

**COUNTY OF CALDWELL  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2013**



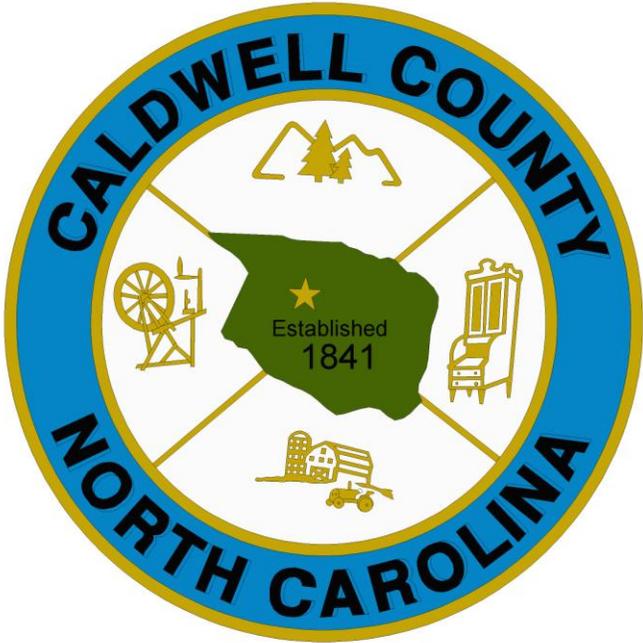


**CALDWELL COUNTY, NORTH CAROLINA**

**Comprehensive Annual Financial Report**

**For the Year Ended  
June 30, 2013**

**Prepared by  
Finance Department**



**CALDWELL COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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# CALDWELL COUNTY, NORTH CAROLINA

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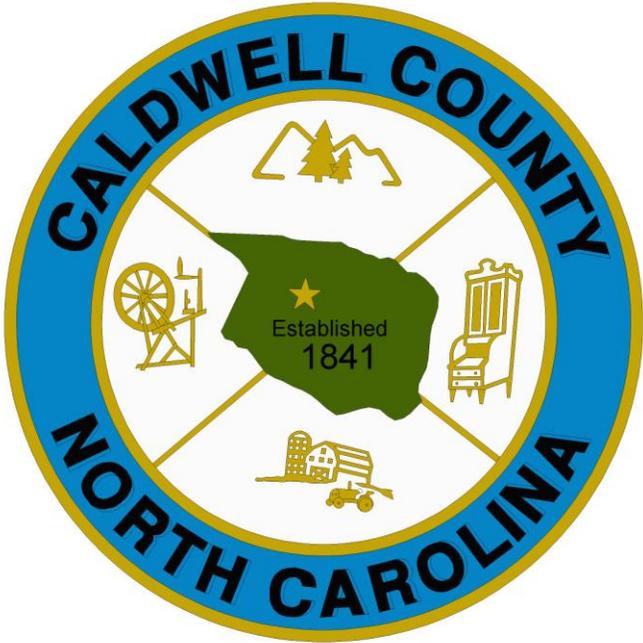
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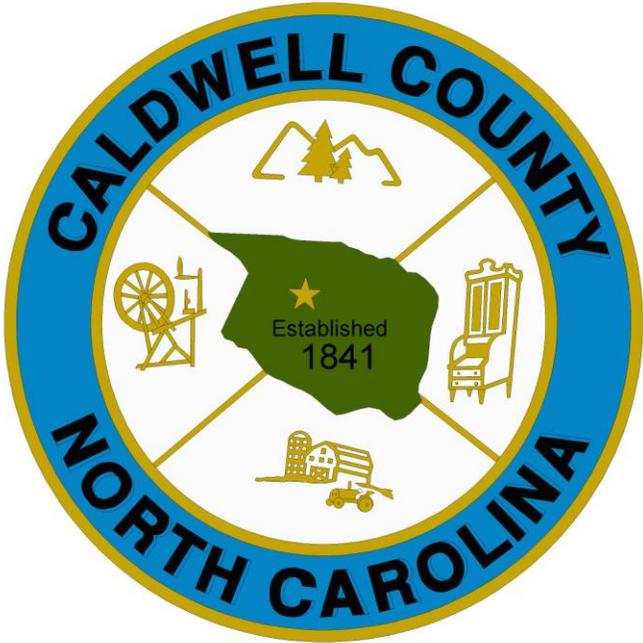
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## **INTRODUCTORY SECTION**





**CALDWELL COUNTY  
P. O. BOX 2200  
LENOIR NC 28645**

**LETTER OF TRANSMITTAL**

October 11, 2013

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, 2013.

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, 2013, 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Caldwell County's MD&A can be found immediately following the report of the independent auditors.

### **Description of the County**

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

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

advocator of a public school system and a railroad system stretching from Morehead City through the questioned county to Tennessee, the bill was ratified and signed on January 11, 1841.

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

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

### **Economic Conditions and Outlook**

The county continues to deal with continued adverse economic conditions related to the great recession and the slow recovery. The county also continues to feel the impact of losing thousands of manufacturing jobs over the past ten years. In an effort to boost the local economy the county has aggressively pursued economic development. A key tool used in this effort is a pool of funds contributed by the municipalities in the county that is used to offer economic development incentives. These incentives typically total \$2,000 for each new job created or moved to Caldwell County and maintained for at least one year. Many companies have expressed interest in these incentives and have pledged to bring thousands of new jobs to the county. Another important factor is the state of North Carolina's construction of a new road in the southern part of the county. This road would connect Grace Chapel Road with Highway 321 at the new Wal Mart shopping complex. This road will allow for expansion opportunities at one of the county's largest employers, MDI. This road will also grant access to land that the county will market to attract new business.

### **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, 2013, 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. An important financial decision was made during the year that involved the sale of the county's Home Health Agency. This agency had been profitable for many years but increase competition from the private sector and changes to Medicare and Medicaid made the program no longer viable. The county was able to sell this agency and its certificate of need for approximately \$2.8 million. This had the double benefit of eliminating a drain on the county's resources and providing a substantial one time funding source.

### **Long Term Financial Planning**

The county has agreed to borrow up to \$14.5 million for the construction of a new middle school. Efforts are underway to finish the architectural work and to obtain construction bids. It is anticipated that the county will issue this debt during fiscal year 2013-2014. As old debt pays off it will create capacity to offset the majority of the new debt service associated with this project. It is anticipated that the portion of sales tax revenues required to be spent on school capital will continue to be sufficient to cover school related debt service without the need for increased property tax revenue.

### **Other Information**

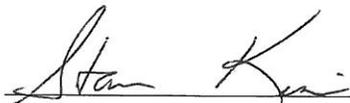
North Carolina state law (G.S. 159-34) requires the county to have an annual independent financial audit. A compliance audit of federal and state financial assistance programs is also required under the federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The firm of Martin 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



Government Finance Officers Association

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

Presented to

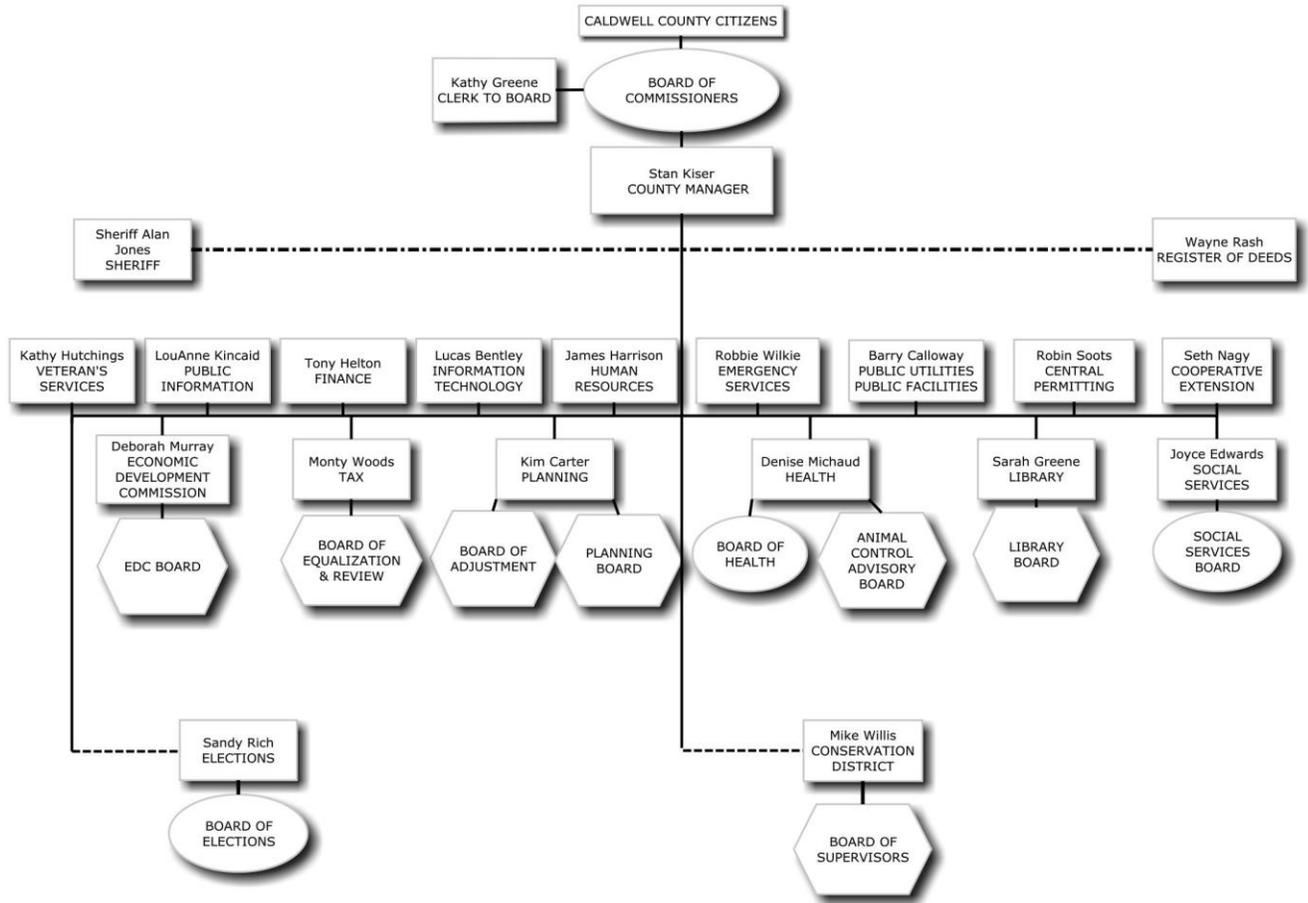
**Caldwell County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

CALDWELL COUNTY GOVERNMENT ORGANIZATIONAL CHART



# CALDWELL COUNTY, NORTH CAROLINA

## Principal Officials

June 30, 2013

### **Board of Commissioners**

Jeff Branch, Chairman

Clay Bollinger, Vice-Chairman

Chris Barlow, Commissioner

Randy Church, 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

Monte Woods, Tax Administrator

Jimmy Harrison, 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

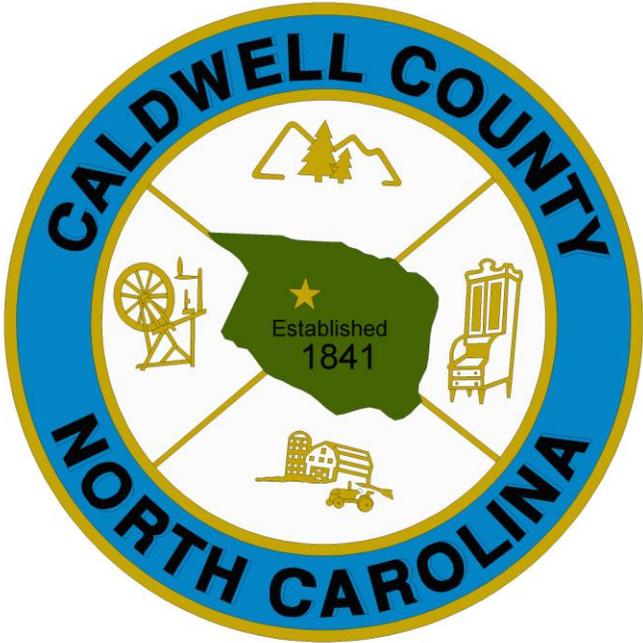
Robbie Wilkie, Emergency Medical Services Director

/Fire Marshal/Emergency Management Director

Lucas Bentley, Information Technology Director

Seth Nagy, Cooperative Extension Director

## **FINANCIAL SECTION**



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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Caldwell County  
Lenoir, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. The financial statements of Caldwell Railroad Commission were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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.

### ***Supplementary and Other Information***

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

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

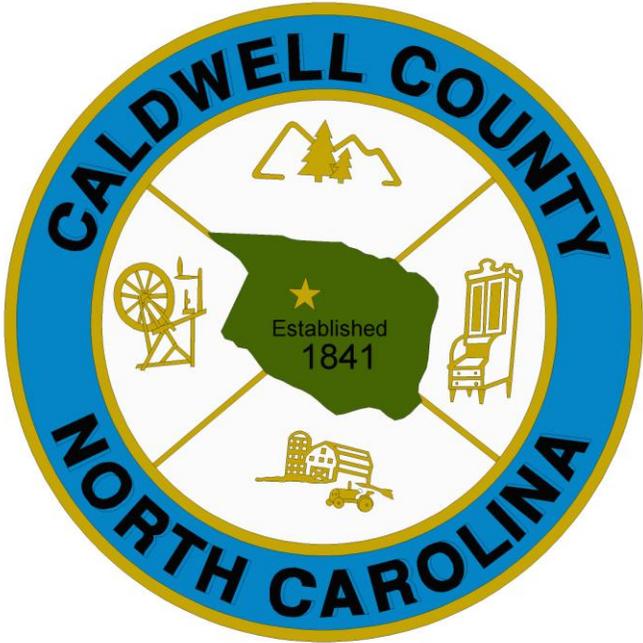
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013 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* in considering Caldwell County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
October 11, 2013



## 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, 2013. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$37,114,396 (net position).
- The government's total net position increased by \$5,084,850, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$24,270,986.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,946,418.
- The total fund balance in the General Fund decreased by \$643,339 as a result of activities that took place during the fiscal year ended June 30, 2013.
- The General Fund expenditures concluded the year within budget.
- The County successfully complied with all State and federal service mandates as prescribed by law.

### Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements 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 nine 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 and the General Capital Projects Fund which are considered to be major funds. Data from the other seven 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 58 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 59 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 B-1 through G-1 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Caldwell County, assets exceed liabilities and deferred inflows of resources by \$37,114,396 at the close of the most recent fiscal year.

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

**Table 1**  
**Condensed Statements of Net Position**  
**As of June 30, 2013**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Assets:</b>						
Current assets	\$ 30,473,601	\$ 28,955,967	\$ 5,613,913	\$ 4,942,403	\$ 36,087,514	\$ 33,898,370
Capital assets	<u>36,350,545</u>	<u>37,583,394</u>	<u>6,542,023</u>	<u>6,706,831</u>	<u>42,892,568</u>	<u>44,290,225</u>
Total assets	<u>66,824,146</u>	<u>66,539,361</u>	<u>12,155,936</u>	<u>11,649,234</u>	<u>78,980,082</u>	<u>78,188,595</u>
<b>Liabilities:</b>						
Current liabilities	5,668,072	6,455,085	218,042	219,809	5,886,114	6,674,894
Long-term liabilities	<u>35,954,113</u>	<u>39,453,854</u>	<u>3,974</u>	<u>30,301</u>	<u>35,958,087</u>	<u>39,484,155</u>
Total liabilities	<u>41,622,185</u>	<u>45,908,939</u>	<u>222,016</u>	<u>250,110</u>	<u>41,844,201</u>	<u>46,159,049</u>
Deferred inflows of resources	<u>21,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,485</u>	<u>-</u>
<b>Net Position:</b>						
Net investment in capital assets	16,244,931	17,405,500	6,542,023	6,706,831	22,786,954	24,112,331
Restricted net position	5,962,605	6,868,086	-	-	5,962,605	6,868,086
Unrestricted net position	<u>2,972,940</u>	<u>(3,643,164)</u>	<u>5,391,897</u>	<u>4,692,293</u>	<u>8,364,837</u>	<u>1,049,129</u>
Total net position	<u>\$ 25,180,476</u>	<u>\$ 20,630,422</u>	<u>\$ 11,933,920</u>	<u>\$ 11,399,124</u>	<u>\$ 37,114,396</u>	<u>\$ 32,029,546</u>

The government's net position increased by \$5,084,850 during the current fiscal year. A major factor in this change is the county's continued emphasis on frugal financial management. No new debt was issued during the fiscal year. The general fund expenditures came in under budget by over \$2.9 million dollars. Another major factor was the sale of the county's home health agency. This agency was no longer viable for the county to operate but a suitable buyer was located and the agency was sold for over \$2.8 million dollars.

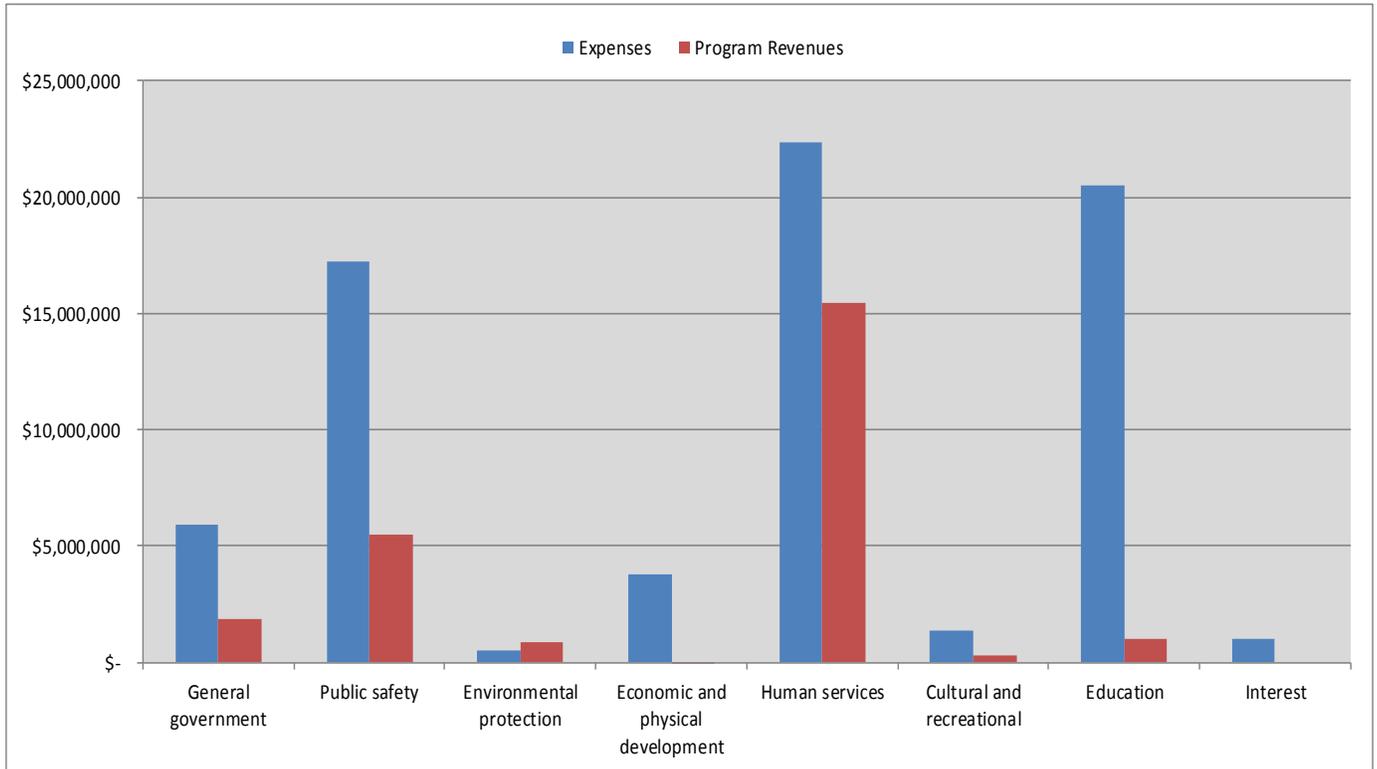
**Table 2**

**Condensed Statement of Revenues, Expenses, and Changes in Net Position  
As of June 30, 2013**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,700,977	\$ 8,731,117	\$ 3,461,305	\$ 3,397,148	\$ 11,162,282	\$ 12,128,265
Operating grants and contributions	16,342,201	17,011,722	-	-	16,342,201	17,011,722
Capital grants and contributions	899,207	1,552,526	-	-	899,207	1,552,526
General revenues:						
Property taxes	38,830,489	38,944,274	-	-	38,830,489	38,944,274
Local option sales tax	9,371,153	9,288,329	-	-	9,371,153	9,288,329
Other taxes and licenses	1,048,889	1,141,149	-	-	1,048,889	1,141,149
Investment earnings	43,883	59,756	6,671	7,697	50,554	67,453
Total revenues	<u>74,236,799</u>	<u>76,728,873</u>	<u>3,467,976</u>	<u>3,404,845</u>	<u>77,704,775</u>	<u>80,133,718</u>
<b>Expenses:</b>						
Governmental activities:						
General government	5,937,620	5,572,489	-	-	5,937,620	5,572,489
Public safety	17,203,962	16,479,850	-	-	17,203,962	16,479,850
Environmental protection	468,991	474,617	-	-	468,991	474,617
Economic and physical development	3,769,854	3,703,056	-	-	3,769,854	3,703,056
Human services	22,368,529	23,268,124	-	-	22,368,529	23,268,124
Cultural and recreational	1,384,266	1,415,319	-	-	1,384,266	1,415,319
Education	20,522,469	22,076,249	-	-	20,522,469	22,076,249
Interest	966,760	1,546,524	-	-	966,760	1,546,524
Business-type activities:						
Water Fund	-	-	2,798,480	2,828,800	2,798,480	2,828,800
Total expenses	<u>72,622,451</u>	<u>74,536,228</u>	<u>2,798,480</u>	<u>2,828,800</u>	<u>75,420,931</u>	<u>77,365,028</u>
Special item	<u>2,801,006</u>	-	-	<u>(2,601,072)</u>	<u>2,801,006</u>	-
Increase (decrease) in net						
assets before transfers	4,415,354	2,192,645	669,496	(2,025,027)	5,084,850	2,768,690
Transfers in (out)	<u>134,700</u>	<u>134,699</u>	<u>(134,700)</u>	<u>(134,699)</u>	-	-
Increase in net position	4,550,054	2,327,344	534,796	(2,159,726)	5,084,850	167,618
<b>Net Position:</b>						
Beginning net position	<u>20,630,422</u>	<u>18,303,078</u>	<u>11,399,124</u>	<u>13,558,850</u>	<u>32,029,546</u>	<u>31,861,928</u>
Ending net position	<u>\$ 25,180,476</u>	<u>\$ 20,630,422</u>	<u>\$ 11,933,920</u>	<u>\$ 11,399,124</u>	<u>\$ 37,114,396</u>	<u>\$ 32,029,546</u>

**Governmental Activities.** Governmental activities increased Caldwell County’s net position by \$4,550,054. The improvement seen here is driven by the same forces listed under table one and they include the sale of home health and frugal financial management.

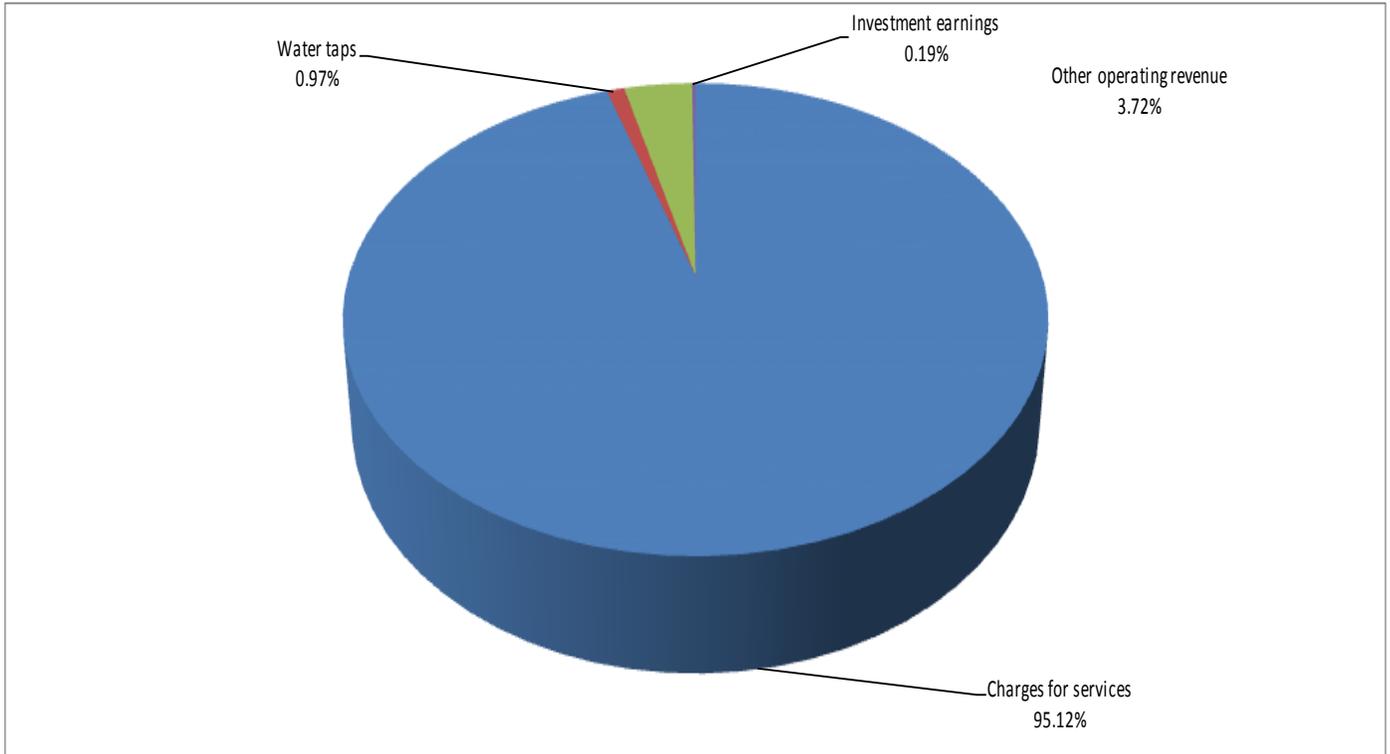
**Expenses and Program Revenues**



**Business-Type Activities.** Business-type activities increased Caldwell County’s net position by \$534,796. The key element in this increase is as follows:

- The Water Fund continues to perform well. It is now debt free.

### Revenues by Source – Business-Type Activities



### Expenses and Revenues

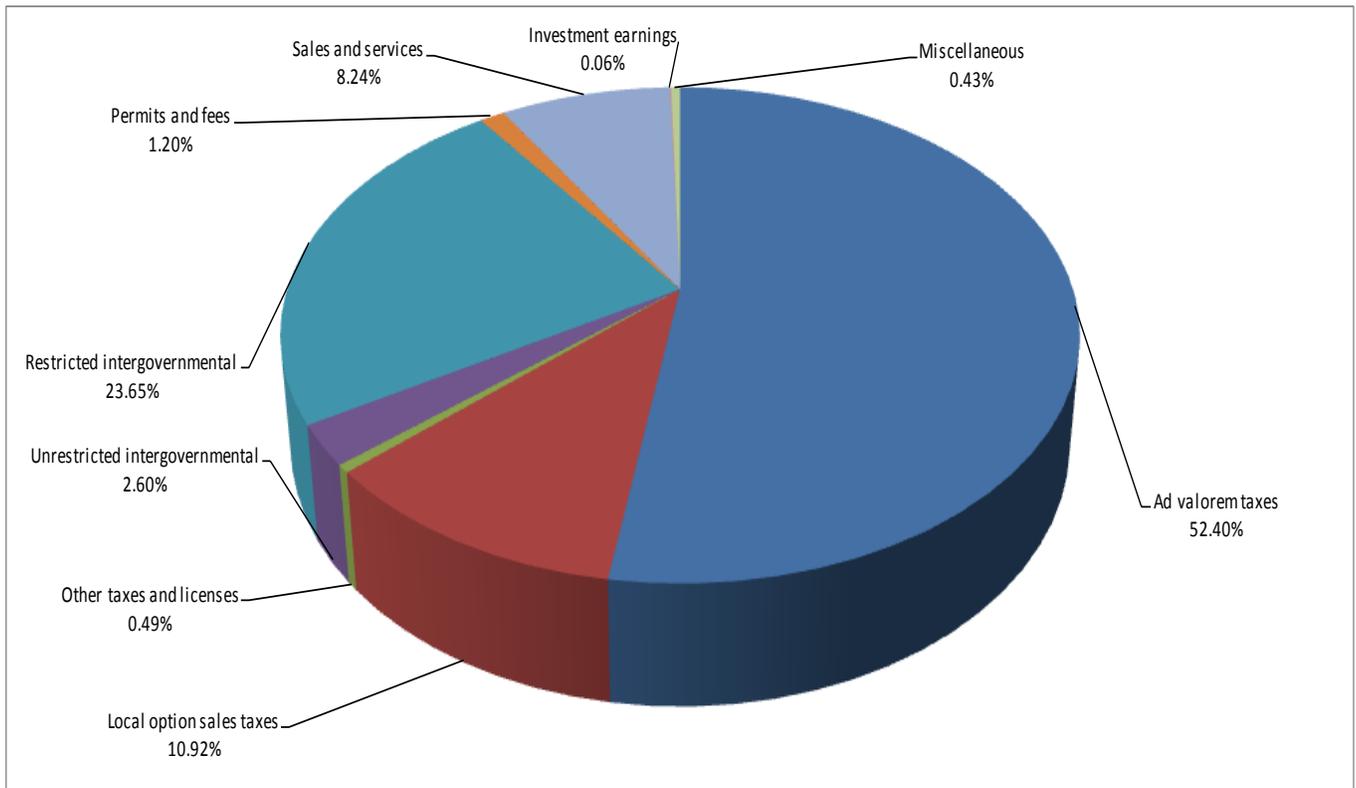


## Financial Analysis of the Government's Funds

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 \$24,270,986, an increase of \$2,061,290 in comparison with the prior year. This increase is the result of paying down existing debt while not issuing any new debt. Approximately 29 percent of this total amount, or \$6,946,403, 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 \$6,946,418, while total fund balance reached \$16,427,246. The County's fund balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$12,070,832 or 18.09 percent of expenditures.

The total fund balance of Caldwell County's General Fund decreased by \$643,339 during the current fiscal year. This decrease is a result of capital outlay expenditures that totaled over \$800 thousand.

**Proprietary Funds.** Caldwell County's propriety funds provide the same type of information found in government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$5,391,897. The total growth in net position for the Water Fund was \$534,796. Other factors concerning the finances of this fund have already been addressed in the discussion of Caldwell County's business-type activities.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget reflected an increase in appropriation of \$4,247,458. The major changes can be briefly summarized as follows:

- Capital outlay purchases in the amount of \$1.3 million were added to the budget during the fiscal year.
- The base budget included operational costs for home health for only 90 days. An additional six months of operations was added during the year increasing appropriations by almost \$300k.
- Flow through grant funds in the amount of \$1.1 million were added to the budget during the fiscal year for the Department of Social Services.
- Flow through grant funds in the amount of \$868k were added to the budget during the fiscal year for the Health Department..
- Extra flow-through funds in the amount of \$367k were added to allow for an economic development grant to be paid through the County.
- Various other increases to multiple line items constitute the remaining increase in the expenditure budget. Overall, the expenditures in the General Fund were \$2,913,188 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, 2013 amounts to \$42,892,568. 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 county adopted a revenue neutral tax rate for fiscal year 2013-2014. This will prevent an increase in the tax burden on citizens who are still recovering from the great recession.
- Construction of a new middle school was approved with a cost of up to \$14.5 million.

**Table 3**  
**Capital Assets, Net of Depreciation**  
**As of June 30, 2013**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Land	\$ 7,309,879	\$ 7,277,547	\$ 20,000	\$ 20,000	\$ 7,329,879	\$ 7,297,547
Construction in progress	7,712	-	-	-	7,712	-
Buildings	21,091,281	22,445,089	100,694	103,529	21,191,975	22,548,618
Equipment, furniture, and vehicles	7,941,673	7,860,758	-	-	7,941,673	7,860,758
Water System	-	-	6,421,329	6,583,303	6,421,329	6,583,303
Total capital assets, net of depreciation, where applicable	<u>\$ 36,350,545</u>	<u>\$ 37,583,394</u>	<u>\$ 6,542,023</u>	<u>\$ 6,706,832</u>	<u>\$ 42,892,568</u>	<u>\$ 44,290,226</u>

Additional information on Caldwell County's capital assets can be found in Note 2 beginning on page 37 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Caldwell County had total bonded debt outstanding of \$2,445,000. The County currently does not have outstanding revenue bonds.

**Table 4**  
**General Obligation Bonds Outstanding**  
**As of June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
General obligation bonds	<u>\$ 2,445,000</u>	<u>\$ 3,945,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,445,000</u>	<u>\$ 3,945,000</u>

Caldwell County's **total debt decreased during the year by \$4,129,493.** This was the result of annual principal payments reducing our outstanding debt.

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 \$418,000,000, which is significantly in excess of Caldwell County's outstanding general obligation debt.

Additional information on Caldwell County's long-term debt can be found in Note 2 beginning on page 54 of this report.

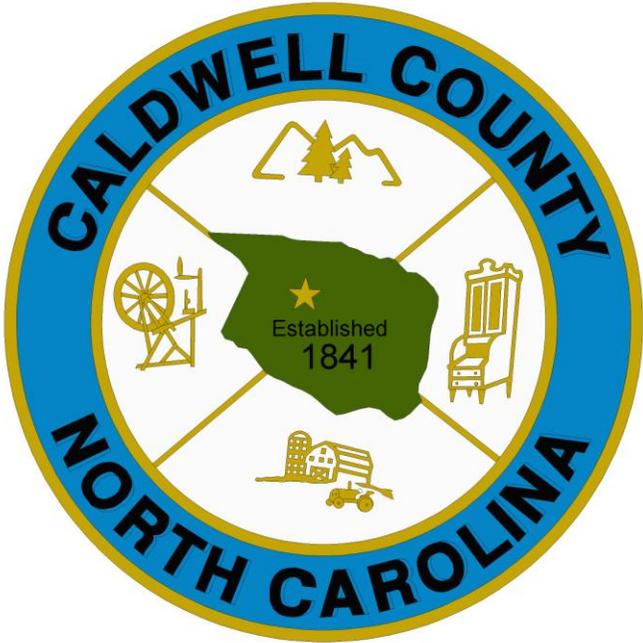
## **Economic Factors and Next Year's Budgets and Rates**

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 18.09 percent as of June 30, 2013. 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 2012-2013. Actual expenditures in the General Fund came in just under 3 million dollars below the budget.

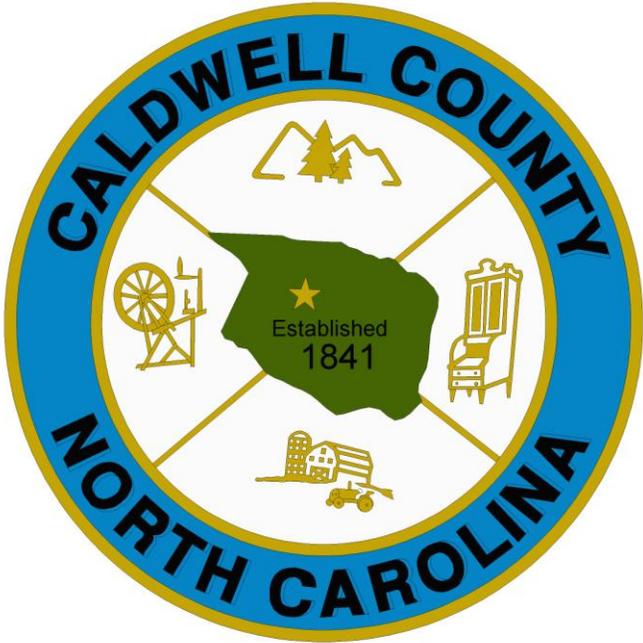
The budget for fiscal year 2013-2014 includes a revenue neutral tax rate of 60 cents per \$100 of tax value. The prior year rate was 62.99 cents but the increase in tax value associated with the revaluation will yield tax revenues that are roughly equal.

## **Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**



## CALDWELL COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Caldwell Railroad Commission
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 20,950,416	\$ 5,016,477	\$ 25,966,893	\$ 7,780
Taxes receivable, net	3,855,631	-	3,855,631	-
Accounts receivable, net	5,294,498	405,188	5,699,686	-
Due from other governments	206,827	60,755	267,582	-
Inventories	51,253	43,203	94,456	-
Restricted cash and cash equivalents	114,976	88,290	203,266	-
Total current assets	<u>30,473,601</u>	<u>5,613,913</u>	<u>36,087,514</u>	<u>7,780</u>
Non-current assets:				
Non-depreciable capital assets	7,317,591	20,000	7,337,591	-
Depreciable capital assets, net	<u>29,032,954</u>	<u>6,522,023</u>	<u>35,554,977</u>	<u>1,481,955</u>
Total non-current assets	<u>36,350,545</u>	<u>6,542,023</u>	<u>42,892,568</u>	<u>1,481,955</u>
Total assets	<u>66,824,146</u>	<u>12,155,936</u>	<u>78,980,082</u>	<u>1,489,735</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued expenses	1,845,718	101,752	1,947,470	1,221
Customer deposits	-	88,290	88,290	-
Current portion of long-term liabilities	<u>3,822,354</u>	<u>28,000</u>	<u>3,850,354</u>	<u>-</u>
Total current liabilities	<u>5,668,072</u>	<u>218,042</u>	<u>5,886,114</u>	<u>1,221</u>
Long-term liabilities:				
Due in more than one year	<u>35,954,113</u>	<u>3,974</u>	<u>35,958,087</u>	<u>-</u>
Total long-term liabilities	<u>35,954,113</u>	<u>3,974</u>	<u>35,958,087</u>	<u>-</u>
Total liabilities	<u>41,622,185</u>	<u>222,016</u>	<u>41,844,201</u>	<u>1,221</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	<u>21,485</u>	<u>-</u>	<u>21,485</u>	<u>-</u>
Total deferred inflows of resources	<u>21,485</u>	<u>-</u>	<u>21,485</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	16,244,931	6,542,023	22,786,954	1,481,955
Restricted for:				
Stabilization for State statute	5,021,544	-	5,021,544	-
Register of Deeds	176,973	-	176,973	-
Public safety	761,772	-	761,772	-
Education	2,316	-	2,316	-
Unrestricted (deficit)	<u>2,972,940</u>	<u>5,391,897</u>	<u>8,364,837</u>	<u>6,559</u>
Total net position	<u>\$ 25,180,476</u>	<u>\$ 11,933,920</u>	<u>\$ 37,114,396</u>	<u>\$ 1,488,514</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, 2013**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 5,937,620	\$ 1,879,735	\$ -	\$ -
Public safety	17,203,962	4,198,842	1,293,563	-
Environmental protection	468,991	858,482	-	-
Economic and physical development	3,769,854	18,829	-	(99,395)
Human services	22,368,529	715,138	14,768,143	-
Cultural and recreational	1,384,266	29,951	280,495	-
Education	20,522,469	-	-	998,602
Interest	966,760	-	-	-
Total governmental activities	<u>72,622,451</u>	<u>7,700,977</u>	<u>16,342,201</u>	<u>899,207</u>
<b>Business-Type Activities:</b>				
Water Fund	2,798,480	3,461,305	-	-
Total primary government	<u>\$ 75,420,931</u>	<u>\$ 11,162,282</u>	<u>\$ 16,342,201</u>	<u>\$ 899,207</u>
<b>Component Unit:</b>				
Caldwell Railroad Commission	\$ 96,918	\$ -	\$ 51,750	\$ 4,804
Total component unit	<u>\$ 96,918</u>	<u>\$ -</u>	<u>\$ 51,750</u>	<u>\$ 4,804</u>

**General Revenues:**

Taxes:

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

Investment earnings

Total general revenues, excluding transfers and special items

Special item - sale of home health agency

Transfers

Total general revenues, special items and transfers

Change in net position

**Net Position:**

Beginning of year - July 1

End of year - June 30

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

Exhibit B

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Caldwell Railroad Commission</b>
\$ (4,057,885)	\$ -	\$ (4,057,885)	
(11,711,557)	-	(11,711,557)	
389,491	-	389,491	
(3,850,420)	-	(3,850,420)	
(6,885,248)	-	(6,885,248)	
(1,073,820)	-	(1,073,820)	
(19,523,867)	-	(19,523,867)	
(966,760)	-	(966,760)	
<u>(47,680,066)</u>	<u>-</u>	<u>(47,680,066)</u>	
-	662,825	662,825	
<u>(47,680,066)</u>	<u>662,825</u>	<u>(47,017,241)</u>	
			\$ (40,364)
			<u>(40,364)</u>
38,830,489	-	38,830,489	-
9,371,153	-	9,371,153	-
1,048,889	-	1,048,889	-
<u>43,883</u>	<u>6,671</u>	<u>50,554</u>	<u>26</u>
49,294,414	6,671	49,301,085	26
2,801,006	-	2,801,006	
<u>134,700</u>	<u>(134,700)</u>	<u>-</u>	<u>-</u>
<u>52,230,120</u>	<u>(128,029)</u>	<u>52,102,091</u>	<u>26</u>
4,550,054	534,796	5,084,850	(40,338)
<u>20,630,422</u>	<u>11,399,124</u>	<u>32,029,546</u>	<u>1,528,852</u>
<u>\$ 25,180,476</u>	<u>\$ 11,933,920</u>	<u>\$ 37,114,396</u>	<u>\$ 1,488,514</u>

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

CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>Major Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
<b>Assets:</b>				
Cash and cash equivalents	\$ 13,729,121	\$ 3,781,719	\$ 3,439,576	\$ 20,950,416
Taxes receivable (net)	3,472,849	-	382,782	3,855,631
Accounts receivable (net)	4,601,992	-	692,506	5,294,498
Due from other governments	182,950	223	23,654	206,827
Inventories	51,253	-	-	51,253
Restricted cash and cash equivalents	114,976	-	-	114,976
Total assets	<u>\$ 22,153,141</u>	<u>\$ 3,781,942</u>	<u>\$ 4,538,518</u>	<u>\$ 30,473,601</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,751,780	\$ 14,181	\$ 79,757	\$ 1,845,718
Total liabilities	<u>1,751,780</u>	<u>14,181</u>	<u>79,757</u>	<u>1,845,718</u>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	3,472,849	-	382,782	3,855,631
Prepaid taxes	21,485	-	-	21,485
Ambulance receivable	479,781	-	-	479,781
Total deferred inflows of resources	<u>3,974,115</u>	<u>-</u>	<u>382,782</u>	<u>4,356,897</u>
<b>Fund Balances:</b>				
Non-spendable:				
Inventories	51,253	-	-	51,253
Restricted:				
Stabilization for State statute	4,305,161	223	716,160	5,021,544
Restricted, all other	291,949	-	649,112	941,061
Committed	-	3,767,538	33,666	3,801,204
Assigned	4,832,465	-	2,677,056	7,509,521
Unassigned	6,946,418	-	(15)	6,946,403
Total fund balances	<u>16,427,246</u>	<u>3,767,761</u>	<u>4,075,979</u>	<u>24,270,986</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,153,141</u>	<u>\$ 3,781,942</u>	<u>\$ 4,538,518</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities, are not current financial resources and, therefore, are not reported in the funds. 36,350,545

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 position in the Statement of Net Position. 4,335,412

Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (39,776,467)

Net position of governmental activities, per Exhibit A \$ 25,180,476

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, 2013

	Major Funds			Total
	General Fund	General Capital Projects Fund	Other Governmental Funds	
<b>Revenues:</b>				
Ad valorem taxes	\$ 35,683,082	\$ -	\$ 3,339,474	\$ 39,022,556
Local option sales taxes	5,525,988	-	2,608,665	8,134,653
Other taxes and licenses	368,196	-	-	368,196
Unrestricted intergovernmental	699,522	-	1,236,500	1,936,022
Restricted intergovernmental	16,093,812	(110,395)	1,633,602	17,617,019
Permits and fees	892,712	-	-	892,712
Sales and services	6,137,928	-	-	6,137,928
Investment earnings	34,856	3,397	5,630	43,883
Miscellaneous	310,875	11,000	250	322,125
Total revenues	<u>65,746,971</u>	<u>(95,998)</u>	<u>8,824,121</u>	<u>74,475,094</u>
<b>Expenditures:</b>				
Current:				
General government	5,656,874	175,294	-	5,832,168
Public safety	12,872,820	-	3,492,294	16,365,114
Environmental protection	314,145	44,914	124,988	484,047
Economic and physical development	3,106,287	-	661,318	3,767,605
Human services	21,958,417	46,102	-	22,004,519
Cultural and recreational	1,300,335	-	-	1,300,335
Education	17,953,723	-	2,568,746	20,522,469
Debt service:				
Principal retirement	2,728,803	-	1,400,691	4,129,494
Interest and fees	843,927	-	122,833	966,760
Total expenditures	<u>66,735,331</u>	<u>266,310</u>	<u>8,370,870</u>	<u>75,372,511</u>
Revenues over (under) expenditures	<u>(988,360)</u>	<u>(362,308)</u>	<u>453,251</u>	<u>(897,417)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	322,020	-	62,320	384,340
Transfers to other funds	-	(62,320)	(187,320)	(249,640)
Proceeds from sale of capital assets	23,001	-	-	23,001
Total other financing sources (uses)	<u>345,021</u>	<u>(62,320)</u>	<u>(125,000)</u>	<u>157,701</u>
Special item - sale of home health agency	-	2,801,006	-	2,801,006
Net change in fund balances	(643,339)	2,376,378	328,251	2,061,290
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>17,070,585</u>	<u>1,391,383</u>	<u>3,747,728</u>	<u>22,209,696</u>
End of year - June 30	<u>\$ 16,427,246</u>	<u>\$ 3,767,761</u>	<u>\$ 4,075,979</u>	<u>\$ 24,270,986</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, 2013**

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) \$ 2,061,290

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 (192,068)

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. (235,710)

Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures. 19,898

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. 780,839

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. (69,228)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (1,944,460)

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.) 4,129,493

Change in net position of governmental activities, per Exhibit B \$ 4,550,054

*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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 33,911,700	\$ 34,050,841	\$ 35,683,082	\$ 1,632,241
Local option sales taxes	5,450,000	5,461,689	5,525,988	64,299
Other taxes and licenses	387,400	401,400	368,196	(33,204)
Unrestricted intergovernmental	649,535	761,535	699,522	(62,013)
Restricted intergovernmental	15,103,914	16,422,983	16,093,812	(329,171)
Permits and fees	793,000	813,000	892,712	79,712
Sales and services	5,776,234	6,281,458	6,137,928	(143,530)
Investment earnings	50,000	50,000	34,856	(15,144)
Miscellaneous	147,000	188,677	310,875	122,198
Total revenues	<u>62,268,783</u>	<u>64,431,583</u>	<u>65,746,971</u>	<u>1,315,388</u>
<b>Expenditures:</b>				
Current:				
General government	5,898,502	6,311,350	5,656,874	654,476
Public safety	12,578,432	13,495,913	12,872,820	623,093
Environmental protection	351,314	351,314	314,145	37,169
Economic and physical development	2,896,485	3,905,995	3,106,287	799,708
Human services	20,825,944	22,659,607	21,958,417	701,190
Cultural and recreational	1,353,306	1,391,012	1,300,335	90,677
Intergovernmental:				
Education	17,925,593	17,960,593	17,953,723	6,870
Debt service:				
Principal retirement	2,728,804	2,806,469	2,728,803	77,666
Interest and fees	842,681	766,266	843,927	(77,661)
Total expenditures	<u>65,401,061</u>	<u>69,648,519</u>	<u>66,735,331</u>	<u>2,913,188</u>
Revenues over (under) expenditures	<u>(3,132,278)</u>	<u>(5,216,936)</u>	<u>(988,360)</u>	<u>4,228,576</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) special revenue funds	125,000	125,000	125,000	-
Transfers from (to) Enterprise Fund	134,700	134,700	134,700	-
Transfers from (to) capital project funds	-	62,320	62,320	-
Proceeds from sale of capital assets	10,000	69,088	23,001	(46,087)
Contingency	(308,346)	(209,661)	-	209,661
Appropriated fund balance	3,170,924	5,035,489	-	(5,035,489)
Total other financing sources (uses)	<u>3,132,278</u>	<u>5,216,936</u>	<u>345,021</u>	<u>(4,871,915)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(643,339)</u>	<u>\$ (643,339)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>17,070,585</u>	
End of year - June 30			<u>\$ 16,427,246</u>	

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

## CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013

	<u>Water Fund</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 5,016,477
Accounts receivable net	405,188
Due from other governments	60,755
Inventories	43,203
Restricted cash and cash equivalents	<u>88,290</u>
Total current assets	<u>5,613,913</u>
Capital assets:	
Non-depreciable capital assets	20,000
Capital assets (net of depreciation)	<u>6,522,023</u>
Total capital assets	<u>6,542,023</u>
Total non-current assets	<u>6,542,023</u>
Total assets	<u>12,155,936</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable and accrued liabilities	101,752
Customer deposits	88,290
Current portion of compensated absences payable	<u>28,000</u>
Total current liabilities	<u>218,042</u>
Non-current liabilities:	
Compensated absences payable	<u>3,974</u>
Total non-current liabilities	<u>3,974</u>
Total liabilities	<u>222,016</u>
<b>Net Position:</b>	
Net investment in capital assets	6,542,023
Unrestricted	<u>5,391,897</u>
Total net position	<u>\$ 11,933,920</u>

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

## CALDWELL COUNTY, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2013

	<u>Water Fund</u>
<b>Operating Revenues:</b>	
Charges for services	\$ 3,298,613
Water taps	33,564
Other operating revenues	<u>129,128</u>
Total operating revenues	<u>3,461,305</u>
<b>Operating Expenses:</b>	
Water operations	2,264,211
Depreciation	<u>542,500</u>
Total operating expenses	<u>2,806,711</u>
Operating income (loss)	<u>654,594</u>
<b>Non-Operating Revenues (Expenses):</b>	
Other non-operating revenue	8,231
Investment earnings	<u>6,671</u>
Total non-operating revenues (expenses)	<u>14,902</u>
Income (loss) before transfers	669,496
Transfer to governmental funds	<u>(134,700)</u>
Change in net position	534,796
<b>Net Position:</b>	
Beginning of year - July 1	<u>11,399,124</u>
End of year - June 30	<u>\$ 11,933,920</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, 2013

	<u>Water Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 3,502,659
Cash paid for goods and services	(1,687,783)
Cash paid to or on behalf of employees	<u>(599,762)</u>
Net cash provided (used) by operating activities	<u>1,215,114</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Transfers from (to) other funds	<u>(134,700)</u>
Net cash provided (used) by non-capital financing activities	<u>(134,700)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(377,691)
Proceeds from sale of capital assets	<u>8,231</u>
Net cash provided (used) by capital and related financing activities	<u>(369,460)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment earnings	<u>6,671</u>
Net increase (decrease) in cash and cash equivalents	717,625
<b>Cash and Cash Equivalents:</b>	
Beginning of year - July 1	<u>4,387,142</u>
End of year - June 30	<u>\$ 5,104,767</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	<u>\$ 654,594</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Depreciation	542,500
<b>Change in Assets and Liabilities:</b>	
(Increase) decrease in accounts receivable	3,830
(Increase) decrease in inventory and other current assets	4,760
(Increase) decrease in due from other governments	37,524
Increase (decrease) in accounts payable and accrued liabilities	(31,457)
Increase (decrease) in customer deposits	4,590
Increase (decrease) in compensated absences payable	<u>(1,227)</u>
Total adjustments	<u>560,520</u>
Net cash provided (used) by operating activities	<u>\$ 1,215,114</u>

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

**CALDWELL COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**JUNE 30, 2013**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 128,743
Accounts receivable	<u>22,517</u>
Total assets	<u>151,260</u>
<b>Liabilities:</b>	
Miscellaneous liabilities	54,750
Intergovernmental payable	<u>96,510</u>
Total liabilities	<u>151,260</u>
Net position	<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, 2013

### 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, 2013

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

**General Capital Projects Fund.** This fund is used to set aside resources for future capital needs.

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, 2013

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 and the Public Schools Capital Project 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, 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, 2013

**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 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as 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 is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### **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, and the General Capital Projects Fund.

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

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, 2013

### F. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

#### Deposits and Investments

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

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.

#### 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, 2012. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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

### Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has no items that meet this criterion.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category - prepaid taxes, property taxes receivable, and ambulance receivable.

### **Long-Term Obligations**

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

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

### **Compensated Absences**

The vacation policies of the County provide for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Compensated absences of the County have typically been liquidated in the governmental funds and are accounted for on the LIFO basis, assuming that employees are taking leave time as it is earned. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

The sick leave policy of the County provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

### **Net Position/Fund Balances**

#### **Net Position**

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Fund Balances

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

The governmental fund types classify fund balances as follows:

### Non-Spendable Fund Balance

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

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

### Restricted Fund Balance

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

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

Restricted fund balance at June 30, 2013 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
<b>Restricted, all other:</b>		
Register of Deeds	\$ 176,973	\$ -
Public safety	114,976	646,796
Education	-	2,316
<b>Total</b>	<b>\$ 291,949</b>	<b>\$ 649,112</b>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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, 2013 is as follows:

<b>Purpose</b>	<b>General Capital Projects Fund</b>	<b>Other Governmental Funds</b>
Future capital projects	\$ 3,767,538	\$ 33,666

### 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, 2013 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Subsequent year's expenditures	\$ 4,832,465	\$ 2,000,000
Economic development	-	677,056
Total	\$ 4,832,465	\$ 2,677,056

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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	\$ 16,427,246
<b>Less:</b>	
Inventories	(51,253)
Stabilization by State Statute	<u>(4,305,161)</u>
Fund balance available for appropriation	<u>\$ 12,070,832</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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The 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, 2013, the County's deposits had a carrying amount of \$22,887,139 and a bank balance of \$26,062,665. Of the bank balance, \$281,100 was covered by federal depository insurance, and \$25,781,565 was covered by collateral held under the Pooling Method.

At June 30, 2013, the County had \$6,695 cash on hand.

### Investments

As of June 30, 2013, the County's investments consisted of \$3,405,068 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>
2010	\$ 1,234,700	\$ 185,205	\$ 1,419,905
2011	807,343	80,734	888,077
2012	847,649	33,906	881,555
2013	807,574	-	807,574
Total	<u>\$ 3,697,266</u>	<u>\$ 299,845</u>	<u>\$ 3,997,111</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Receivables

Receivables at the government-wide level at June 30, 2013 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General property taxes	\$ -	\$ 7,406,089	\$ -	\$ 7,406,089
Allowance for doubtful accounts	-	(3,933,240)	-	(3,933,240)
Fire district taxes	-	657,999	-	657,999
Allowance for doubtful accounts	-	(323,438)	-	(323,438)
Rescue squad taxes	-	96,857	-	96,857
Allowance for doubtful accounts	-	(48,636)	-	(48,636)
<b>Total</b>	-	3,855,631	-	3,855,631
Ambulance receivables	6,700,182	-	-	6,700,182
Allowance for doubtful accounts	(5,988,360)	-	-	(5,988,360)
Sales tax receivable	2,001,962	-	-	2,001,962
DSS 1571 receivable	930,880	-	-	930,880
Other receivables	1,649,834	-	-	1,649,834
Sales tax refund	-	-	206,827	206,827
<b>Total governmental activities</b>	\$ 5,294,498	\$ 3,855,631	\$ 206,827	\$ 9,356,956
 <b>Business-Type Activities:</b>				
Water	\$ 631,990	\$ -	\$ -	\$ 631,990
Allowance for doubtful accounts	(226,802)	-	-	(226,802)
Sales tax refund due	-	-	23,406	23,406
Due from City of Lenoir, current portion	-	-	37,349	37,349
<b>Total business-type activities</b>	\$ 405,188	\$ -	\$ 60,755	\$ 465,943

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2013 was as follows:

	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance</b>
	<b>July 1, 2012</b>				<b>June 30, 2013</b>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 7,277,547	\$ 68,796	\$ (36,464)	\$ -	\$ 7,309,879
Construction in progress	-	7,712	-	-	7,712
Total non-depreciable capital assets	7,277,547	76,508	(36,464)	-	7,317,591
<b>Depreciable Capital Assets:</b>					
Buildings	30,446,564	44,302	(34,457)	-	30,456,409
Equipment and furniture	11,453,678	230,410	(26,659)	-	11,657,429
Vehicles	4,620,473	429,619	(257,445)	17,153	4,809,800
Total depreciable capital assets	46,520,715	704,331	(318,561)	17,153	46,923,638
<b>Less Accumulated Depreciation:</b>					
Buildings	8,001,475	1,372,267	(8,614)	-	9,365,128
Equipment and furniture	4,688,385	148,576	(24,727)	-	4,812,234
Vehicles	3,525,008	423,617	(252,456)	17,153	3,713,322
Total accumulated depreciation	16,214,868	\$ 1,944,460	\$ (285,797)	\$ 17,153	17,890,684
Total depreciable capital assets, net	30,305,847				29,032,954
Governmental activities capital assets, net	\$ 37,583,394				\$ 36,350,545

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 260,203
Public safety	1,202,913
Environmental protection	3,358
Human services	400,636
Cultural and recreational	77,350
Total	\$ 1,944,460

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Business-Type Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Total non-depreciable capital assets	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<b>Depreciable Capital Assets:</b>					
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	678,772	377,691	(26,998)	(17,153)	1,012,312
Total depreciable capital assets	<u>20,124,419</u>	<u>377,691</u>	<u>(26,998)</u>	<u>(17,153)</u>	<u>20,457,959</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	9,926	2,836	-	-	12,762
Water lines	10,611,511	358,308	-	-	10,969,819
Water valves	197,782	3,809	-	-	201,591
Fire hydrants	295,240	7,662	-	-	302,902
Water meters	369,506	-	-	-	369,506
Other system components	1,259,073	49,937	-	-	1,309,010
Equipment and vehicles	694,549	119,948	(26,998)	(17,153)	770,346
Total accumulated depreciation	<u>13,437,587</u>	<u>\$ 542,500</u>	<u>\$ (26,998)</u>	<u>\$ (17,153)</u>	<u>13,935,936</u>
Total depreciable capital assets, net	<u>6,686,832</u>				<u>6,522,023</u>
Business-type activities capital assets, net	<u>\$ 6,706,832</u>				<u>\$ 6,542,023</u>

### B. Liabilities

#### Payables

Payables at the government-wide level at June 30, 2013 were as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Trade payables	\$ 1,219,073	\$ 101,752	\$ 1,320,825
Hospitalization reserve	626,645	-	626,645
Total	<u>\$ 1,845,718</u>	<u>\$ 101,752</u>	<u>\$ 1,947,470</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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 6.74% and 6.77%, 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, 2013, 2012, and 2011 were \$1,291,699, \$1,331,659, and \$1,244,002 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, 2013

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, 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>67</u>
Total	<u>69</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, 2011 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, 2011 was 19 years.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**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	\$	92,395
Interest on net pension obligation		32,809
Annual pension cost		84,369
Contributions made		24,899
Increase (decrease) in net pension obligation		59,470
Net pension obligation:		
Beginning of year - July 1		656,180
End of year - June 30	\$	715,650

### Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 90,242	27.22%	\$ 599,325
2012	81,416	30.17%	656,180
2013	84,369	29.51%	715,650

**Funded Status and Funding Progress.** As of December 31, 2012, 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 \$735,989. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,469,941, and the ratio of the UAAL to the covered payroll was 29.80 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.

### **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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013 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 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, 2013, the County's required and actual contributions were \$6,387.

### **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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2012, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	19	-
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	488	67
Total	507	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 1.48% of annual covered payroll. For the current year, the County contributed \$81,900, or 0.04%, 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 1.48% and 1.48% 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 \$729,325. Retirees are 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.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**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:

	<b>Governmental Activities</b>
Annual required contribution	\$ 283,823
Interest on net OPEB obligation	61,195
Adjustments to annual required contribution	(58,460)
Annual OPEB cost (expense)	286,558
Net OPEB obligation:	
Beginning of year - July 1	1,529,870
End of year - June 30	\$ 1,734,528

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 were as follows:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2011	\$ 456,615	32.60%	\$ 1,084,680
2012	457,165	2.62%	1,529,870
2013	286,558	28.58%	1,734,528

**Funding Status and Funding Progress.** As of December 31, 2012, 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 \$3,261,657. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,241,186, and the ratio of the UAAL to the covered payroll was 17.0 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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2012, 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 pre-Medicare medical cost trend increase of 8.50 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, 2012 was 30 years.

As of June 30, 2013, 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 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. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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 \$380,610 reported as landfill closure and post-closure care liability at June 30, 2013, 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, 2013

### Deferred Outflows and Inflows of Resources

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

	<u>Unavailable Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable, net (General Fund and Special Revenue Fund)	\$ 3,855,631	\$ -
Ambulance receivables, net (General Fund)	479,781	-
Prepaid taxes (General Fund)	-	21,485
Total	<u>\$ 4,335,412</u>	<u>\$ 21,485</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 \$49,830,940 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 does not carry flood insurance.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Director and Tax Administrator are each covered with a \$50,000 bond. The Register of Deeds and the Sheriff are both covered by a \$10,000 bond. All employees who have access to cash are covered by a blanket bond of \$250,000. This blanket bond also covers the Finance Director, Register of Deeds, Tax Administrator, and Sheriff.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Contingent Liabilities

At June 30, 2013, 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, 2013, 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>
2014	\$ 49,653
2015	28,402
2016	<u>36,927</u>
Total minimum payments required	<u>\$ 114,982</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, 2013

Installment purchase contracts at June 30, 2013 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	\$ 2,236,336
\$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	5,551,897
\$16,300,000 contract for the Early College facility on the campus of CCC&TI, upgrade to emergency communications system to include new towers, new equipment, renovations to the Courthouse and the County offices building, financed for 20 years at 3.075% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)	12,010,526
\$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)	9,210,526
\$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	2,377,089
\$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>1,948,700</u>
Total serviced by the General Fund	<u>\$ 33,335,074</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	\$ 2,629,354	\$ 946,516
2015	2,682,356	836,881
2016	2,703,287	762,699
2017	2,724,762	687,972
2018	2,746,797	612,686
2019-2023	13,838,419	2,280,353
2024-2027	6,010,099	290,278
Total	<u>\$ 33,335,074</u>	<u>\$ 6,417,385</u>

### 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, 2013 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

Total general obligation bonds serviced by the General Fund \$ 2,445,000

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
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	\$ 2,445,000	\$ 152,250

At June 30, 2013, the County had a legal debt margin of approximately \$418,000,000.

### 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, 2013:

	<b>Balance July 1, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2013</b>	<b>Current Portion of Balance</b>
<b>Governmental Activities:</b>					
General obligation debt	\$ 3,945,000	\$ -	\$ 1,500,000	\$ 2,445,000	\$ 1,060,000
Installment purchases	35,964,567	-	2,629,493	33,335,074	2,629,354
Compensated absences	1,194,023	1,026,412	1,054,830	1,165,605	105,000
OPEB accrued liability	1,529,870	286,558	81,900	1,734,528	-
Accrued post-closure care	400,508	8,411	28,309	380,610	28,000
Net pension obligation	656,180	84,369	24,899	715,650	-
Total governmental activities	\$ 43,690,148	\$ 1,405,750	\$ 5,319,431	\$ 39,776,467	\$ 3,822,354
<b>Business-Type Activities:</b>					
Compensated absences	\$ 33,201	\$ 26,791	\$ 28,018	\$ 31,974	\$ 28,000
Total business-type activities	\$ 33,201	\$ 26,791	\$ 28,018	\$ 31,974	\$ 28,000

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.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Capital Assets, Net of Related Debt

Capital assets, net of related debt, at June 30, 2013 are computed as follows:

Capital assets, net of accumulated depreciation	<u>\$ 36,350,545</u>	
Less capital debt:		
Gross debt	35,780,074	
School debt related to assets to which the County does not hold title	<u>(15,674,460)</u>	
Net capital debt	<u>20,105,614</u>	
 Capital assets, net of related debt	 <u>\$ 16,244,931</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, 2013, there were no industrial revenue bonds outstanding.

### C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2013 are summarized below.

<u>From</u>	<u>To</u>	<u>Amount</u>
Water Fund	General Fund	\$ 134,700
Rescue Fund	General Fund	125,000
General Capital Projects Fund	General Fund	<u>62,320</u>
Total		<u>\$ 322,020</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.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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, 2013, \$12,564,903 of debt issued for this purpose was still outstanding.

The County contributed \$3,306,073 for operating and capital purposes during the fiscal year ended June 30, 2013. In addition, the County made debt service payments of \$1,460,508 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.

### 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 \$21,788 to the Council during the fiscal year ended June 30, 2013.

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.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 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, 2013, Caldwell County contributed \$27,466.

### 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	\$ 106,270,617	\$ 68,183,608	\$ 38,087,073	\$ (64)
Women, Infants, and Children	1,689,599	1,689,599	-	-
Temporary assistance for needy families	209,246	209,246	-	-
Adoption Subsidy	2,734,626	1,498,519	735,426	500,681
Title IV-E Foster Care	1,851,745	1,119,887	355,612	376,246
TEA Foster Care	11,105	11,105	-	-
State Foster Home Funds	485,588	-	237,246	248,342
Title IV-E Adoption Assistance	41,348	20,674	10,337	10,337
Title IV-B Adoption Assistance	12,039	-	9,029	3,010
Special Assistance	1,418,374	-	710,384	707,990
Low Income Energy Assistance	809,228	809,228	-	-
Total	<u>\$ 115,533,515</u>	<u>\$ 73,541,866</u>	<u>\$ 40,145,107</u>	<u>\$ 1,846,542</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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 \$684,436 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.

### 7. Special Item – Sale of Home Health Agency

Caldwell County sold its home health agency, including its certificate of need, during the fiscal year ended June 30, 2013. The certificate of need is issued by the state and allows the owner to operate a home health agency within a specific geographic area. This certificate, along with the assets associated with the operation, were included in the sale. The purchaser continues to operate in Caldwell County and offers home health services to the County's former customers as well as new customers. The proceeds of the sale were \$2,801,066, resulting in a gain on sale of the same amount.

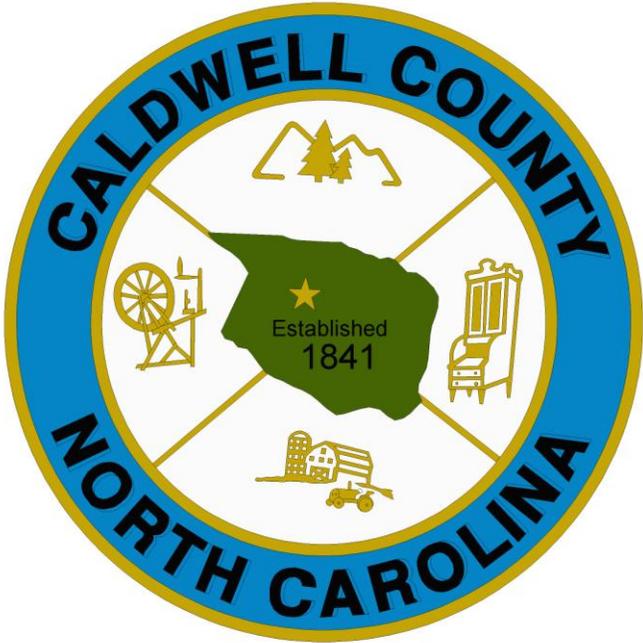
### 8. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized, must be included in current expenditures.

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

- **Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance**
- **Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Funding Progress for Other Post-Employment Benefits**
- **Schedule of Employer Contributions for Other Post-Employment Benefits**
- **Notes to the Required Schedules for Other Post-Employment Benefits**



**CALDWELL COUNTY, NORTH CAROLINA**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
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%
12/31/2012	-	735,989	735,989	0.00%	2,469,941	29.80%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
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%
2013	92,395	26.95%

**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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
<b>Actuarial Assumptions:</b>	
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, 2013**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
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%
12/31/2012	-	3,261,657	3,261,657	0.00%	19,241,186	17.0%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2009	\$ 438,772	4.13%
2010	438,772	18.81%
2011	455,226	32.69%
2012	455,226	2.63%
2013	283,823	28.86%

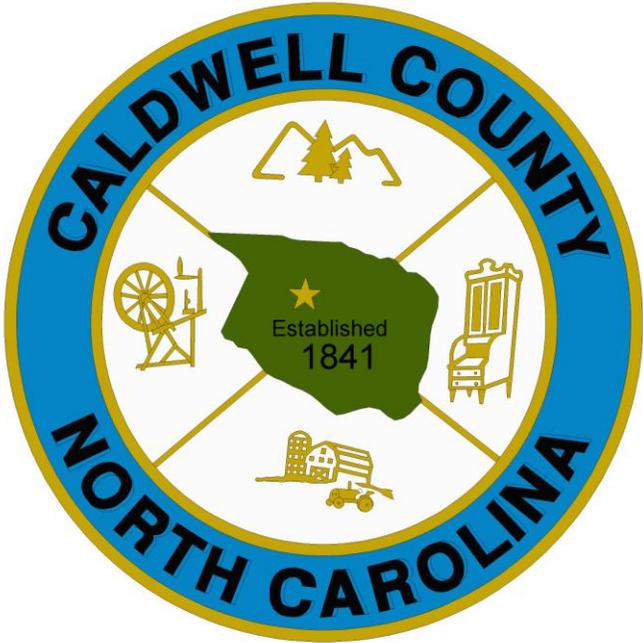
**Notes to the Required Schedules:**

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
<b>Actuarial Assumptions:</b>	
Investment rate of return *	4.00%
Medical trend assumptions:	
Pre-Medicare trend rate	8.50% - 5.00%
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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 34,050,841	\$ 35,683,082	\$ 1,632,241
<b>Local Option Sales Tax:</b>			
Article 39 one percent	2,711,689	2,671,991	(39,698)
Article 40 one-half of one percent	2,300,000	2,456,861	156,861
Article 42 one-half of one percent	450,000	389,726	(60,274)
Article 44 one-half of one percent	-	7,410	7,410
Total	<u>5,461,689</u>	<u>5,525,988</u>	<u>64,299</u>
<b>Other Taxes and Licenses:</b>			
Real estate transfer tax	165,000	141,864	(23,136)
Local occupancy tax	89,000	88,741	(259)
Scrap tire tax	100,000	100,281	281
White goods tax	35,000	25,646	(9,354)
Schedule B licenses	10,000	8,730	(1,270)
Gross receipts tax	2,400	2,934	534
Total	<u>401,400</u>	<u>368,196</u>	<u>(33,204)</u>
<b>Unrestricted Intergovernmental:</b>			
Payment in lieu of taxes	100,000	44,217	(55,783)
State hold-harmless reimbursement	212,000	212,337	337
Cable franchise tax	435,000	424,139	(10,861)
EDC occupancy tax	14,535	18,829	4,294
Total	<u>761,535</u>	<u>699,522</u>	<u>(62,013)</u>
<b>Restricted Intergovernmental:</b>			
Federal and State aid - health	2,845,914	2,693,466	(152,448)
Federal and State aid - social services	12,311,974	12,074,427	(237,547)
Federal and State aid - law enforcement	269,562	287,449	17,887
Federal and State aid - library	161,700	158,495	(3,205)
Federal and State aid - miscellaneous	248,130	197,543	(50,587)
Federal and State aid - JCPC	210,588	210,862	274
Federal and State aid - ambulance	200,000	263,205	63,205
Federal and State shared - controlled substance	9,115	45,028	35,913
Court facility fees	150,000	148,839	(1,161)
ABC revenue	16,000	14,498	(1,502)
Total	<u>16,422,983</u>	<u>16,093,812</u>	<u>(329,171)</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Permits and Fees:</b>			
Inspection department	235,000	196,374	(38,626)
Marriage license	12,000	11,720	(280)
Environmental fees	60,000	76,080	16,080
Civil fees	100,000	144,232	44,232
Weapons permits	77,000	117,725	40,725
Register of Deeds	325,000	341,214	16,214
Miscellaneous	4,000	5,367	1,367
Total	<u>813,000</u>	<u>892,712</u>	<u>79,712</u>
<b>Sales and Services:</b>			
Home health receipts	826,107	556,871	(269,236)
Ambulance fees	2,400,000	2,457,687	57,687
Animal control	56,000	56,771	771
Jail fees	1,355,000	1,364,192	9,192
Jail commissary	80,400	80,770	370
Sheriff collection fees	2,000	4,556	2,556
Health Department fees	216,399	158,267	(58,132)
Household fees	500,000	529,257	29,257
Republic Host fees	700,000	781,869	81,869
E911 services	29,680	29,680	-
Library fines and fees	30,000	29,951	(49)
Collection fees - special tax districts and towns	30,000	30,630	630
Miscellaneous	55,872	57,427	1,555
Total	<u>6,281,458</u>	<u>6,137,928</u>	<u>(143,530)</u>
<b>Investment Earnings</b>	<u>50,000</u>	<u>34,856</u>	<u>(15,144)</u>
<b>Miscellaneous:</b>			
Contributions	111,540	122,000	10,460
Other	77,137	188,875	111,738
Total	<u>188,677</u>	<u>310,875</u>	<u>122,198</u>
Total revenues	<u>64,431,583</u>	<u>65,746,971</u>	<u>1,315,388</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Administration:</b>			
Salaries and benefits	323,527	323,457	
Operating expenditures	<u>165,652</u>	<u>147,215</u>	
Total	<u>489,179</u>	<u>470,672</u>	<u>18,507</u>
<b>Board of Elections:</b>			
Salaries and benefits	135,797	134,280	
Operating expenditures	<u>174,959</u>	<u>151,268</u>	
Total	<u>310,756</u>	<u>285,548</u>	<u>25,208</u>
<b>Register of Deeds:</b>			
Salaries and benefits	361,518	346,578	
Operating expenditures	166,867	120,167	
Capital outlay	<u>28,000</u>	<u>28,000</u>	
Total	<u>556,385</u>	<u>494,745</u>	<u>61,640</u>
<b>Finance:</b>			
Salaries and benefits	331,889	328,218	
Operating expenditures	85,879	79,532	
Capital outlay	<u>12,643</u>	<u>12,326</u>	
Total	<u>430,411</u>	<u>420,076</u>	<u>10,335</u>
<b>EMS Billing:</b>			
Salaries and benefits	83,230	78,930	
Operating expenditures	<u>39,300</u>	<u>31,542</u>	
Total	<u>122,530</u>	<u>110,472</u>	<u>12,058</u>
<b>Information Services:</b>			
Salaries and benefits	423,575	390,824	
Operating expenditures	346,877	286,670	
Capital outlay	<u>69,000</u>	<u>68,026</u>	
Total	<u>839,452</u>	<u>745,520</u>	<u>93,932</u>
<b>911 Support:</b>			
Salaries and benefits	24,497	23,654	
Operating expenditures	<u>21,384</u>	<u>10,840</u>	
Total	<u>45,881</u>	<u>34,494</u>	<u>11,387</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Scanning:</b>			
Salaries and benefits	88,780	36,749	
Operating expenditures	59,520	21,117	
Capital outlay	<u>18,380</u>	<u>14,948</u>	
Total	<u>166,680</u>	<u>72,814</u>	<u>93,866</u>
<b>Tax Administrator:</b>			
Salaries and benefits	507,498	504,498	
Operating expenditures	257,905	151,886	
Capital outlay	<u>8,195</u>	<u>8,195</u>	
Total	<u>773,598</u>	<u>664,579</u>	<u>109,019</u>
<b>Revaluation:</b>			
Salaries and benefits	214,226	206,893	
Operating expenditures	<u>138,398</u>	<u>55,247</u>	
Total	<u>352,624</u>	<u>262,140</u>	<u>90,484</u>
<b>Public Information:</b>			
Salaries and benefits	95,982	95,520	
Operating expenditures	<u>25,876</u>	<u>18,387</u>	
Total	<u>121,858</u>	<u>113,907</u>	<u>7,951</u>
<b>Building Maintenance:</b>			
Salaries and benefits	201,926	191,845	
Operating expenditures	300,805	258,061	
Capital outlay	<u>17,829</u>	<u>7,712</u>	
Total	<u>520,560</u>	<u>457,618</u>	<u>62,942</u>
<b>Land Records:</b>			
Salaries and benefits	114,986	107,317	
Operating expenditures	<u>40,527</u>	<u>36,886</u>	
Total	<u>155,513</u>	<u>144,203</u>	<u>11,310</u>
<b>Human Resources:</b>			
Salaries and benefits	256,389	236,112	
Operating expenditures	<u>46,225</u>	<u>33,433</u>	
Total	<u>302,614</u>	<u>269,545</u>	<u>33,069</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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Veterans Administration:</b>			
Salaries and benefits	98,500	97,985	
Operating expenditures	<u>9,967</u>	<u>9,206</u>	
Total	<u>108,467</u>	<u>107,191</u>	<u>1,276</u>
<b>Special Services:</b>			
Telephone system maintenance	600	258	342
Law library - courthouse	4,000	4,392	(392)
Institute of Government	8,653	8,653	-
Western Piedmont Council of Governments	21,788	21,788	-
Insurance reserve	950,000	939,815	10,185
Community Service Program	6,000	6,000	-
Customer Service training	21,801	20,867	934
Taxes, other	<u>2,000</u>	<u>1,577</u>	<u>423</u>
Total	<u>1,014,842</u>	<u>1,003,350</u>	<u>11,492</u>
Total general government	<u>6,311,350</u>	<u>5,656,874</u>	<u>654,476</u>
<b>Public Safety:</b>			
<b>Animal Control:</b>			
Salaries and benefits	380,516	363,144	
Operating expenditures	<u>125,671</u>	<u>110,793</u>	
Total	<u>506,187</u>	<u>473,937</u>	<u>32,250</u>
<b>Sheriff's Department:</b>			
Salaries and benefits	256,344	249,002	
Operating expenditures	251,969	214,948	
Capital outlay	<u>85,171</u>	<u>85,171</u>	
Total	<u>593,484</u>	<u>549,121</u>	<u>44,363</u>
<b>Patrol Division:</b>			
Salaries and benefits	1,517,321	1,445,559	
Operating expenditures	382,769	376,395	
Capital outlay	<u>364,403</u>	<u>367,090</u>	
Total	<u>2,264,493</u>	<u>2,189,044</u>	<u>75,449</u>
<b>Investigative Division:</b>			
Salaries and benefits	870,790	826,262	
Operating expenditures	<u>110,680</u>	<u>109,176</u>	
Total	<u>981,470</u>	<u>935,438</u>	<u>46,032</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Support Division:</b>			
Salaries and benefits	477,416	449,820	
Operating expenditures	<u>101,851</u>	<u>88,193</u>	
Total	<u>579,267</u>	<u>538,013</u>	<u>41,254</u>
<b>Reserve Division:</b>			
Salaries and benefits	17,674	15,615	
Operating expenditures	<u>3,500</u>	<u>2,958</u>	
Total	<u>21,174</u>	<u>18,573</u>	<u>2,601</u>
<b>County Jail and Building:</b>			
Salaries and benefits	1,889,201	1,801,756	
Operating expenditures	<u>1,342,371</u>	<u>1,270,459</u>	
Total	<u>3,231,572</u>	<u>3,072,215</u>	<u>159,357</u>
<b>School Resource Officer:</b>			
Salaries and benefits	222,396	217,104	
Operating expenditures	<u>14,566</u>	<u>14,583</u>	
Total	<u>236,962</u>	<u>231,687</u>	<u>5,275</u>
<b>Emergency Medical Services:</b>			
Salaries and benefits	2,681,170	2,593,787	
Operating expenditures	654,835	617,683	
Capital outlay	<u>33,748</u>	<u>33,656</u>	
Total	<u>3,369,753</u>	<u>3,245,126</u>	<u>124,627</u>
<b>Emergency Management:</b>			
Salaries and benefits	114,991	112,494	
Operating expenditures	<u>48,500</u>	<u>46,728</u>	
Total	<u>163,491</u>	<u>159,222</u>	<u>4,269</u>
<b>Fire Marshal:</b>			
Salaries and benefits	180,414	170,891	
Operating expenditures	<u>87,634</u>	<u>80,005</u>	
Total	<u>268,048</u>	<u>250,896</u>	<u>17,152</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Communications Center:</b>			
Salaries and benefits	800,446	788,078	
Operating expenditures	<u>379,539</u>	<u>320,817</u>	
Total	<u>1,179,985</u>	<u>1,108,895</u>	<u>71,090</u>
<b>Special Services:</b>			
Court reform expense	3,340	2,410	930
Crimestoppers	3,600	3,600	-
Forest contract - NC State	<u>93,087</u>	<u>94,643</u>	<u>(1,556)</u>
Total	<u>100,027</u>	<u>100,653</u>	<u>(626)</u>
Total public safety	<u>13,495,913</u>	<u>12,872,820</u>	<u>623,093</u>
<b>Environmental Protection:</b>			
<b>Convenience Center:</b>			
Salaries and benefits	171,180	161,740	
Operating expenditures	176,349	152,405	
Capital outlay	<u>3,785</u>	<u>-</u>	
Total	<u>351,314</u>	<u>314,145</u>	<u>37,169</u>
Total environmental protection	<u>351,314</u>	<u>314,145</u>	<u>37,169</u>
<b>Economic and Physical Development:</b>			
<b>Planning and Development:</b>			
Salaries and benefits	50,596	46,661	
Operating expenditures	<u>17,844</u>	<u>13,491</u>	
Total	<u>68,440</u>	<u>60,152</u>	<u>8,288</u>
<b>Building Inspection:</b>			
Salaries and benefits	328,757	327,438	
Operating expenditures	<u>50,042</u>	<u>40,373</u>	
Total	<u>378,799</u>	<u>367,811</u>	<u>10,988</u>
<b>Cooperative Extension:</b>			
Salaries and benefits	33,264	32,322	
Operating expenditures	<u>167,004</u>	<u>126,553</u>	
Total	<u>200,268</u>	<u>158,875</u>	<u>41,393</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Soil and Water Conservation:</b>			
Salaries and benefits	57,873	57,549	
Operating expenditures	<u>82,241</u>	<u>41,386</u>	
Total	<u>140,114</u>	<u>98,935</u>	<u>41,179</u>
<b>Economic Development:</b>			
Salaries and benefits	137,120	131,571	
Operating expenditures	250,747	174,372	
Capital outlay	<u>600,000</u>	<u>-</u>	
Total	<u>987,867</u>	<u>305,943</u>	<u>681,924</u>
<b>Special Services:</b>			
Economic development incentives	1,883,717	1,869,219	
Occupancy tax expenditures	89,000	88,741	
Caldwell EDC Properties, LLC	101,899	101,899	
Foothills Regional Airport Authority	<u>55,891</u>	<u>54,712</u>	
Total	<u>2,130,507</u>	<u>2,114,571</u>	<u>15,936</u>
Total economic and physical development	<u>3,905,995</u>	<u>3,106,287</u>	<u>799,708</u>
<b>Human Services:</b>			
<b>Human Services Building:</b>			
Salaries and benefits	107,720	106,922	
Operating expenditures	<u>188,032</u>	<u>176,092</u>	
Total	<u>295,752</u>	<u>283,014</u>	<u>12,738</u>
<b>Health:</b>			
<b>Health Support:</b>			
Salaries and benefits	488,655	458,578	
Operating expenditures	<u>57,363</u>	<u>52,556</u>	
Total	<u>546,018</u>	<u>511,134</u>	<u>34,884</u>
<b>Environmental Health:</b>			
Salaries and benefits	271,128	257,085	
Operating expenditures	<u>30,025</u>	<u>20,350</u>	
Total	<u>301,153</u>	<u>277,435</u>	<u>23,718</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Women's Health:</b>			
Salaries and benefits	406,871	406,177	
Operating expenditures	<u>38,335</u>	<u>32,087</u>	
Total	<u>445,206</u>	<u>438,264</u>	<u>6,942</u>
<b>Child Health:</b>			
Salaries and benefits	697,664	688,144	
Operating expenditures	<u>33,549</u>	<u>24,522</u>	
Total	<u>731,213</u>	<u>712,666</u>	<u>18,547</u>
<b>Dental Health:</b>			
Salaries and benefits	215,106	209,312	
Operating expenditures	<u>75,846</u>	<u>70,200</u>	
Total	<u>290,952</u>	<u>279,512</u>	<u>11,440</u>
<b>Clinic:</b>			
Salaries and benefits	1,483,793	1,329,734	
Operating expenditures	<u>363,879</u>	<u>307,406</u>	
Total	<u>1,847,672</u>	<u>1,637,140</u>	<u>210,532</u>
<b>Home Health:</b>			
Salaries and benefits	598,312	554,849	
Operating expenditures	<u>341,199</u>	<u>299,510</u>	
Total	<u>939,511</u>	<u>854,359</u>	<u>85,152</u>
<b>Women, Infants, and Children:</b>			
Salaries and benefits	355,842	355,772	
Operating expenditures	<u>83,549</u>	<u>67,931</u>	
Total	<u>439,391</u>	<u>423,703</u>	<u>15,688</u>
Total health	<u>5,541,116</u>	<u>5,134,213</u>	<u>406,903</u>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and benefits	7,335,453	7,298,212	
Operating expenditures	<u>516,661</u>	<u>482,696</u>	
Total	<u>7,852,114</u>	<u>7,780,908</u>	<u>71,206</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Public Assistance:</b>			
Adult resources	1,078,549	1,000,932	
Child resources	5,983,442	5,917,575	
Temporary resources	965,612	937,945	
Medicaid	428,000	416,169	
Total	<u>8,455,603</u>	<u>8,272,621</u>	<u>182,982</u>
 Total social services	 <u>16,307,717</u>	 <u>16,053,529</u>	 <u>254,188</u>
<b>Special Services:</b>			
Medical examiner	48,000	23,900	24,100
Mental health	120,138	118,636	1,502
Sheltered home	8,500	8,500	-
Council On Adolescent Health	12,000	12,000	-
Food for the Elderly	13,475	13,473	2
Senior Center	5,000	5,000	-
Adolescent Substance Abuse	32,880	32,880	-
Psychological services	25,000	25,000	-
Youthful Sex Offender Services	33,090	33,090	-
Peace Pipeline	23,596	23,596	-
Juvenile Justice Intervention	3,843	3,843	-
Parents and Adolescents	14,500	14,500	-
Miscellaneous CBA expenditures	12,600	12,570	30
Caldwell House	6,000	6,000	-
RSVP	2,000	-	2,000
Project Challenge	57,894	58,168	(274)
Baptist Children's Home	7,604	7,604	-
Integrated Human Services	500	500	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	19,214	19,213	1
Rural Planning Organization	22,611	22,611	-
Western Piedmont Regional Transit Authority	29,077	29,077	-
Robin's Nest	10,000	10,000	-
Total	<u>515,022</u>	<u>487,661</u>	<u>27,361</u>
 Total human services	 <u>22,659,607</u>	 <u>21,958,417</u>	 <u>701,190</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Cultural and Recreational:</b>			
<b>Library:</b>			
Salaries and benefits	883,305	838,417	
Operating expenditures	<u>369,904</u>	<u>327,726</u>	
Total	<u>1,253,209</u>	<u>1,166,143</u>	87,066
<b>Library Buildings:</b>			
Operating expenditures	<u>38,581</u>	<u>35,391</u>	
Total	<u>38,581</u>	<u>35,391</u>	3,190
<b>Special Services:</b>			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
American Legion Post 29	5,000	5,000	-
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	34,059	421
North Catawba Optimist Park	14,500	14,500	-
Fort Defiance	<u>3,500</u>	<u>3,500</u>	-
Total	<u>99,222</u>	<u>98,801</u>	421
Total cultural and recreational	<u>1,391,012</u>	<u>1,300,335</u>	90,677
<b>Education:</b>			
<b>Public Schools:</b>			
Current expense	14,540,000	14,536,294	
Capital outlay	<u>35,000</u>	<u>35,000</u>	
Total	<u>14,575,000</u>	<u>14,571,294</u>	3,706
<b>Community College:</b>			
Current expense	3,201,073	3,197,909	
Capital outlay	<u>140,000</u>	<u>140,000</u>	
Total	<u>3,341,073</u>	<u>3,337,909</u>	3,164
<b>Education Foundation</b>	<u>11,520</u>	<u>11,520</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, 2013

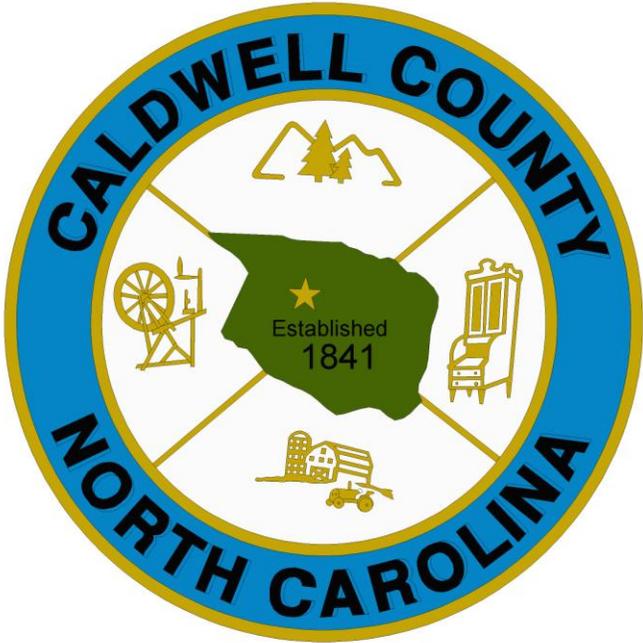
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Communities in Schools</b>	33,000	33,000	-
Total education	<u>17,960,593</u>	<u>17,953,723</u>	<u>6,870</u>
<b>Debt Service:</b>			
Principal retirement	2,806,469	2,728,803	77,666
Interest and fees	<u>766,266</u>	<u>843,927</u>	<u>(77,661)</u>
Total debt service	<u>3,572,735</u>	<u>3,572,730</u>	<u>5</u>
Total expenditures	<u>69,648,519</u>	<u>66,735,331</u>	<u>2,913,188</u>
Revenues over (under) expenditures	<u>(5,216,936)</u>	<u>(988,360)</u>	<u>4,228,576</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
From (to) special revenue funds	125,000	125,000	-
From (to) Enterprise Fund	134,700	134,700	-
From (to) capital project funds	62,320	62,320	-
Proceeds from sale of capital assets	69,088	23,001	(46,087)
Contingency	(209,661)	-	209,661
Appropriated fund balance	<u>5,035,489</u>	-	<u>(5,035,489)</u>
Total other financing sources (uses)	<u>5,216,936</u>	<u>345,021</u>	<u>(4,871,915)</u>
Net change in fund balance	<u>\$ -</u>	<u>(643,339)</u>	<u>\$ (643,339)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>17,070,585</u>	
End of year - June 30		<u>\$ 16,427,246</u>	

## **THE GENERAL CAPITAL PROJECTS FUND**

**This fund includes the following individual projects:**

**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.**

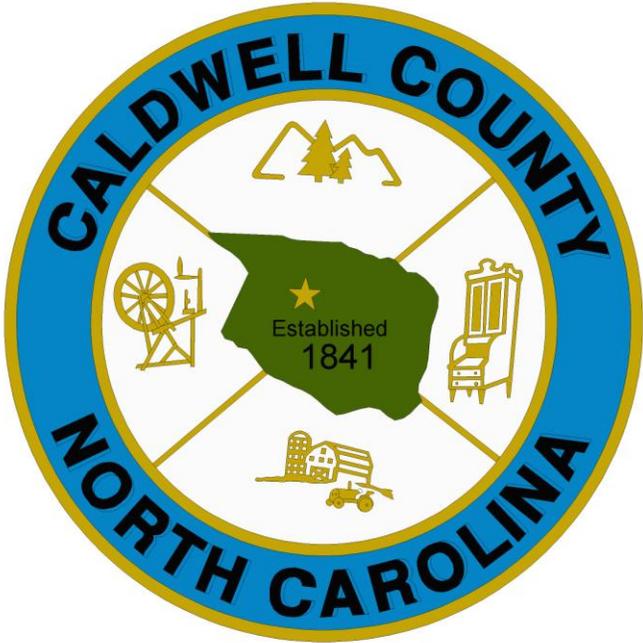
**Capital Accumulation – these are funds set aside to address future needs.**



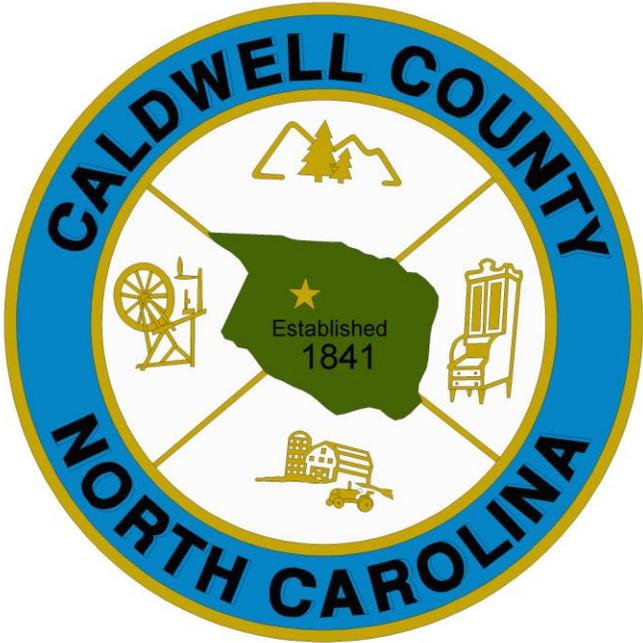
## CALDWELL COUNTY, NORTH CAROLINA

**GENERAL CAPITAL PROJECTS FUND - MAJOR FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 326,515	\$ 196,213	\$ (110,395)	\$ 85,818
Investment earnings	191,674	200,709	3,397	204,106
Miscellaneous revenue	11,000	-	11,000	11,000
Total revenues	<u>529,189</u>	<u>396,922</u>	<u>(95,998)</u>	<u>300,924</u>
<b>Expenditures:</b>				
Capital outlay:				
General government:				
Capital accumulation	964,082	151,455	175,294	326,749
Public safety:				
Capital accumulation	8,458	-	-	-
Human services:				
Capital accumulation	159,770	12,895	46,102	58,997
Environmental protection:				
Mt. Herman Landfill Gas Project	361,000	9,710	16,605	26,315
Capital accumulation	<u>283,148</u>	<u>36,176</u>	<u>28,309</u>	<u>64,485</u>
Total expenditures	<u>1,776,458</u>	<u>210,236</u>	<u>266,310</u>	<u>476,546</u>
Revenues over (under) expenditures	<u>(1,247,269)</u>	<u>186,686</u>	<u>(362,308)</u>	<u>(175,622)</u>
<b>Other Financing Sources (Uses) :</b>				
Proceeds from sale of capital assets	75,000	-	-	-
Transfer from special revenue funds	272,484	272,484	-	272,484
Transfer to General Fund	(66,913)	-	(62,320)	(62,320)
Transfers from General Fund	966,698	932,213	-	932,213
Total other financing sources (uses)	<u>1,247,269</u>	<u>1,204,697</u>	<u>(62,320)</u>	<u>1,142,377</u>
Special item - sale of home health agency	-	-	2,801,006	2,801,006
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,391,383</u>	<u>\$ 2,376,378</u>	<u>\$ 3,767,761</u>



## **COMBINING STATEMENTS FOR NONMAJOR FUNDS**



## CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds <u>(Schedule D-1)</u>	Capital Project Funds <u>(Schedule E-1)</u>	Total Nonmajor Governmental Funds <u>(Exhibit C)</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,403,594	\$ 35,982	\$ 3,439,576
Taxes receivable - net	382,782	-	382,782
Accounts receivable	53,947	638,559	692,506
Due from other governments	6,258	17,396	23,654
Total assets	<u>\$ 3,846,581</u>	<u>\$ 691,937</u>	<u>\$ 4,538,518</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 79,757	\$ -	\$ 79,757
Total liabilities	<u>79,757</u>	<u>-</u>	<u>79,757</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes receivable	<u>382,782</u>	<u>-</u>	<u>382,782</u>
Total deferred inflows of resources	<u>382,782</u>	<u>-</u>	<u>382,782</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization for State statute	60,205	655,955	716,160
Restricted, all other	646,796	2,316	649,112
Committed	-	33,666	33,666
Assigned	2,677,056	-	2,677,056
Unassigned	(15)	-	(15)
Total fund balances	<u>3,384,042</u>	<u>691,937</u>	<u>4,075,979</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,846,581</u>	<u>\$ 691,937</u>	<u>\$ 4,538,518</u>

## CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Special Revenue Funds (Schedule D-2)</b>	<b>Capital Project Funds (Schedule E-2)</b>	<b>Total Nonmajor Governmental Funds (Exhibit D)</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,339,474	\$ -	\$ 3,339,474
Local option sales tax	-	2,608,665	2,608,665
Unrestricted intergovernmental	1,236,500	-	1,236,500
Restricted intergovernmental	635,000	998,602	1,633,602
Investment earnings	4,927	703	5,630
Miscellaneous	250	-	250
Total revenues	<u>5,216,151</u>	<u>3,607,970</u>	<u>8,824,121</u>
<b>Expenditures:</b>			
Current:			
Public safety	3,492,294	-	3,492,294
Environmental protection	124,988	-	124,988
Economic and physical development	661,318	-	661,318
Education	-	2,568,746	2,568,746
Debt service:			
Principal retirement	-	1,400,691	1,400,691
Interest and fees	-	122,833	122,833
Total expenditures	<u>4,278,600</u>	<u>4,092,270</u>	<u>8,370,870</u>
Revenues over (under) expenditures	<u>937,551</u>	<u>(484,300)</u>	<u>453,251</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
From (to) General Fund	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	812,551	(484,300)	328,251
<b>Fund Balances:</b>			
Beginning of the year - July 1	<u>2,571,491</u>	<u>1,176,237</u>	<u>3,747,728</u>
End of year - June 30	<u>\$ 3,384,042</u>	<u>\$ 691,937</u>	<u>\$ 4,075,979</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, 2013**

	<b>Sales Tax Reinvestment Fund</b>	<b>Fire District Fund</b>	<b>Rescue Fund</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,677,056	\$ 79,462	\$ 15,083
Taxes receivable - net	-	334,561	48,221
Accounts receivable	-	-	-
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,677,056</u>	<u>\$ 414,023</u>	<u>\$ 63,304</u>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 79,477</u>	<u>\$ 1</u>
Total liabilities	<u>-</u>	<u>79,477</u>	<u>1</u>
 <b>Deferred Inflows of Resources:</b>			
Property taxes receivable	<u>-</u>	<u>334,561</u>	<u>48,221</u>
Total deferred inflows of resources	<u>-</u>	<u>334,561</u>	<u>48,221</u>
 <b>Fund Balances:</b>			
Restricted:			
Stabilization for State statute	-	-	-
Restricted, all other	-	-	15,082
Assigned	2,677,056	-	-
Unassigned	<u>-</u>	<u>(15)</u>	<u>-</u>
Total fund balances	<u>2,677,056</u>	<u>(15)</u>	<u>15,082</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,677,056</u>	<u>\$ 414,023</u>	<u>\$ 63,304</u>

**Schedule D-1**

<u>Emergency Telephone System Fund</u>	<u>Scattered Site Housing Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 631,993	\$ -	\$ 3,403,594
-	-	382,782
53,947	-	53,947
<u>6,258</u>	<u>-</u>	<u>6,258</u>
<u>\$ 692,198</u>	<u>\$ -</u>	<u>\$ 3,846,581</u>
<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 79,757</u>
<u>279</u>	<u>-</u>	<u>79,757</u>
<u>-</u>	<u>-</u>	<u>382,782</u>
<u>-</u>	<u>-</u>	<u>382,782</u>
60,205	-	60,205
631,714	-	646,796
-	-	2,677,056
<u>-</u>	<u>-</u>	<u>(15)</u>
<u>691,919</u>	<u>-</u>	<u>3,384,042</u>
<u>\$ 692,198</u>	<u>\$ -</u>	<u>\$ 3,846,581</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, 2013

	<b>Sales Tax Reinvestment Fund</b>	<b>Fire Districts Fund</b>	<b>Rescue Fund</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ 2,860,351	\$ 479,123
Unrestricted intergovernmental	1,236,500	-	-
Restricted intergovernmental	311,318	-	-
Investment earnings	3,684	329	51
Miscellaneous	-	-	-
Total revenues	<u>1,551,502</u>	<u>2,860,680</u>	<u>479,174</u>
<b>Expenditures:</b>			
Public safety	-	2,860,695	352,945
Environmental protection	124,988	-	-
Economic and physical development	661,197	-	-
Total expenditures	<u>786,185</u>	<u>2,860,695</u>	<u>352,945</u>
Revenues over (under) expenditures	<u>765,317</u>	<u>(15)</u>	<u>126,229</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
To General Fund	-	-	<u>(125,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	765,317	(15)	1,229
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,911,739</u>	<u>-</u>	<u>13,853</u>
End of year - June 30	<u>\$ 2,677,056</u>	<u>\$ (15)</u>	<u>\$ 15,082</u>

**Schedule D-2**

<b>Emergency Telephone System Fund</b>	<b>Scattered Site Housing Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 3,339,474
-	-	1,236,500
323,682	-	635,000
863	-	4,927
250	-	250
<u>324,795</u>	<u>-</u>	<u>5,216,151</u>
278,654	-	3,492,294
-	-	124,988
-	121	661,318
<u>278,654</u>	<u>121</u>	<u>4,278,600</u>
<u>46,141</u>	<u>(121)</u>	<u>937,551</u>
<u>-</u>	<u>-</u>	<u>(125,000)</u>
<u>-</u>	<u>-</u>	<u>(125,000)</u>
46,141	(121)	812,551
<u>645,778</u>	<u>121</u>	<u>2,571,491</u>
<u>\$ 691,919</u>	<u>\$ -</u>	<u>\$ 3,384,042</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Unrestricted intergovernmental:			
Local municipalities	\$ 1,200,000	\$ 1,200,000	\$ -
Other unrestricted revenue	-	36,500	36,500
Restricted intergovernmental:			
NC DENR	-	311,318	311,318
Investment earnings	-	3,684	3,684
Total revenues	<u>1,200,000</u>	<u>1,551,502</u>	<u>351,502</u>
<b>Expenditures:</b>			
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	2,525,012	636,197	1,888,815
Total	<u>2,575,012</u>	<u>661,197</u>	<u>1,913,815</u>
Total expenditures	<u>2,700,000</u>	<u>786,185</u>	<u>1,913,815</u>
Revenues over (under) expenditures	<u>(1,500,000)</u>	<u>765,317</u>	<u>2,265,317</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	1,500,000	-	(1,500,000)
Total other financing sources (uses)	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>765,317</u>	<u>\$ 765,317</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>1,911,739</u>	
End of year - June 30		<u>\$ 2,677,056</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 2,893,682	\$ 2,860,351	\$ (33,331)
Investment earnings	1,120	329	(791)
Miscellaneous revenue	25,000	-	(25,000)
Total revenues	<u>2,919,802</u>	<u>2,860,680</u>	<u>(59,122)</u>
<b>Expenditures:</b>			
Public safety:			
Bethlehem Fire District	7,560	5,827	1,733
Blowing Rock Fire District	40,603	39,785	818
Collettsville Fire District	196,195	191,316	4,879
Gamewell Fire District	298,650	293,061	5,589
Grace Chapel Fire District	372,546	346,171	26,375
Granite Falls Fire District	79,512	73,217	6,295
Gunpowder Fire District	467,323	465,360	1,963
Kings Creek Fire District	154,987	154,186	801
Little River Fire District	150,985	150,049	936
North Catawba Fire District	445,477	442,684	2,793
Patterson Fire District	224,270	223,282	988
Sawmills Fire District	296,519	294,918	1,601
Valmead Fire District	129,738	127,966	1,772
Yadkin Fire District	55,437	52,873	2,564
Total expenditures	<u>2,919,802</u>	<u>2,860,695</u>	<u>59,107</u>
Net change in fund balance	<u>\$ -</u>	(15)	<u>\$ (15)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ (15)</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 475,500	\$ 479,123	\$ 3,623
Investment earnings	-	51	51
Total revenues	<u>475,500</u>	<u>479,174</u>	<u>3,674</u>
<b>Expenditures:</b>			
Public safety	<u>358,616</u>	<u>352,945</u>	<u>5,671</u>
Revenues over (under) expenditures	<u>116,884</u>	<u>126,229</u>	<u>9,345</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
To General Fund	(125,000)	(125,000)	-
Appropriated fund balance	<u>8,116</u>	<u>-</u>	<u>(8,116)</u>
Total other financing sources (uses)	<u>(116,884)</u>	<u>(125,000)</u>	<u>(8,116)</u>
Net change in fund balance	<u>\$ -</u>	1,229	<u>\$ 1,229</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>13,853</u>	
End of year - June 30		<u>\$ 15,082</u>	

## CALDWELL COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Other taxes and licenses:			
911 funds	\$ 323,682	\$ 323,682	\$ -
Investment earnings	-	863	863
Miscellaneous revenue	-	250	250
Total revenues	<u>323,682</u>	<u>324,795</u>	<u>1,113</u>
<b>Expenditures:</b>			
Public safety:			
Implemental functions	7,000	-	7,000
Telephone	122,000	118,123	3,877
Software maintenance	93,182	16,131	77,051
Hardware maintenance	97,500	126,337	(28,837)
Training	4,000	1,179	2,821
Capital outlay	258,716	5,700	253,016
S.L. 2010-158 expenditures	11,184	11,184	-
Total expenditures	<u>593,582</u>	<u>278,654</u>	<u>314,928</u>
Revenues over (under) expenditures	(269,900)	46,141	316,041
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>269,900</u>	-	<u>(269,900)</u>
Net change in fund balance	<u>\$ -</u>	46,141	<u>\$ 46,141</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>645,778</u>	
End of year - June 30		<u>\$ 691,919</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, 2013

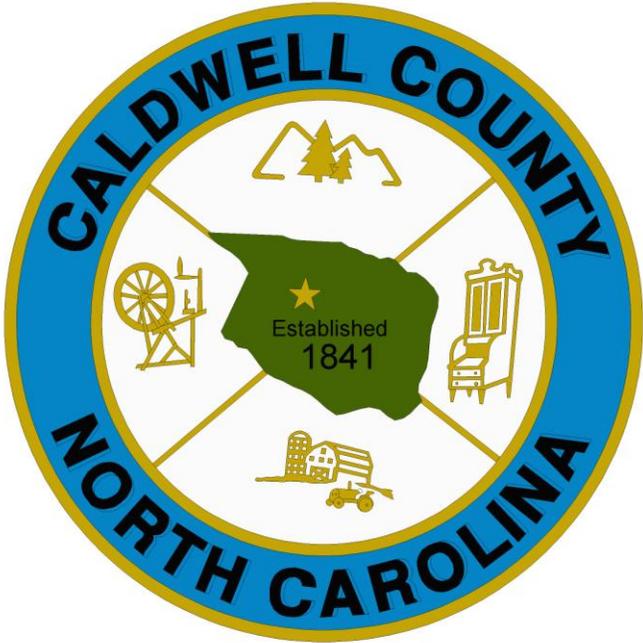
	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental:				
Federal grants	\$ 400,000	\$ 332,297	\$ -	\$ 332,297
<b>Expenditures:</b>				
Economic and physical development:				
Rehabilitation:				
Administrative	47,000	45,164	121	45,285
Rehabilitation	312,700	246,712	-	246,712
Clearance	300	300	-	300
Emergency assistance	40,000	40,000	-	40,000
Total expenditures	<u>400,000</u>	<u>332,176</u>	<u>121</u>	<u>332,297</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ (121)</u>	<u>\$ -</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.



# CALDWELL COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS JUNE 30, 2013

	<b>Schools Capital Project Fund Sales Tax</b>	<b>Public Schools Capital Project Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,316	\$ 33,666	\$ 35,982
Accounts receivable	638,559	-	638,559
Due from other governments	-	17,396	17,396
Total assets	<u>\$ 640,875</u>	<u>\$ 51,062</u>	<u>\$ 691,937</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization for State statute	\$ 638,559	\$ 17,396	\$ 655,955
Restricted, all other	2,316	-	2,316
Committed	-	33,666	33,666
Total fund balances	<u>\$ 640,875</u>	<u>\$ 51,062</u>	<u>\$ 691,937</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, 2013

	<b>Schools Capital Project Fund Sales Tax</b>	<b>Public Schools Capital Project Fund</b>	<b>Total</b>
<b>Revenues:</b>			
Local option sales tax	\$ 2,608,665	\$ -	\$ 2,608,665
Restricted intergovernmental	998,602	-	998,602
Investment earnings	606	97	703
Total revenues	<u>3,607,873</u>	<u>97</u>	<u>3,607,970</u>
<b>Expenditures:</b>			
Capital outlay:			
Education	2,033,969	534,777	2,568,746
Debt service:			
Principal retirement	1,400,691	-	1,400,691
Interest and fees	122,833	-	122,833
Total expenditures	<u>3,557,493</u>	<u>534,777</u>	<u>4,092,270</u>
Net change in fund balances	50,380	(534,680)	(484,300)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>590,495</u>	<u>585,742</u>	<u>1,176,237</u>
End of year - June 30	<u>\$ 640,875</u>	<u>\$ 51,062</u>	<u>\$ 691,937</u>

## CALDWELL COUNTY, NORTH CAROLINA

**SCHOOLS CAPITAL PROJECTS FUND - SALES TAX  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Local option sales tax	\$ 2,565,000	\$ 2,608,665	\$ 43,665
Restricted intergovernmental revenues:			
ADM funds	120,204	71,677	(48,527)
Public school lottery	1,150,470	926,925	(223,545)
Investment earnings	-	606	606
Total revenues	<u>3,835,674</u>	<u>3,607,873</u>	<u>(227,801)</u>
<b>Expenditures:</b>			
Capital outlay:			
Education:			
School improvements - ADM	120,204	71,677	48,527
School improvements - sales tax	1,445,348	1,439,239	6,109
School improvements - lottery	746,598	523,053	223,545
Debt service:			
Principal retirement	1,400,691	1,400,691	-
Interest and fees	122,833	122,833	-
Total expenditures	<u>3,835,674</u>	<u>3,557,493</u>	<u>278,181</u>
Net change in fund balance	<u>\$ -</u>	50,380	<u>\$ 50,380</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>590,495</u>	
End of year - June 30		<u>\$ 640,875</u>	

## CALDWELL COUNTY, NORTH CAROLINA

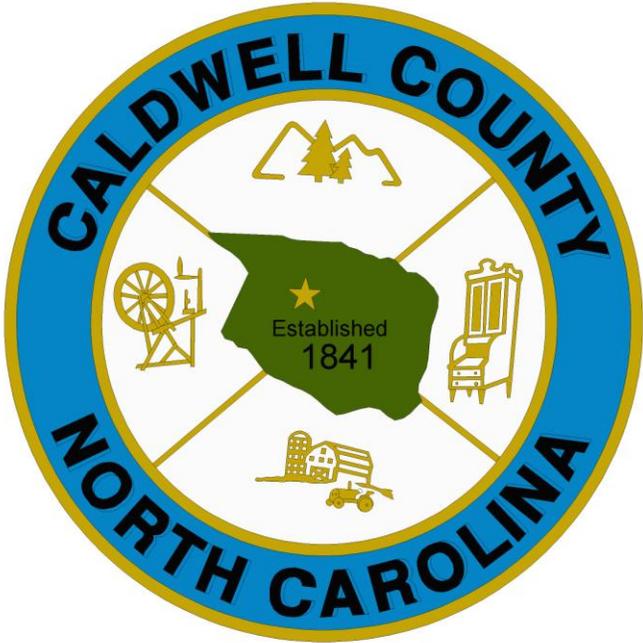
**PUBLIC SCHOOLS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 4,057	\$ 97	\$ 4,154
<b>Expenditures:</b>				
Capital outlay:				
Education:				
School HVAC:				
Equipment	1,353,846	1,240,897	85,489	1,326,386
Gamewell roof replacement	<u>894,654</u>	<u>425,918</u>	<u>449,288</u>	<u>875,206</u>
Total expenditures	<u>2,248,500</u>	<u>1,666,815</u>	<u>534,777</u>	<u>2,201,592</u>
Revenues over (under) expenditures	(2,248,500)	(1,662,758)	(534,680)	(2,197,438)
<b>Other Financing Sources (Uses):</b>				
Installment purchase financing issued	<u>2,248,500</u>	<u>2,248,500</u>	<u>-</u>	<u>2,248,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 585,742</u>	<u>\$ (534,680)</u>	<u>\$ 51,062</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,273,738	\$ 3,298,613	\$ 24,875
Reconnection fees	31,500	33,707	2,207
Water taps	23,000	33,564	10,564
Other operating revenues	<u>94,000</u>	<u>95,421</u>	<u>1,421</u>
Total operating revenues	<u>3,422,238</u>	<u>3,461,305</u>	<u>39,067</u>
Non-operating revenues:			
Investment earnings	<u>2,000</u>	<u>6,671</u>	<u>4,671</u>
Total non-operating revenues	<u>2,000</u>	<u>6,671</u>	<u>4,671</u>
Total revenues	<u>3,424,238</u>	<u>3,467,976</u>	<u>43,738</u>
<b>Expenditures:</b>			
Operating expenses:			
Water purchases		1,158,377	
Salaries		449,189	
Employee benefits		149,346	
Travel and training		485	
Contractual services		142,127	
Repairs and maintenance		24,827	
Other operating expenditures		339,860	
Capital outlay		<u>377,691</u>	
Total operating expenses	<u>3,289,539</u>	<u>2,641,902</u>	<u>647,637</u>
Total expenditures	<u>3,289,539</u>	<u>2,641,902</u>	<u>647,637</u>

CALDWELL COUNTY, NORTH CAROLINA

WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	134,699	826,074	691,375
<b>Other Financing Sources (Uses):</b>			
Transfers:			
Transfer to General Fund	(134,699)	(134,700)	(1)
Proceeds from sale of capital assets	-	8,231	8,231
Total other financing sources (uses)	<u>(134,699)</u>	<u>(126,469)</u>	<u>8,230</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	699,605	<u>\$ 699,605</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Depreciation		(542,500)	
Capital outlay		<u>377,691</u>	
Change in net position		<u>\$ 534,796</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:**

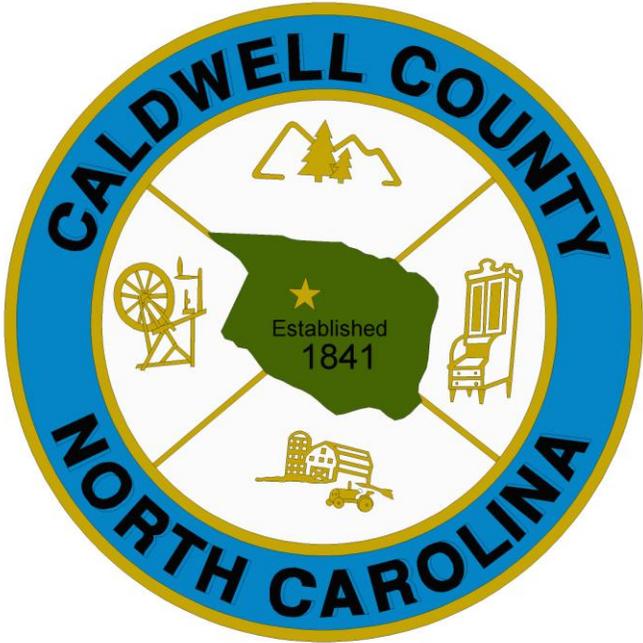
**Social Services Fund** – accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

**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.

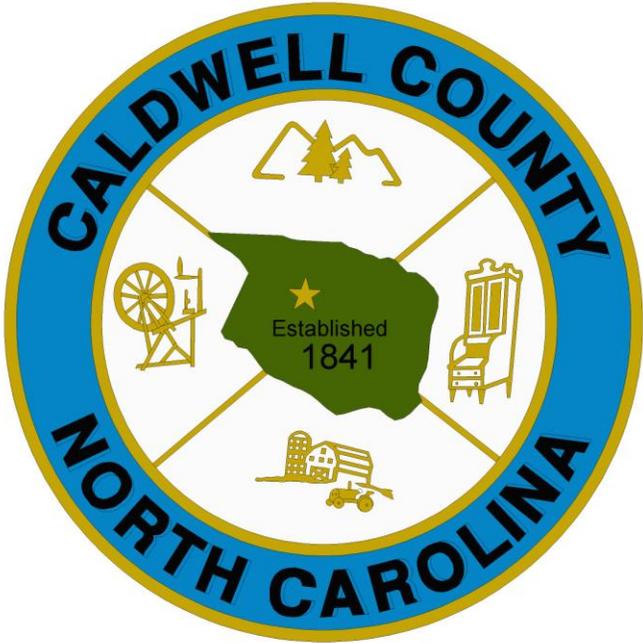
**Deed of Trust Fund** – accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.



## CALDWELL COUNTY, NORTH CAROLINA

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2013

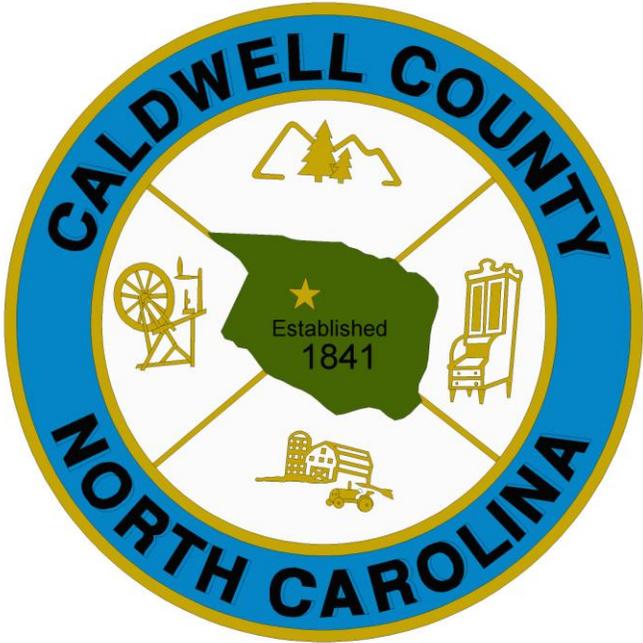
	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<b>Social Services Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 73,073	\$ 364,743	\$ 383,066	\$ 54,750
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 73,073	\$ 364,743	\$ 383,066	\$ 54,750
<b>Tax Collector Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 52,832	\$ 1,373,896	\$ 1,374,466	\$ 52,262
Accounts receivable	305	21	-	326
Total assets	<u>\$ 53,137</u>	<u>\$ 1,373,917</u>	<u>\$ 1,374,466</u>	<u>\$ 52,588</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 53,137</u>	<u>\$ 1,373,917</u>	<u>\$ 1,374,466</u>	<u>\$ 52,588</u>
<b>Inmate Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 18,049	\$ 318,753	\$ 315,078	\$ 21,724
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 18,049</u>	<u>\$ 318,753</u>	<u>\$ 315,078</u>	<u>\$ 21,724</u>
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 309,455	\$ 309,455	\$ -
Accounts receivable	21,268	22,191	21,268	22,191
Total assets	<u>\$ 21,268</u>	<u>\$ 331,646</u>	<u>\$ 330,723</u>	<u>\$ 22,191</u>
<b>Liabilities:</b>				
Intergovernmental payable - State of NC	\$ -	\$ 309,455	\$ 309,455	\$ -
Intergovernmental payable	21,268	44,382	43,459	22,191
Total liabilities	<u>\$ 21,268</u>	<u>\$ 353,837</u>	<u>\$ 352,914</u>	<u>\$ 22,191</u>
<b>Deed of Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 106	\$ 231,368	\$ 231,467	\$ 7
<b>Liabilities:</b>				
Intergovernmental payable - State of NC	<u>\$ 106</u>	<u>\$ 231,368</u>	<u>\$ 231,467</u>	<u>\$ 7</u>
<b>Totals - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 144,060	\$ 2,598,215	\$ 2,613,532	\$ 128,743
Accounts receivable	21,573	22,212	21,268	22,517
Total assets	<u>\$ 165,633</u>	<u>\$ 2,620,427</u>	<u>\$ 2,634,800</u>	<u>\$ 151,260</u>
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 73,073	\$ 364,743	\$ 383,066	\$ 54,750
Intergovernmental payables	92,560	2,277,875	2,273,925	96,510
Total liabilities	<u>\$ 165,633</u>	<u>\$ 2,642,618</u>	<u>\$ 2,656,991</u>	<u>\$ 151,260</u>



## **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, 2013

Fiscal Year	Uncollected Balance July 1, 2012	Additions	Collections and Credits	Uncollected Balance June 30, 2013
2012-2013	\$ -	\$ 35,746,118	\$ 33,287,789	\$ 2,458,329
2011-2012	2,776,516	-	1,289,314	1,487,202
2010-2011	1,448,503	-	335,298	1,113,205
2009-2010	1,130,060	-	305,524	824,536
2008-2009	763,919	-	104,443	659,476
2007-2008	533,724	-	69,445	464,279
2006-2007	294,958	-	143,312	151,646
2005-2006	129,668	-	18,858	110,810
2004-2005	81,022	-	6,837	74,185
2003-2004	68,823	-	6,402	62,421
2002-2003	49,285	-	49,285	-
Total	<u>\$ 7,276,478</u>	<u>\$ 35,746,118</u>	<u>\$ 35,616,507</u>	7,406,089
Allowance for doubtful receivables				<u>(3,933,240)</u>
Ad valorem taxes receivable - net				<u>\$ 3,472,849</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes				\$ 35,683,082
Reconciling items:				
Interest collected				(537,345)
Discounts and adjustments allowed				378,686
Releases				68,798
Miscellaneous adjustments				(136,450)
Amount written off for tax year 2002-2003, per Statute of Limitations				49,285
Amount written off for tax year 2006-2007, per Statute of Limitations (vehicles)				<u>110,451</u>
Total collections and credits				<u>\$ 35,616,507</u>

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at:					
Current year's rate	\$ 5,238,493,586	\$ 0.6299	\$ 32,918,389	\$ 31,929,532	\$ 988,857
Prior year's rate	347,824,519	0.6599	2,295,294	-	2,295,294
Total	<u>5,586,318,105</u>		<u>35,213,683</u>	<u>31,929,532</u>	<u>3,284,151</u>
<b>Discoveries:</b>					
Current year taxes	169,793,831		1,069,532	1,069,532	-
Prior year taxes	3,465,730		22,870	22,870	-
Total	<u>173,259,561</u>		<u>1,092,402</u>	<u>1,092,402</u>	<u>-</u>
<b>Abatements</b>	<u>(84,856,304)</u>		<u>(559,967)</u>	<u>(559,967)</u>	<u>-</u>
Total property valuation	<u>\$ 5,674,721,362</u>				
<b>Net Levy</b>			35,746,118	32,461,967	3,284,151
Uncollected tax at June 30, 2013			<u>2,458,329</u>	<u>1,813,839</u>	<u>644,490</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 33,287,789</u>	<u>\$ 30,648,128</u>	<u>\$ 2,639,661</u>
<b>Current Levy Collection Percentage</b>			<u>93.12%</u>	<u>94.41%</u>	<u>80.38%</u>

**CALDWELL COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2013**

**Secondary Market Disclosures:**

**Assessed Valuation:**

Assessment ratio (1)	<u>100%</u>
Real property	\$ 4,334,563,041
Personal property	1,172,319,060
Public service companies	<u>167,839,261</u>
Total assessed valuation	<u>\$ 5,674,721,362</u>
Tax rate per \$100 (2)	<u>\$ 0.6299</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 35,746,118</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	\$ 2,549,327
Rescue Squad Association	<u>438,287</u>
Total	<u>\$ 2,987,614</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

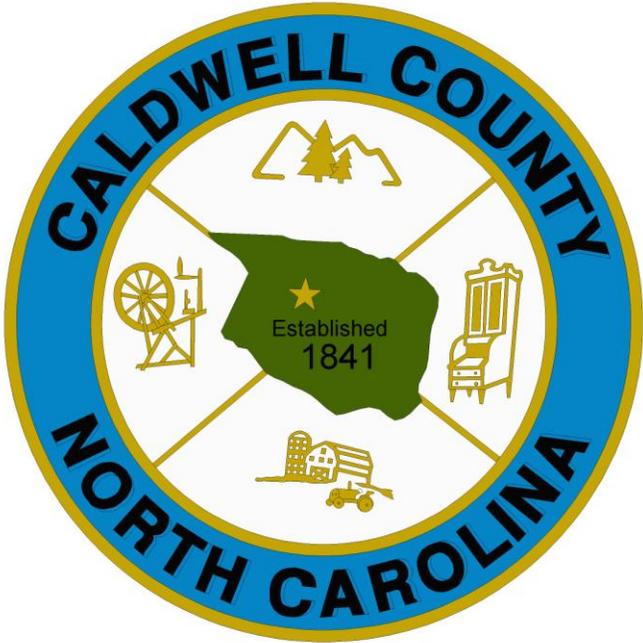
**CALDWELL COUNTY, NORTH CAROLINA****EMERGENCY TELEPHONE SYSTEM FUND UNSPENT BALANCE  
PSAP RECONCILIATION  
JUNE 30, 2013**

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)	\$ 691,919
Eligible 911 expenditures reported in General Fund (interfund transfer to be recorded in subsequent year):	
Technical and Administrative support provided to the 911 fund by the I.T. Department	<u>(74,335)</u>
Ending balance, PSAP Revenue-Expenditure Report	<u>\$ 617,584</u>

**STATISTICAL SECTION**  
**(unaudited)**

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



## STATISTICAL SECTION

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

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

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

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

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

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

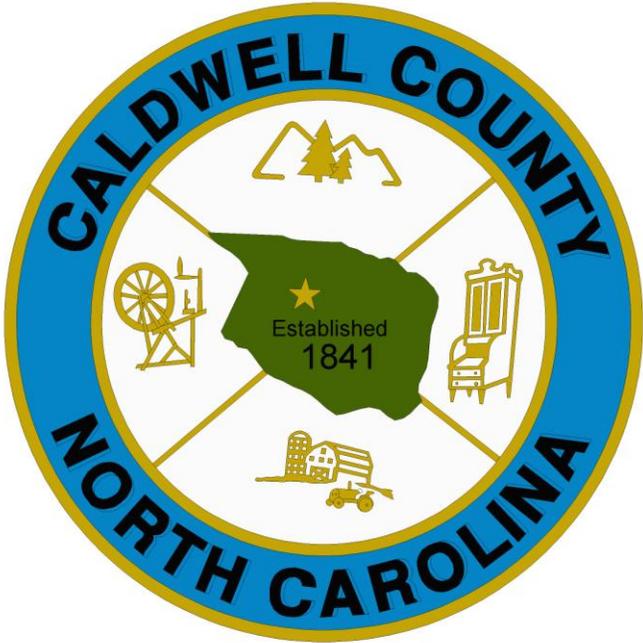
- Ratios of Outstanding Debt by Type – *table 9*
- Ratios of General Bonded Debt Outstanding – *table 10*
- Direct and Overlapping Governmental Activities Debt – *table 11*
- Legal Debt Margin Information – *table 12*

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

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

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

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



**CALDWELL COUNTY, NORTH CAROLINA**

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

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 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	\$ 16,244,931
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	5,962,605
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)	2,972,940
<b>Total governmental activities net position</b>	<b>\$ 9,384,683</b>	<b>\$ 8,343,928</b>	<b>\$ 3,079,054</b>	<b>\$ 3,325,142</b>	<b>\$ 4,757,644</b>	<b>\$ 5,631,341</b>	<b>\$ 9,485,877</b>	<b>\$ 18,303,078</b>	<b>\$ 20,630,422</b>	<b>\$ 25,180,476</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 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	\$ 6,542,043
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	5,391,897
<b>Total business-type activities net position</b>	<b>\$ 7,449,725</b>	<b>\$ 8,379,828</b>	<b>\$ 9,638,969</b>	<b>\$ 9,885,654</b>	<b>\$ 11,969,848</b>	<b>\$ 12,440,043</b>	<b>\$ 13,053,392</b>	<b>\$ 13,558,850</b>	<b>\$ 11,399,124</b>	<b>\$ 11,933,940</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 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	\$ 22,786,974
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	5,962,605
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	8,364,837
<b>Total primary government net position</b>	<b>\$ 16,834,408</b>	<b>\$ 16,723,756</b>	<b>\$ 12,718,023</b>	<b>\$ 13,210,796</b>	<b>\$ 16,727,492</b>	<b>\$ 18,071,384</b>	<b>\$ 22,539,269</b>	<b>\$ 31,861,928</b>	<b>\$ 32,029,546</b>	<b>\$ 37,114,416</b>

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
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	\$ 5,937,620
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	17,203,962
Environmental Protection	510,548	888,515	1,526,650	519,458	610,428	546,111	439,077	571,484	474,617	468,991
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	3,769,854
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	22,368,529
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	1,384,266
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	20,522,469
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	966,760
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	72,622,451
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	2,798,480
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	2,798,480
<b>Total Primary Government Expenses</b>	<b>64,496,764</b>	<b>73,034,079</b>	<b>80,235,979</b>	<b>76,841,775</b>	<b>83,574,149</b>	<b>82,840,558</b>	<b>75,002,565</b>	<b>74,523,059</b>	<b>77,365,029</b>	<b>75,420,931</b>
<b>Program Revenues</b>										
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	1,879,735
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	4,198,842
Environmental Protection	659,053	661,742	715,378	1,069,980	1,028,112	870,426	883,503	881,014	853,585	858,482
Economic and Physical Development	-	-	1,410	17,600	9,000	13,500	18,000	9,000	17,000	18,829
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	715,138
Cultural and Recreational	36,110	35,124	31,405	34,104	36,127	35,224	38,255	37,251	34,829	29,951
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	1,293,563
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	14,768,143
Cultural and Recreational	152,879	189,822	199,154	247,036	247,036	316,309	268,837	265,019	257,945	280,495
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	998,602
Economic and Physical Development	-	-	-	-	557,341	214,955	83,413	200,048	430,414	(99,395)
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	24,942,385

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	3,461,305
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	3,461,305
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	28,403,690
<b>Net (Expense)/Revenue</b>										
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)	(47,680,066)
Business-type activities	97,910	608,117	404,522	1,264,465	1,162,991	610,386	780,234	666,067	568,348	662,825
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)	(47,017,241)
<b>General Revenues and Other Changes in Net Position</b>										
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	38,830,489
Local Option Sales Tax	11,164,133	11,558,908	12,375,627	13,470,782	14,126,336	12,167,876	8,627,362	8,797,924	9,288,329	9,371,153
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	1,048,889
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	43,883
Miscellaneous	345,563	202,015	278,787	-	-	344,186	-	-	-	-
Gain (Loss) on sale of capital assets	54,092	-	-	-	-	-	-	-	-	2,801,006
Transfers	140,500	192,070	(100,000)	1,116,235	(879,454)	164,583	173,757	172,170	134,699	134,700
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	52,230,120
Business-Type Activities:										
Investment Earnings	13,223	28,394	65,047	98,455	41,749	24,392	6,872	11,561	7,697	6,671
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)	(134,700)
Total Business-Type Activities	(136,807)	321,986	169,619	(1,017,780)	921,203	(140,191)	(166,885)	(160,609)	(2,728,074)	(128,029)
Total Primary Government General Revenues and Other Change in Net Position	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	52,102,091
<b>Change in Net Position</b>										
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	4,550,054
Business-type activities	(38,897)	930,103	574,141	246,685	2,084,194	470,195	613,349	505,458	(2,159,726)	534,796
<b>Total Primary Government, June 30</b>	<b>\$ 4,769,235</b>	<b>\$ (110,652)</b>	<b>\$ (4,690,733)</b>	<b>\$ (52,431)</b>	<b>\$ 1,536,023</b>	<b>\$ 1,310,510</b>	<b>\$ 4,467,885</b>	<b>\$ 9,322,659</b>	<b>\$ 167,617</b>	<b>\$ 5,084,850</b>

Table 3

CALDWELL COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 6,587,043	\$ 6,928,146	\$ 6,410,449	\$ 6,657,543	\$ 5,326,518	\$ 4,638,637	\$ 4,398,868	\$ -	\$ -	\$ -
Unreserved										
Designated	1,515,545	1,034,408	1,256,016	1,253,009	1,891,065	2,197,421	2,010,967	-	-	-
Undesignated	5,308,518	4,480,132	4,773,140	5,723,585	9,048,639	8,836,621	9,776,196	-	65,931	51,253
Non-spendable	-	-	-	-	-	-	-	57,415	4,767,310	4,597,110
Restricted	-	-	-	-	-	-	-	3,865,044	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	891,066	3,170,924	4,832,465
Unassigned	-	-	-	-	-	-	-	11,217,875	9,066,420	6,946,418
<b>Total General Fund</b>	<b>\$ 13,411,106</b>	<b>\$ 12,442,686</b>	<b>\$ 12,439,605</b>	<b>\$ 13,634,137</b>	<b>\$ 16,266,222</b>	<b>\$ 15,672,679</b>	<b>\$ 16,186,031</b>	<b>\$ 16,031,400</b>	<b>\$ 17,070,585</b>	<b>\$ 16,427,246</b>
All Other Governmental Funds										
Reserved	\$ 153,371	\$ 514,815	\$ 912,645	\$ 1,325,508	\$ 301,796	\$ 690,101	\$ 613,488	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	187,405	-	25,543,084	9,303,600	2,427,389	3,182,408	-	-	-
Special Revenue Funds	-	552,722	784,905	-	-	1,424,811	2,086,224	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	237,499	3,348,218	1,138,915	1,057,336	174,981	-	-	-	-	-
Special Revenue Funds	1,773,419	812,099	-	462,907	1,975,643	-	-	-	-	-
Restricted in Special Revenue Fund	-	-	-	-	-	-	-	1,058,304	659,752	1,365,272
Restricted in Capital Project Fund	-	-	-	-	-	-	-	3,329,171	1,441,024	223
Committed in Capital Project Fund	-	-	-	-	-	-	-	1,387,486	1,387,543	3,767,538
Committed in Special Revenue Fund	-	-	-	-	-	-	-	-	-	2,677,056
Assigned Special Revenue Fund	-	-	-	-	-	-	-	1,557,064	1,911,739	33,666
Unassigned in Capital Project Fund	-	-	-	-	-	-	-	-	(260,947)	-
Unassigned in Special Revenue Fund	-	-	-	-	-	-	-	(8,838)	-	(15)
<b>Total all other governmental funds</b>	<b>\$ 2,164,289</b>	<b>\$ 5,415,259</b>	<b>\$ 2,836,465</b>	<b>\$ 28,388,835</b>	<b>\$ 11,756,020</b>	<b>\$ 4,542,301</b>	<b>\$ 5,882,120</b>	<b>\$ 7,323,187</b>	<b>\$ 5,139,111</b>	<b>\$ 7,843,740</b>

Table 4

CALDWELL COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Ad Valorem Taxes	\$ 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	\$ 39,022,556
Local Options Sales Taxes	11,164,133	11,558,908	12,375,627	13,054,464	13,526,236	11,567,876	7,427,362	7,597,924	8,088,329	8,134,653
Other Taxes	882,934	890,320	818,696	912,489	803,906	368,792	348,168	333,579	336,917	368,196
Inter-governmental	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	19,553,041
Permits & Fees	1,058,639	994,046	1,008,499	1,285,124	1,216,133	925,263	827,023	783,483	853,603	892,712
Sales and Services	6,187,694	6,814,832	6,831,770	6,938,170	6,896,219	6,678,285	7,856,820	7,442,493	6,823,988	6,137,928
Investment Earnings	102,016	316,142	708,810	1,077,401	1,531,438	344,186	144,102	87,709	59,756	43,883
Miscellaneous	814,104	432,148	887,405	336,927	771,705	1,760,745	326,142	275,395	231,880	322,125
<b>Total Revenues</b>	<b>\$ 66,364,982</b>	<b>\$ 69,292,014</b>	<b>\$ 72,242,474</b>	<b>\$ 73,199,092</b>	<b>\$ 80,095,356</b>	<b>\$ 80,113,601</b>	<b>\$ 75,538,349</b>	<b>\$ 80,287,704</b>	<b>\$ 76,345,745</b>	<b>\$ 74,475,094</b>
<b>Expenditures</b>										
General Government	\$ 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	\$ 5,832,168
Public Safety	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	16,365,114
Environmental Protection	490,577	632,072	1,369,494	488,892	614,322	550,449	486,076	670,461	492,800	484,047
Economic & Physical Development	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	3,767,605
Human Services	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	22,004,519
Cultural & Recreational	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	1,300,335
Education	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	20,522,469
Capital Projects	654,908	3,284,497	11,397,042	2,760,099	10,898,506	-	-	-	-	-
Debt Service										
Principal	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	4,129,494
Interest	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	966,760
<b>Total Expenditures</b>	<b>\$ 64,750,997</b>	<b>\$ 74,903,970</b>	<b>\$ 81,110,882</b>	<b>\$ 77,048,423</b>	<b>\$ 93,820,198</b>	<b>\$ 89,305,884</b>	<b>\$ 77,106,292</b>	<b>\$ 81,607,840</b>	<b>\$ 77,871,651</b>	<b>\$ 75,372,511</b>
Excess of revenues over (under) expenditures	\$ 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)	\$ (897,417)
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds	-	-	-	-	-	-	8,725,000	-	-	-
Payment to Bond Holders (refinancing)	-	-	-	-	-	-	(8,625,000)	-	-	-
Bond Premium	-	-	-	-	-	-	154,641	-	-	-
Installment purchase financing issued	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	2,824,007
Transfers in	334,805	791,577	1,184,922	2,440,383	-	67,518	657,546	1,270,780	446,352	384,430
Transfers out	(194,305)	(599,507)	(1,284,922)	(1,324,148)	(879,454)	-	(483,789)	(1,106,196)	(311,653)	(249,640)
Total other financing sources (uses)	848,127	7,844,609	6,243,255	30,596,448	(275,888)	1,385,021	3,421,114	2,606,572	381,015	2,958,797
Net change in fund balances	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)	2,061,380
Debt Service as a percentage of governmental expenditures	5.46%	5.06%	5.10%	5.23%	5.95%	8.87%	9.54%	14.15%	7.98%	6.88%

## CALDWELL COUNTY, NORTH CAROLINA

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Other			
2004	\$ 2,599,927,000	\$ 608,283,000	\$ 164,201,374	\$ 888,221,000	\$ 4,260,632,374	0.5839
2005	2,657,286,000	601,943,000	162,455,219	870,502,000	4,292,186,219	0.5399
2006	n/a	n/a	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	831,528,408	5,209,394,180	0.6599
2009	3,250,248,000	941,736,910	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	809,946,209	5,376,766,127	0.6599
2011	3,323,782,084	1,107,927,362	151,108,254	888,755,661	5,471,573,361	0.6599
2012	3,426,480,303	902,868,206	148,757,743	1,062,451,120	5,540,557,372	0.6599
2013	3,414,325,936	920,237,105	167,839,261	1,172,319,060	5,674,721,362	0.6299

**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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>COUNTY DIRECT RATE</b>										
County-Wide Rate	\$ 0.6299	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.5399	\$ 0.5399	\$ 0.5399	\$ 0.5839
<b>CITY</b>										
City of Lenoir	0.56	0.54	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5000	0.5000
City of Hickory	0.50	0.50	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
<b>SPECIAL DISTRICTS</b>										
Lenoir Special District	0.25	0.25	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
<b>TOWNS</b>										
Hudson	0.37	0.37	0.3700	0.3700	0.3500	0.3500	0.3500	0.3300	0.3300	0.3300
Granite Falls	0.44	0.42	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4400
Rhodhiss	0.55	0.55	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Blowing Rock	0.28	0.28	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2950	0.2950
Sawmills	0.20	0.20	0.2000	0.2000	0.1500	0.1500	0.1500	0.1500	0.1000	0.1000
<b>VILLAGES</b>										
Cedar Rock	0.15	0.15	0.1500	0.1500	0.1500	0.1000	0.1000	0.1000	0.1000	0.1000
<b>RESCUE SERVICES</b>	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0071	0.0071
<b>FIRE DISTRICTS</b>	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	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, 2013			Fiscal Year Ended June 30, 2003		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Google	\$ 163,942,083	1	2.89%			
Tapaha Dynamics LLC	119,774,300	2	2.11%			
MDI/Merchant Distributors	117,089,265	3	2.06%	\$ 75,394,891	2	2.14%
Duke Energy	62,950,036	4	1.11%	50,061,628	3	1.42%
Blue Ridge Electric Membership	52,606,371	5	0.93%	30,502,534	6	0.87%
Walmart	31,283,434	6	0.55%			
Bernhardt Industries	27,284,172	7	0.48%	34,358,690	4	0.98%
Broyhill Industries	21,446,261	8	0.38%	83,813,404	1	2.38%
Neptco	21,226,467	9	0.37%	23,566,762	9	0.67%
Kincaid Furniture	19,449,618	10	0.34%	31,805,903	5	0.90%
Bellsouth				28,457,827	7	0.81%
Shuford Mills				26,539,006	8	0.75%
Nacco/Yale				17,919,316	10	0.51%

\* 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
2013	\$ 35,746,118	93.12%	\$ 33,287,789	93.12%	-	\$ 33,287,789	93.12%
2012	36,566,382	92.41%	33,789,866	92.41%	1,289,314	35,079,180	95.93%
2011	35,009,037	92.06%	33,528,749	92.06%	1,779,162	35,307,911	96.94%
2010	35,997,030	91.72%	33,406,179	91.72%	2,190,403	35,596,582	97.74%
2009	36,421,115	93.19%	33,940,247	93.19%	1,821,390	35,761,637	98.19%
2008	34,510,433	93.56%	32,289,220	93.56%	1,756,935	34,046,155	98.65%
2007	27,654,595	94.83%	26,224,463	94.83%	1,278,486	27,502,949	99.45%
2006	27,418,976	94.81%	25,997,284	94.81%	1,310,881	27,308,165	99.60%
2005	25,124,558	94.74%	23,802,590	94.74%	1,247,783	25,050,373	99.70%
2004	24,985,656	94.65%	23,649,465	94.65%	1,273,769	24,923,234	99.75%

**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			Special			General			Capital Leases					
	Obligation Bonds	Assessment Bonds	Installment Purchases	Capital Leases	Water Bonds	Obligation Bonds	Installment Purchases	Capital Leases	Obligation Bonds	Installment Purchases	Capital Leases				
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		
2013	2,445,000	-	33,335,074	-	-	-	-	-	-	-	35,780,074	n/a	430.48		

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					
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
2013	2,445,000		0.16%	0.04%	29.42	83,117

**CALDWELL COUNTY, NORTH CAROLINA**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Caldwell County	\$ 2,445,000	100.00%	\$ 2,445,000
Underlying City of Lenoir	-	25.00%	-
Overlapping City of Hickory	-	1.93%	-
Totals	<u>\$ 2,445,000</u>		<u>\$ 2,445,000</u>

CALDWELL COUNTY, NORTH CAROLINA

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value of Property	\$ 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	\$ 5,674,721,362
Debt Limit 8% of Assessed Value (statutory limitation)	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	453,977,709
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	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	35,780,074
<b>Legal Debt Margin</b>	<b>\$ 317,183,391</b>	<b>\$ 310,272,973</b>	<b>\$ 372,126,153</b>	<b>\$ 347,959,035</b>	<b>\$ 360,519,711</b>	<b>\$ 386,466,511</b>	<b>\$ 377,586,794</b>	<b>\$ 385,472,831</b>	<b>\$ 403,335,022</b>	<b>\$ 418,197,635</b>

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

6.94%      9.64%      7.98%      14.98%      13.49%      12.41%      12.23%      10.60%      9.00%      7.88%

## CALDWELL COUNTY, NORTH CAROLINA

## Demographic and Economic Statistics

Year	Population	Personal Income		Median Age	Public School Enrollment	Private School Enrollment	Unemployment Rate
		Personal Income	Per Capita Personal Income				
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%
2013	83,117	1,549,300,880	18,640	42	12,333	400	10.00%

\*\* Source: North Carolina Economic Development Commission

## CALDWELL COUNTY, NORTH CAROLINA

Principal Employers  
Current Year and Ten Years Ago

Employer	2013			2003		
	Employees	Rank	Total County Employment	Employees	Rank	Total County Employment
Caldwell County Schools	1,000+	1	33,923	1,000+	2	40,536
Merchants Distributors Inc	1,000+	2	33,923	1,000+	4	40,536
Bernhardt Furniture Co Inc	500-999	3	33,923	1,000+	3	40,536
Caldwell Memorial Hospital Inc	500-999	4	33,923	500-999	6	40,536
Caldwell Community Coll & Tech Inst	500-999	5	33,923	500-999	7	40,536
Wal-Mart Associates Inc	500-999	6	33,923			
Caldwell County	500-999	7	33,923	500-999	8	40,536
Broyhill Furniture Industries Inc	500-999	8	33,923	1,000+	1	40,536
Thomasville Furniture Ind Inc	250 - 499	9	33,923	250 - 499	9	40,536
Fairfield Chair Company	250-499	10	33,923			
Paxar Americas Inc				250 - 499	10	40,536
Kincaid Furniture				500-999	5	40,536

\*\* Source: North Carolina Economic Development Commission

**Table 15**

**CALDWELL COUNTY, NORTH CAROLINA**

**Full-Time Equivalent County Government Employees by Function**

<b>Function/Program</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Public Safety	198	188	188	187
Health and Human Services	216	246	242	240
Environmental Protection	1	1	1	1
Economic Development	3	3	4	4
General Government	77	79	85	85
Cultural and Recreational	19	19	19	19
Enterprise Fund	12	13	13	13
<b>Total</b>	<b>526</b>	<b>549</b>	<b>552</b>	<b>549</b>

*\*\* 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, 2013

Function/Program	2013	2012	2011	2010	2009
<b>Public Safety</b>					
Average Daily Population at Jail	\$ 198	195	189	188	166
Number of Arrests by Sheriff Department	3,473	3,207	3,499	3,457	3,883
Responses by Sheriff Department	41,384	34,293	37,062	61,584	56,709
<b>Health and Human Services</b>					
<b>Department of Social Services</b>					
Adult Medicaid applications completed	2,430	2,608	2,278	2,212	1,498
Family Medicaid applications completed	6,417	6,580	8,068	8,460	8,611
New Children enrolled in Medicaid	4,053	4,342	5,365	5,599	6,003
Special Assistance applications completed	146	178	167	127	147
Food Stamps applications taken	4,900	5,582	5,656	5,826	5,915
Food Stamps applications approved	3,832	4,171	4,033	4,033	4,060
Food Stamps applications denied	1,009	1,047	984	1,491	1,538
Child Support orders	404	499	549	621	566
Medicaid Transportation requests	16,554	13,234	12,290	10,927	10,841
Average children receiving Child Care Subsidy each month	740	766	850	856	867
Emergency Assistance applications taken	4,832	5,017	3,773	3,544	3,534
Emergency Assistance applications approved	4,754	4,957	3,745	3,485	3,358
Work First applications completed	83	162	170	222	260
Average monthly enrollment in Adolescent Parenting Program	-	-	17	18	14
Adult Protective Services referrals	707	652	512	421	380
Reported cases of Physical or Sexual Abuse to Children	50	58	64	36	33
New cases of children placed in Foster Care	136	108	141	103	66
Finalized Adoptions	39	28	42	48	49
Clients seen at reception desk	49,787	35,303	34,878	33,852	30,935
Telephone calls received by switch board	100,547	107,194	99,229	103,617	109,372
Total Number of CPS Reports Investigated	1,000	1,979	1,830	1,095	856
<b>Economic Impact of Social Services Administered Programs</b>					
Medicaid	106,270,617	101,671,025	97,187,390	94,971,287	92,623,710
Food Stamps	21,117,486	24,787,284	23,495,280	21,734,319	16,035,745
Work First	209,246	172,302	147,626	147,626	196,659
Rest Home	1,418,374	1,344,695	1,352,486	1,307,034	1,363,514
Energy & Crisis	809,228	896,386	1,054,851	1,160,671	622,660
Foster Care and Adoption	5,136,449	4,870,092	4,529,359	4,226,791	3,639,776
Child Daycare	2,987,568	3,187,595	3,606,396	2,492,378	3,402,818
Child Support	6,191,419	6,417,807	6,561,065	6,524,085	6,577,867
<b>Total</b>	<b>\$ 144,140,387</b>	<b>\$ 143,347,186</b>	<b>\$ 137,934,453</b>	<b>\$ 132,564,191</b>	<b>\$ 124,462,749</b>
<b>Health Department</b>					
Rabies vaccinations given by animal control	\$ 832	893	1,442	1,448	1,382
Animals adopted out from the animal shelter	215	178	226	211	260
Dollars paid out by the WIC program	1,681,599	1,662,408	1,558,068	1,619,081	1,760,973
Home visits made by home health agency	n/a	11,436	17,950	17,950	16,152
Immunization rate for two year old children	89%	76%	79%	74%	90%
Number of children seen by dentist	2,414	1,416	3,196	3,291	2,896
Adult and child immunizations	1,465	1,188	n/a	n/a	5,326
Primary clinic visits	9,125	1,800	2,120	n/a	7,871
Nutrition contacts for WIC	8,576	9,243	n/a	n/a	10,593
Inspections carried out by Environmental Health	1,144	1,158	1,650	n/a	1,453
Maternity care encounters	2,306	2,415	3,240	n/a	3,539
Local TV programs for health education	12	14	25	21	15

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function  
Fiscal Year Ended June 30, 2013

Function/Program	2013	2012	2011	2010	2009
<b>Environmental Protection</b>					
Solid Waste Investigations	49	42	45	139	n/a
Solid Waste Fines Issued	-	-	-	-	n/a
<b>Economic Development</b>					
<u>Building Permits Issued</u>					
New non-residential permits	76	65	73	59	55
Non-residential additions	88	78	52	54	70
New residential permits	74	63	87	119	147
Residential additions	145	174	194	145	164
Total Issued	383	380	406	377	436
Economic Development Incentive Payments	\$ 2,495,915	\$ 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	-	1	3	3
Variance requests	-	-	1	1	1
Planning violation investigations	21	17	13	8	-
Planning violation complaints	21	17	13	8	3
Street signs installed (E911)	91	105	69	288	358
<b>Cultural and Recreational</b>					
Library branches	3	3	3	3	3
Library staff	19.86	19.86	19.86	19.86	19.86
Total number of print items	133,987	140,854	138,102	136,848	122,408
Total number of non-print items	16,288	24,475	23,776	21,977	18,384
Registered Borrowers	36,917	64,383	61,747	59	55,875
Total circulation	331,252	357,792	363,323	384,377	359,890
Number of visits to libraries	283,828	314,742	294,231	275,595	269,448
Reference questions answered	50,038	42,392	47,946	43,763	41,809
Number of uses of public computers	59,341	67,780	71,569	70,832	58,855
Meeting rooms attendance	26,857	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, 2013

<b>Function/Program</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Public Safety</b>					
Jail capacity	185	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600	34,600
Number of ambulances	14	14	15	13	11
Number of squad cars	75	75	72	87	86
<b>Health and Human Services</b>					
Square footage available to Health Department	45,660	45,660	45,660	45,660	45,660
Square footage available to DSS	70,736	70,736	70,736	70,736	70,736
<b>Environmental Protection</b>					
Number of convenience sites in County	9	9	9	9	9
<b>General Government</b>					
Square footage in County office building	32,550	32,550	32,550	32,550	32,550
<b>Cultural and Recreational</b>					
Number of libraries in County	3	3	3	3	3
Square footage used by libraries	57,741	57,741	57,741	57,741	57,741
Number of parks in County	4	4	4	4	4

\* Data prior to 2009 is not available.

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

## CALDWELL COUNTY, NORTH CAROLINA

### Miscellaneous Information June 30, 2013

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	505
Number of Responses	6,444
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	132,760
Number of Video and Audio Tapes	16,288
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	815
Number of Students	12,415
Higher Education (Caldwell Community College)	
Number of Locations	2
Number of Students	4,491

(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.