property					
2003	n/a	n/a		\$ 3,283,920,258	\$ 921,069,000	\$ 4,204,989,258	0.5839
2004	\$ 2,599,927,000	\$ 608,283,000	164,201,374	164,201,374	888,221,000	4,260,632,374	0.5839
2005	2,657,286,000	601,943,000	162,455,219	162,455,219	870,502,000	4,292,186,219	0.5399
2006	n/a	n/a	4,011,837,607	4,011,837,607	1,043,271,835	5,055,109,442	0.5399
2007	3,372,003,068	714,617,100	-	-	1,029,338,400	5,115,958,568	0.5399
2008	3,279,688,059	931,385,820	166,791,893	166,791,893	831,528,408	5,209,394,180	0.6599
2009	3,250,248,000	941,736,910	151,108,254	151,108,254	1,172,276,042	5,515,369,206	0.6599
2010	3,311,783,748	1,103,927,916	151,108,254	151,108,254	809,946,209	5,376,766,127	0.6599
2011	3,323,782,084	1,107,927,362	151,108,254	151,108,254	888,755,661	5,471,573,361	0.6599
2012	3,426,480,303	902,868,206	148,757,743	148,757,743	1,062,451,120	5,540,557,372	0.6599

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,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
COUNTY DIRECT RATE										
County-Wide Rate	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.5399	\$ 0.5399	\$ 0.5399	\$ 0.5839	\$ 0.5839
CITY										
City of Lenoir	0.54	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5000	0.5000	0.5000
City of Hickory	0.50	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
SPECIAL DISTRICTS										
Lenoir Special District	0.25	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.1900
TOWNS										
Hudson	0.37	0.3700	0.3700	0.3500	0.3500	0.3500	0.3300	0.3300	0.3300	0.3300
Granite Falls	0.42	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4400	0.4400
Rhodhiss	0.55	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Blowing Rock	0.28	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2950	0.2950	0.2950
Sawmills	0.20	0.2000	0.2000	0.1500	0.1500	0.1500	0.1500	0.1000	0.1000	0.1000
VILLAGES										
Cedar Rock	0.15	0.1500	0.1500	0.1500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
RESCUE SERVICES	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0071	0.0071	0.0071
FIRE DISTRICTS	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0300	0.0300	0.0300
	to	to	to	to	to	to	to	to	to	to
	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300

CALDWELL COUNTY, NORTH CAROLINA

**Principal Property Taxpayers,
Current Year and Ten Years Ago**

Taxpayer	Fiscal Year Ended June 30, 2012			Fiscal Year Ended June 30, 2002		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Merchant Distributors	\$ 111,698,441	1		\$ 74,734,149	2	
Google	103,752,854	2				
Tapaha Dynamics	87,614,300	3				
Duke Energy	54,275,361	4		46,406,361	3	
Blue Ridge Energy	47,626,678	5		27,979,744	7	
Walmart	32,031,624	6				
Bernhardt Industries	28,869,421	7		35,562,181	4	
Neptco	22,772,789	8		18,156,587	9	
Kincaid Furniture	19,500,308	9		30,829,306	5	
Broyhill Industries	17,334,601	10		79,869,898	1	
Bellsouth				26,831,584	8	
Shuford Mills				29,857,150	6	
Yale				18,101,651	10	

* 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 Original Levy		Amount	Percentage of Adjusted Levy
2012	\$ 36,566,382	92.41%	\$ 33,789,866	92.41%	-	\$ 33,789,866	92.41%
2011	35,009,037	92.06%	33,528,749	92.06%	1,443,864	34,972,613	96.02%
2010	35,997,030	91.72%	33,406,179	91.72%	1,884,879	35,291,058	96.90%
2009	36,421,115	93.19%	33,940,247	93.19%	1,716,947	35,657,194	97.90%
2008	34,510,433	93.56%	32,289,220	93.56%	1,687,490	33,976,710	98.45%
2007	27,654,595	94.83%	26,224,463	94.83%	1,135,174	27,359,637	98.93%
2006	27,418,976	94.81%	25,997,284	94.81%	1,292,023	27,289,307	99.53%
2005	25,124,558	94.74%	23,802,590	94.74%	1,240,946	25,043,536	99.68%
2004	24,985,656	94.65%	23,649,465	94.65%	1,267,368	24,916,833	99.72%
2003	24,614,131	94.44%	23,245,450	94.44%	1,319,395	24,564,845	99.80%

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			
2003	\$ 18,241,458	\$ -	\$ 7,178,311	\$ -	\$ 1,753,545	\$ -	\$ 1,669,916	\$ -	\$ 28,843,229	n/a	\$ 366.75
2004	16,617,417	-	7,049,752	-	1,467,585	-	3,114,435	-	28,249,189	n/a	361.09
2005	14,998,374	-	13,598,220	-	1,166,626	-	2,781,495	-	32,544,716	n/a	412.92
2006	13,367,034	-	12,915,570	-	857,970	-	3,171,029	-	30,311,603	n/a	385.90
2007	11,753,389	-	46,904,879	-	536,611	-	2,779,745	-	61,974,624	n/a	781.54
2008	10,238,325	-	45,993,498	-	96,675	-	2,378,310	-	58,706,807	n/a	737.58
2009	8,660,077	-	43,912,135	155,366	29,923	-	2,005,525	-	54,763,026	n/a	707.66
2010	7,090,000	-	43,825,627	112,113	-	-	1,606,775	-	52,634,515	n/a	657.77
2011	5,485,000	-	38,759,815	-	-	-	1,444,683	-	45,689,498	n/a	570.98
2012	3,945,000	-	35,964,568	-	-	-	-	-	39,909,568	n/a	479.82

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
	General Obligation Bonds	Bonds				
2003	\$ 18,241,458		0.94%	0.43%	\$ 231.95	78,645
2004	16,617,417		0.82%	0.00%	212.41	78,234
2005	14,998,374		n/a	0.35%	190.30	78,816
2006	13,367,034		n/a	0.26%	170.18	78,548
2007	11,753,389		n/a	0.23%	148.22	79,298
2008	10,238,325		n/a	0.20%	128.63	79,594
2009	8,660,077		n/a	0.16%	111.91	77,386
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

CALDWELL COUNTY, NORTH CAROLINA

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2012**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Caldwell County	\$ 3,945,000	100.00%	\$ 3,945,000
Underlying City of Lenoir	-	25.00%	-
Overlapping City of Hickory	-	1.93%	-
Totals	\$ 3,945,000		\$ 3,945,000

CALDWELL COUNTY, NORTH CAROLINA

**Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value of Property	\$ 4,204,989,000	\$ 4,260,632,000	\$ 4,292,186,000	\$ 5,055,109,442	\$ 5,115,958,568	\$ 5,209,394,180	\$ 5,515,369,206	\$ 5,377,766,127	\$ 5,389,529,112	\$ 5,540,557,372
Debt Limit 8% of Assessed Value (statutory limitation)	336,399,120	340,850,560	343,374,880	404,408,755	409,276,685	416,751,534	441,229,536	430,221,290	431,162,329	443,244,590
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	25,419,768	23,667,169	33,101,907	32,282,602	61,317,651	56,231,823	54,763,025	52,634,496	45,689,498	39,909,568
Legal Debt Margin	\$ 310,979,352	\$ 317,183,391	\$ 310,272,973	\$ 372,126,153	\$ 347,959,035	\$ 360,519,711	\$ 386,466,511	\$ 377,586,794	\$ 385,472,831	\$ 403,335,022

Total net debt applicable to the limit as a percentage of debt limit

7.56%	6.94%	9.64%	7.98%	14.98%	13.49%	12.41%	12.23%	10.60%	9.00%
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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
2003	78,645	\$ 1,941,194,535	\$ 24,683	38.52	12,534	449	10.60%
2004	78,234	2,030,015,832	25,948	38.86	12,612	425	8.40%
2005	78,816	n/a	n/a	39.14	12,872	440	13.10%
2006	78,548	n/a	n/a	n/a	12,850	411	7.20%
2007	79,298	n/a	28,301	n/a	12,872	395	7.50%
2008	79,594	n/a	29,733	n/a	12,817	400	7.50%
2009	77,386	n/a	27,240	n/a	12,741	400	15.60%
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	83,176	1,610,453,712	19,362	42	12,555	400	13.20%

* Source: North Carolina Economic Development Intelligence System

CALDWELL COUNTY, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago *

	2012			2003		
	Employer	Employees	Rank	Employees	Rank	Total County Employment
Caldwell County Schools	1000+	1		1,000+	2	40,536
Merchants Distributors Inc	1000+	2		1,000+	4	40,536
Bernhardt Furniture Co Inc	500-999	3		1,000+	3	40,536
Caldwell Memorial Hospital Inc	500-999	4		500-999	6	40,536
Caldwell Community Coll & Tech Inst	500-999	5		500-999	7	40,536
Wal-Mart Associates Inc	500-999	6				
Caldwell County	500-999	7		500-999	8	40,536
Broyhill Furniture Industries Inc	500-999	8		1,000+	1	40,536
Universal Mental Health Services In	250-499	9				
Thomasville Furniture Ind Inc	250-499	10		250 - 499	9	40,536
Kincaid Furniture Co Inc				500-999	5	40,536
Paxar Americas Inc				250 - 499	10	40,536

* Data from ten years ago was not available.

** Source: North Carolina Economic Development Commission

CALDWELL COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Safety	188	188	187
Health and Human Services	246	242	240
Environmental Protection	1	1	1
Economic Development	3	4	4
General Government	79	85	85
Cultural and Recreational	19	19	19
Enterprise Fund	13	13	13
Total	<u>549</u>	<u>552</u>	<u>549</u>

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

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Fiscal Year Ended June 30, 2012

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public Safety				
Average Daily Population at Jail	\$ 195	\$ 189	\$ 188	\$ 166
Number of Arrests by Sheriff Department	3,207	3,499	3,457	3,883
Responses by Sheriff Department	34,293	37,062	61,584	56,709
Health and Human Services				
<u>Department of Social Services</u>				
Adult Medicaid applications completed	2,608	2,278	2,212	1,498
Family Medicaid applications completed	6,580	8,068	8,460	8,611
New Children enrolled in Medicaid	4,342	5,365	5,599	6,003
Special Assistance applications completed	178	167	127	147
Food Stamps applications taken	5,582	5,656	5,826	5,915
Food Stamps applications approved	4,171	4,033	4,033	4,060
Food Stamps applications denied	1,047	984	1,491	1,538
Child Support orders	499	549	621	566
Medicaid Transportation requests	13,234	12,290	10,927	10,841
Average children receiving Child Care Subsidy each month	766	850	856	867
Emergency Assistance applications taken	5,017	3,773	3,544	3,534
Emergency Assistance applications approved	4,957	3,745	3,485	3,358
Work First applications completed	162	170	222	260
Average monthly enrollment in Adolescent Parenting Program	-	17	18	14
Adult Protective Services referrals	652	512	421	380
Reported cases of Physical or Sexual Abuse to Children	58	64	36	33
New cases of children placed in Foster Care	108	141	103	66
Finalized Adoptions	28	42	48	49
Clients seen at reception desk	35,303	34,878	33,852	30,935
Telephone calls received by switch board	107,194	99,229	103,617	109,372
Total Number of CPS Reports Investigated	1,979	1,830	1,095	856
<u>Economic Impact of Social Services Administered Programs</u>				
Medicaid	101,671,025	97,187,390	94,971,287	92,623,710
Food Stamps	24,787,284	23,495,280	21,734,319	16,035,745
Work First	172,302	147,626	147,626	196,659
Rest Home	1,344,695	1,352,486	1,307,034	1,363,514
Energy & Crisis	896,386	1,054,851	1,160,671	622,660
Foster Care and Adoption	4,870,092	4,529,359	4,226,791	3,639,776
Child Daycare	3,187,595	3,606,396	2,492,378	3,402,818
Child Support	6,417,807	6,561,065	6,524,085	6,577,867
Total	\$ 143,347,186	\$ 137,934,453	\$ 132,564,191	\$ 124,462,749
<u>Health Department</u>				
Rabies vaccinations given by animal control	\$ 893	\$ 1,442	\$ 1,448	\$ 1,382
Animals adopted out from the animal shelter	178	226	211	260
Dollars paid out by the WIC program	1,662,408	1,558,068	1,619,081	1,760,973
Home visits made by home health agency	11,436	17,950	17,950	16,152
Immunization rate for two year old children	1	1	1	1
Number of children seen by dentist	1,416	3,196	3,291	2,896
Adult and child immunizations	1,188	n/a	n/a	5,326
Primary clinic visits	1,800	2,120	n/a	7,871
Nutrition contacts for WIC	9,243	n/a	n/a	10,593
Inspections carried out by Environmental Health	1,158	1,650	n/a	1,453
Maternity care encounters	2,415	3,240	n/a	3,539
Local TV programs for health education	14	25	21	15

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Fiscal Year Ended June 30, 2012

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Environmental Protection				
Solid Waste Investigations	42	45	139	n/a
Solid Waste Fines Issued	-	-	-	n/a
Economic Development				
<u>Building Permits Issued</u>				
New non-residential permits	65	73	59	55
Non-residential additions	78	52	54	70
New residential permits	63	87	119	147
Residential additions	174	194	145	164
Total Issued	380	406	377	436
Economic Development Incentive Payments	\$ 1,238,559	\$ 1,249,713	\$ 1,284,854	\$ 580,066
<u>Major Subdivisions Approved</u>				
Preliminary	-	-	1	3
Final	-	-	1	4
Cell Tower colocator requests approved	-	-	-	3
Rezoning requests	-	1	3	3
Variance requests	-	1	1	1
Planning violation investigations	17	13	8	-
Planning violation complaints	17	13	8	3
Street signs installed (E911)	105	69	288	358
Cultural and Recreational				
Library branches	3	3	3	3
Library staff	19.86	19.86	19.86	19.86
Total number of print items	140,854	138,102	136,848	122,408
Total number of non-print items	24,475	23,776	21,977	18,384
Registered Borrowers	64,383	61,747	59	55,875
Total circulation	357,792	363,323	384,377	359,890
Number of visits to libraries	314,742	294,231	275,595	269,448
Reference questions answered	42,392	47,946	43,763	41,809
Number of uses of public computers	67,780	71,569	70,832	58,855
Meeting rooms attendance	27,642	38,024	34,687	29,472

* Data prior to 2009 is not available.

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

CALDWELL COUNTY, NORTH CAROLINA

**Capital Asset Statistics by Function
Fiscal Year Ended June 30, 2012**

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public Safety				
Jail capacity	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600
Number of ambulances	14	15	13	11
Number of squad cars	75	72	87	86
Health and Human Services				
Square footage available to Health Department	45,660	45,660	45,660	45,660
Square footage available to DSS	70,736	70,736	70,736	70,736
Environmental Protection				
Number of convenience sites in County	9	9	9	9
General Government				
Square footage in County office building	32,550	32,550	32,550	32,550
Cultural and Recreational				
Number of libraries in County	3	3	3	3
Square footage used by libraries	57,741	57,741	57,741	57,741
Number of parks in County	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, 2012

Date of Incorporation	1,841
Form of Government	Commission - Manager
Number of Employees	
Full-Time Permanent	506
Other	125
Area in square miles	471
Number of Government Facilities and Services:	
Miles of Street	589 paved 108 unpaved
Fire Protection (a)	
Number of Stations	14
Number of Firefighters	540
Number of Responses	8,838
Law Enforcement (b)	
Number of Stations	1
Number of Officers	68
Cultural and Recreational	
Parks	13
Acres Covered by Parks	379
Acres Covered by National Forest	45,603
Number of Libraries	3
Number of Volumes	137,296
Number of Video and Audio Tapes	18,280
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	788
Number of Teachers	825
Number of Students	12,225
Higher Education (Caldwell Community College)	
Number of Locations	2
Number of Students	4,971

(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.