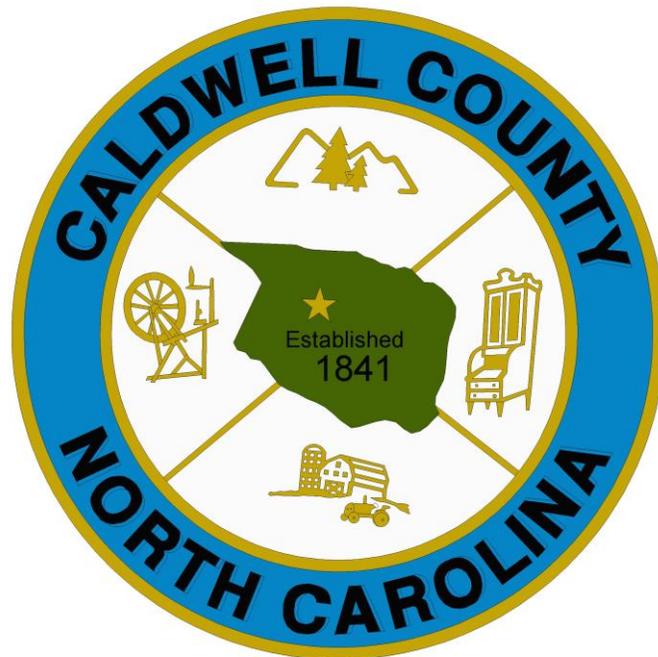


**COUNTY OF CALDWELL
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2017

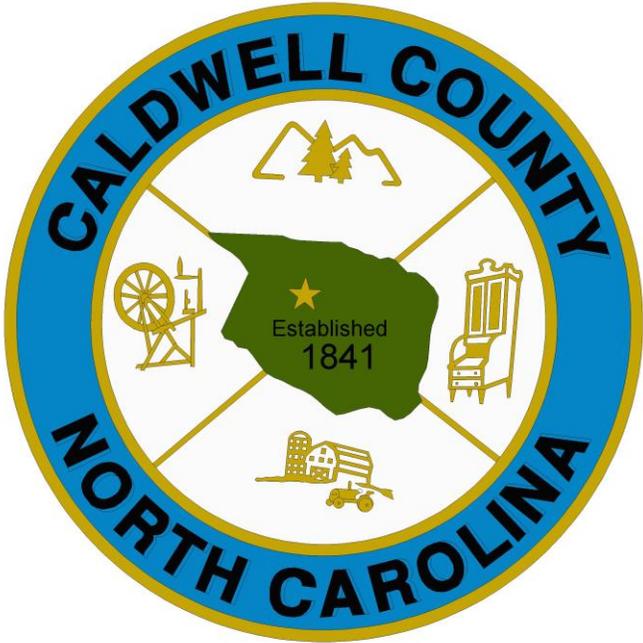


CALDWELL COUNTY, NORTH CAROLINA

Comprehensive Annual Financial Report

**For the Year Ended
June 30, 2017**

**Prepared by
Finance Department**



CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

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CALDWELL COUNTY, NORTH CAROLINA

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CALDWELL COUNTY, NORTH CAROLINA

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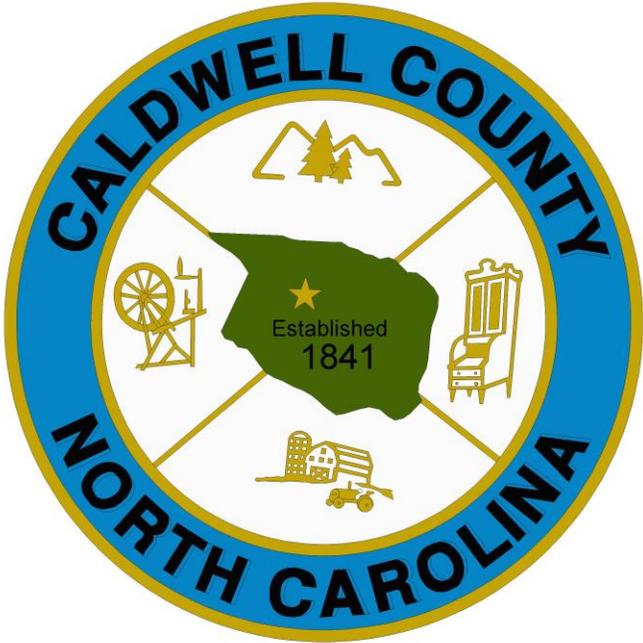
CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION





CALDWELL COUNTY
P. O. BOX 2200
LENOIR NC 28645

LETTER OF TRANSMITTAL

November 17, 2017

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, 2017.

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, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent

auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Caldwell County's financial statements for the fiscal year ended June 30, 2017, 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. 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.

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, 2017, have been reported as reservations of fund balance.

Financial Policies

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

Long Term Financial Planning

The county continues to monitor its existing debt and look for savings opportunities. No new borrowings are scheduled to take place in the near future. There are continued preliminary discussions regarding a significant renovation to or replacement of Granite Falls Middle School.

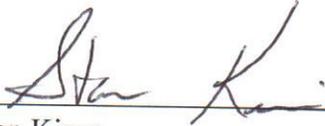
Other Information

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.

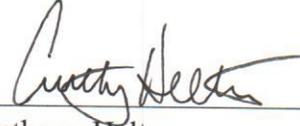
Caldwell County intends to submit this report to the Governmental Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting program. This program recognized governmental units that publish easily read and efficiently organized Comprehensive Annual Financial 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

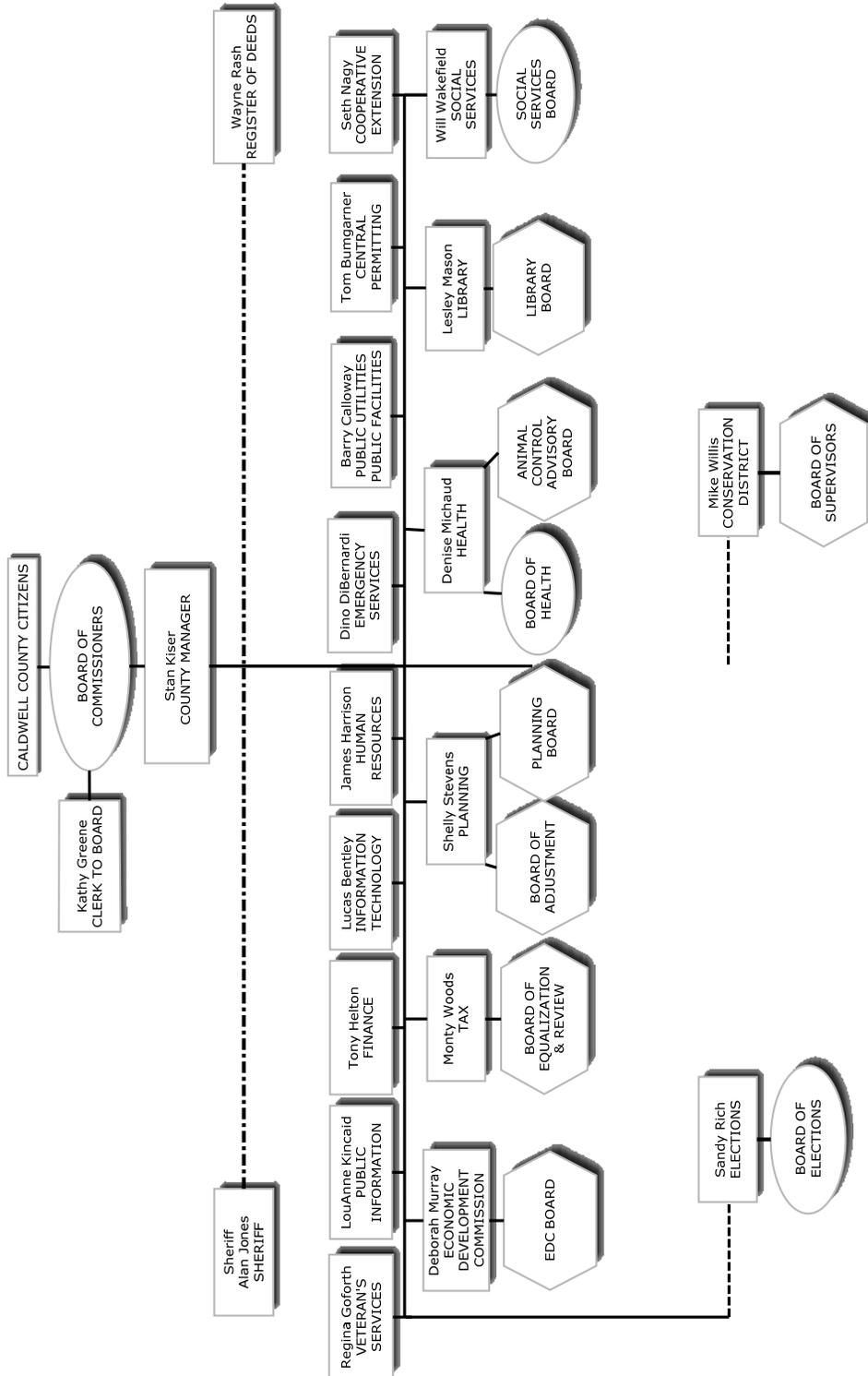
**Caldwell County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CALDWELL COUNTY GOVERNMENT ORGANIZATIONAL CHART



LEGEND:

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

CALDWELL COUNTY, NORTH CAROLINA

Principal Officials

June 30, 2017

Board of Commissioners

Randy T. Church, Chairman

Mike LaBrose, Vice-Chairman

Jeff Branch, Commissioner

Donnie Potter, Commissioner

Robbie Wilkie, Commissioner

Other County Officials

Stan Kiser, County Manager

Kathy Myers, Clerk to the Board

Alan C. Jones, Sheriff

Wayne Rash, Register of Deeds

Will Wakefield, DSS Director

Denise Michaud, Health Director

Monty Woods, Tax Administrator

Jimmy Harrison, Human Resources Director

Lesley Mason, Library Director

Tony Helton, Finance Officer

Sandra Rich, Director of Elections

Barry Calloway, Facilities Supervisor

Tom Bumgarner, Central Permitting Supervisor

Shelley Stevens, Planning Director

Regina Goforth, Veterans Services Director

Dino Dibernardi, Emergency Services Director

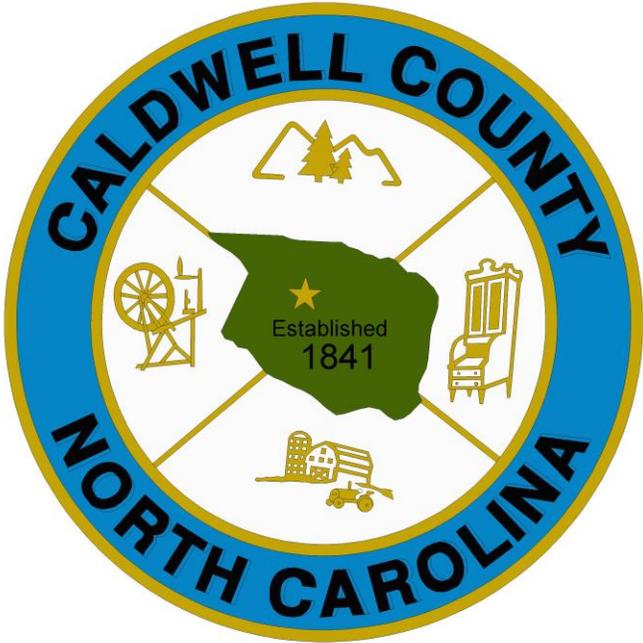
Kevin Brown, Fire Marshal

Kenneth Teague, Emergency Management Director

Lucas Bentley, Information Technology Director

Seth Nagy, Cooperative Extension Director

FINANCIAL SECTION



MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Caldwell County
Lenoir, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Caldwell County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Caldwell County, North Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Sales Tax Reinvestment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

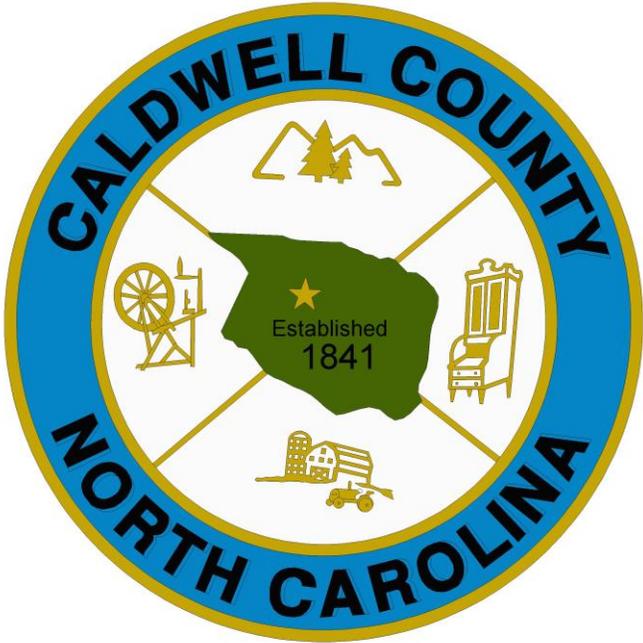
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements; and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 on our consideration of Caldwell County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caldwell County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caldwell County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 17, 2017



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, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of Caldwell County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$26,687,513 (net position).
- The government's total net position increased by \$4,328,941, 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 \$21,058,938.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,391,976.
- The total fund balance in the General Fund increased by \$466,144 as a result of activities that took place during the fiscal year ended June 30, 2017.
- The General Fund expenditures concluded the year within budget.
- The County successfully complied with all State and federal service mandates as prescribed by law.

Overview of the Financial Statements

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

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

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

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Caldwell County, like other State and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Caldwell County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 70 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Caldwell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 71-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 78-107 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Caldwell County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,687,513 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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets:						
Current and other assets	\$ 26,815,244	\$ 25,475,560	\$ 7,580,402	\$ 7,094,869	\$ 34,395,646	\$ 32,570,429
Capital assets	33,115,206	33,943,080	5,396,787	5,631,176	38,511,993	39,574,256
Total assets	<u>59,930,450</u>	<u>59,418,640</u>	<u>12,977,189</u>	<u>12,726,045</u>	<u>72,907,639</u>	<u>72,144,685</u>
Deferred Outflows of Resources						
	<u>6,558,151</u>	<u>1,463,811</u>	<u>132,402</u>	<u>29,419</u>	<u>6,690,553</u>	<u>1,493,230</u>
Liabilities:						
Current liabilities	8,174,406	8,183,048	297,535	362,684	8,471,941	8,545,732
Long-term liabilities	43,951,859	41,426,430	163,459	38,962	44,115,318	41,465,392
Total liabilities	<u>52,126,265</u>	<u>49,609,478</u>	<u>460,994</u>	<u>401,646</u>	<u>52,587,259</u>	<u>50,011,124</u>
Deferred Inflows of Resources						
	<u>317,713</u>	<u>819,122</u>	<u>5,707</u>	<u>16,522</u>	<u>323,420</u>	<u>835,644</u>
Net Position:						
Net investment in capital assets	21,196,659	20,245,509	5,396,787	5,631,176	26,593,446	25,876,685
Restricted net position	6,635,065	6,179,122	-	-	6,635,065	6,179,122
Unrestricted net position	(13,787,101)	(15,970,780)	7,246,103	6,706,120	(6,540,998)	(9,264,660)
Total net position	<u>\$ 14,044,623</u>	<u>\$ 10,453,851</u>	<u>\$ 12,642,890</u>	<u>\$ 12,337,296</u>	<u>\$ 26,687,513</u>	<u>\$ 22,791,147</u>

The government's net position increased by \$4,328,941 during the current fiscal year. This is a result of the County continuing to pay down its existing debt and issuing very little new debt.

Table 2**Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,511,141	\$ 7,677,876	\$ 3,571,972	\$ 3,545,293	\$ 11,083,113	\$ 11,223,169
Operating grants and contributions	17,562,173	18,544,951	-	-	17,562,173	18,544,951
Capital grants and contributions	1,140,915	1,411,645	-	-	1,140,915	1,411,645
General revenues:						
Property taxes	46,145,791	43,443,559	-	-	46,145,791	43,443,559
Local option sales tax	11,288,798	10,545,869	-	-	11,288,798	10,545,869
Other taxes and licenses	1,291,439	969,058	-	-	1,291,439	969,058
Investment earnings	30,559	13,665	6,845	3,357	37,404	17,022
Total revenues	<u>84,970,816</u>	<u>82,606,623</u>	<u>3,578,817</u>	<u>3,548,650</u>	<u>88,549,633</u>	<u>86,155,273</u>
Expenses:						
Governmental activities:						
General government	6,431,654	6,845,366	-	-	6,431,654	6,845,366
Public safety	21,653,096	20,638,553	-	-	21,653,096	20,638,553
Environmental protection	550,780	509,242	-	-	550,780	509,242
Economic and physical development	6,452,959	7,639,737	-	-	6,452,959	7,639,737
Human services	22,610,724	22,248,546	-	-	22,610,724	22,248,546
Cultural and recreational	1,487,024	1,441,711	-	-	1,487,024	1,441,711
Education	20,636,632	21,413,329	-	-	20,636,632	21,413,329
Interest	1,124,600	1,117,397	-	-	1,124,600	1,117,397
Business-type activities:						
Water Fund	-	-	3,273,223	3,623,573	3,273,223	3,623,573
Total expenses	<u>80,947,469</u>	<u>81,853,881</u>	<u>3,273,223</u>	<u>3,623,573</u>	<u>84,220,692</u>	<u>85,477,454</u>
Change in net position	<u>4,023,347</u>	<u>752,742</u>	<u>305,594</u>	<u>(74,923)</u>	<u>4,328,941</u>	<u>677,819</u>
Net Position:						
Beginning net position	10,453,851	9,701,109	12,337,296	12,412,219	22,791,147	22,113,328
Restatement	(432,575)	-	-	-	(432,575)	-
Beginning net position, restated	<u>10,021,276</u>	<u>9,701,109</u>	<u>12,337,296</u>	<u>12,412,219</u>	<u>22,358,572</u>	<u>22,113,328</u>
Ending net position	<u>\$ 14,044,623</u>	<u>\$ 10,453,851</u>	<u>\$ 12,642,890</u>	<u>\$ 12,337,296</u>	<u>\$ 26,687,513</u>	<u>\$ 22,791,147</u>

Governmental Activities. Governmental activities increased Caldwell County's net position by \$4,023,347. This is primarily due to the County continuing to pay down existing debt while issuing very little new debt. Also impacting this result is the operations in both the General Fund and Sales Tax Reinvestment Fund, both of which took in more revenue than they spent out.

Business-Type Activities. Business-type activities increased Caldwell County's net position by \$305,594. The key elements in this increase are as follows:

- Business-type activities increased the County's net financial position due to the results from operations. The Water Fund typically generates positive cash flows. This was not the case in the prior year as significant capital purchases were made. Those did not recur this year.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$21,058,938, an increase of \$1,099,502 in comparison with the prior year. The largest portion of this increase took place in the Sales Tax Reinvestment Fund. This fund has seen its fund balance grow each year for the past few years primarily due to the limitations placed on the use of these funds. Starting with the current fiscal year, permitted uses of these funds have been expanded. Approximately 16% of this total amount, or \$3,391,917, 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 \$3,391,976 while total fund balance reached \$13,893,750. The County's fund balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$9,520,381, or 12.99%, of expenditures.

The total fund balance of Caldwell County's General Fund increased by \$466,144 during the current fiscal year. The County raised the property tax rate from sixty cents to sixty three cents effective this year. This was done with the goal of allowing the General Fund to break even, neither using nor adding to fund balance. Percentage-wise, this increase is close to break even.

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

The County's Public Schools Capital Project Fund is a major capital project fund. This fund includes funds left over from the project that constructed the new William Lenoir Middle School. This fund also includes \$300,000 set aside to pay for preliminary architectural work for a potential new Granite Falls Middle School project.

Proprietary Funds. Caldwell County's propriety funds provide the same type of information found in government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$7,246,103. The total increase in net position for the Water Fund was \$305,594. Other factors concerning the finances of this fund have already been addressed in the discussion of Caldwell County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget reflected an increase in appropriation of \$1,740,411. The major changes can be briefly summarized as follows:

- Additional flow through revenues over slightly over \$1 million were received during the fiscal year.
- Appropriations of fund balance in the General Fund totaled \$350,684. Out of this amount roughly \$150k was to roll over purchase obligations from the prior year. The remainder was used for minor purchase of capital items and to cover increased costs associated with providing health insurance for qualified retired employees.
- The General Fund's revenues exceeded its budget by \$1,084,060. The major factors in this include:
 - Budgeting property tax collections conservatively and exceeding the budget by \$661,097.
 - Budgeting vehicle tax collections conservatively and exceeding the budget by \$540,619.
- The General Fund did not spend all of the funds appropriated. A savings of \$5,003,304 was experienced. The major factors in this include:
 - Funds budgeted for salary and fringes were not all used. These funds are budgeted assuming all positions are filled for the entire year but every year some positions go unfilled for portions of the year. This generated roughly \$936,000 in savings.
 - Economic Development Incentives that were overpaid in the past were returned to the county resulting in a savings of \$834,347.
 - The county attempts to be very conservative in its budgeting and often will not spend all the money it allocates. This was the case again this year resulting in the remaining savings.
 - Various contingency funds are built into the budget and most of those funds were not spent.

Other Major Funds' Highlights

The Sales Tax Reinvestment Fund's primary function is to support economic development within Caldwell County. The fund balance in this fund increased during the year as not all of its revenues were spent. Spending is variable and based on the number of projects active each year. Starting with the 2017-2018 fiscal year permissible uses of these funds has been expanded to include broader economic development efforts as well as allocating \$350,000 per year from new revenues in this fund to allow the county to construct two new EMS bases.

The Schools Capital Project Fund contained the ongoing construction of the new William Lenoir Middle School. The fund balance in this fund was reduced during the year as a result of completing the project.

An additional \$300,000 was added to this fund during the year to allow for preliminary architectural work to take place for the eventual replacement of the Granite Falls Middle School.

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, 2017 amounts to \$38,511,993. This investment in capital assets includes land, buildings and systems, improvements, machinery, and equipment.

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

- The County began preliminary work on the construction of a new middle school in Granite Falls. The County funded \$300,000 to allow for preliminary architectural work to begin with the purpose of determining the best way to proceed as far as location of the new school and best use for the existing buildings. Actual construction of the new school may not begin for a couple of years.
- The County’s tax rate was increased by three cents going from 60 cents to 63 cents for fiscal year 2016-2017. This rate remained unchanged for fiscal year 2017-2018.
- The County continued to explore options on various smaller capital needs such as:
 - Renovations to the inmate intake area of the court house.
 - Construction of a new entrance road at the County’s property that contains the sheriff’s office as well as the health and human services building. This new entrance road would allow citizens and employees to access the building via an existing stoplight.
 - Renovating the existing animal shelter or building an entirely new animal shelter has been explored and continues to be a priority.

Table 3
Capital Assets, Net of Depreciation
As of June 30, 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Land	\$ 7,417,580	\$ 7,347,526	\$ 20,000	\$ 20,000	\$ 7,437,580	\$ 7,367,526
Construction in progress	1,409,215	622,450	85,322	51,392	1,494,537	673,842
Buildings	17,764,667	18,519,865	89,350	92,186	17,854,017	18,612,051
Equipment, furniture, and vehicles	6,523,744	7,453,239	-	-	6,523,744	7,453,239
Water system	-	-	5,202,115	5,467,598	5,202,115	5,467,598
Total capital assets, net of depreciation, where applicable	<u>\$ 33,115,206</u>	<u>\$ 33,943,080</u>	<u>\$ 5,396,787</u>	<u>\$ 5,631,176</u>	<u>\$ 38,511,993</u>	<u>\$ 39,574,256</u>

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

Long-Term Debt. At the end of the current fiscal year, Caldwell County had total bonded debt outstanding of \$185,000. The County currently does not have outstanding revenue bonds.

Table 4
General Obligation Bonds Outstanding
As of June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
General obligation bonds	\$ 185,000	\$ 500,000	\$ -	\$ -	\$ 185,000	\$ 500,000

Caldwell County’s general obligation debt decreased during the year by \$315,000. 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% of its total assessed valuation. The current debt limitation for Caldwell County is approximately \$497,932,000, 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 61 of this report.

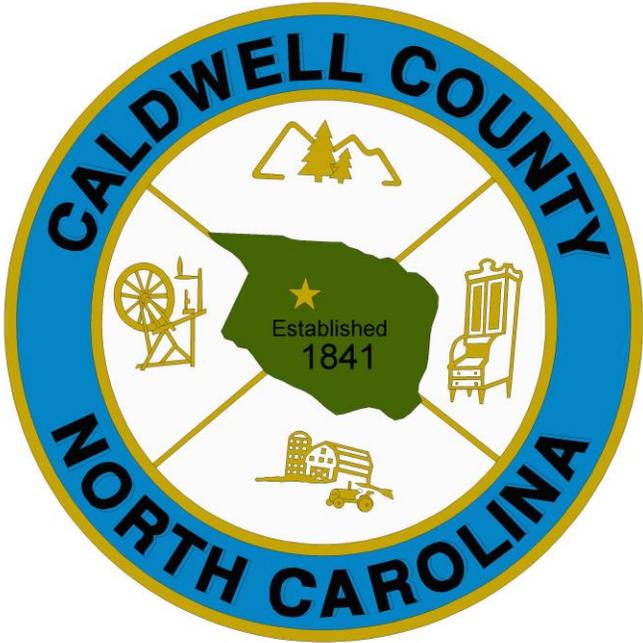
Economic Factors and Next Year’s Budgets and Rates

Caldwell County continues to maintain a sound financial condition. Caldwell County’s fund balance percentage, as calculated by the Local Government Commission, is 12.99% as of June 30, 2017. This is well above the recommended minimum of 8%. Property and sales tax collections exceeded budget for fiscal year 2016-2017. Actual expenditures in the General Fund came in over \$5 million below the budget.

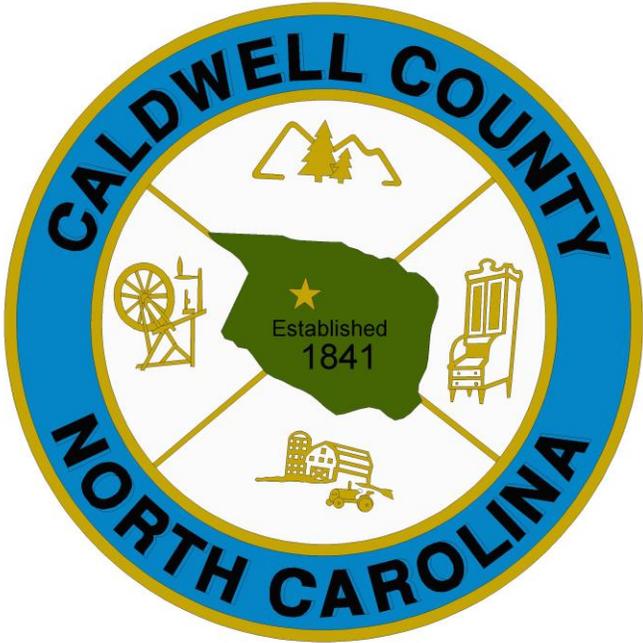
The budget for fiscal year 2017-2018 maintains the current tax rate of 63 cents per \$100 of tax value. The budget for fiscal year 2017-2018 includes a substantial fund balance appropriation in the General Fund, but we do not anticipate using any of it. The County typically budgets its expenditures at 100% but only spends at 95%. Lapsed salaries and other unspent funds typically generate substantial savings. The County also attempts to be conservative in its revenue estimates and often will collect more than the budget includes.

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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 17,762,716	\$ 6,879,710	\$ 24,642,426
Taxes receivable, net	2,724,515	-	2,724,515
Accounts receivable, net	5,174,389	408,776	5,583,165
Due from other governments	633,841	53,452	687,293
Inventories	116,396	143,144	259,540
Restricted cash and cash equivalents	261,712	95,320	357,032
Total current assets	<u>26,673,569</u>	<u>7,580,402</u>	<u>34,253,971</u>
Non-current assets:			
Net pension asset	141,675	-	141,675
Non-depreciable capital assets	8,826,795	105,322	8,932,117
Depreciable capital assets, net	<u>24,288,411</u>	<u>5,291,465</u>	<u>29,579,876</u>
Total non-current assets	<u>33,256,881</u>	<u>5,396,787</u>	<u>38,653,668</u>
Total assets	<u>59,930,450</u>	<u>12,977,189</u>	<u>72,907,639</u>
Deferred Outflows of Resources:			
Contributions to pension plan in current fiscal year	1,579,900	32,564	1,612,464
Pension deferrals	<u>4,978,251</u>	<u>99,838</u>	<u>5,078,089</u>
Total deferred outflows of resources	<u>6,558,151</u>	<u>132,402</u>	<u>6,690,553</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	2,465,431	173,892	2,639,323
Accrued interest payable	354,927	-	354,927
Payable from restricted assets:			
Customer deposits	-	95,320	95,320
Current portion of long-term liabilities	<u>5,354,048</u>	<u>28,323</u>	<u>5,382,371</u>
Total current liabilities	<u>8,174,406</u>	<u>297,535</u>	<u>8,471,941</u>
Long-term liabilities:			
Net pension liability - LGERS	7,662,514	156,378	7,818,892
Total pension liability - LEOSSA	1,391,989	-	1,391,989
Due in more than one year	<u>34,897,356</u>	<u>7,081</u>	<u>34,904,437</u>
Total long-term liabilities	<u>43,951,859</u>	<u>163,459</u>	<u>44,115,318</u>
Total liabilities	<u>52,126,265</u>	<u>460,994</u>	<u>52,587,259</u>
Deferred Inflows of Resources:			
Pension deferrals	317,713	5,707	323,420
Total deferred inflows of resources	<u>317,713</u>	<u>5,707</u>	<u>323,420</u>
Net Position:			
Net investment in capital assets	21,196,659	5,396,787	26,593,446
Restricted for:			
Stabilization for State statute	5,383,545	-	5,383,545
Register of Deeds pension plan	180,288	-	180,288
Human services	315,775	-	315,775
Public safety	531,387	-	531,387
Register of Deeds	201,444	-	201,444
Education	22,626	-	22,626
Unrestricted (deficit)	<u>(13,787,101)</u>	<u>7,246,103</u>	<u>(6,540,998)</u>
Total net position	<u>\$ 14,044,623</u>	<u>\$ 12,642,890</u>	<u>\$ 26,687,513</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, 2017

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,431,654	\$ 2,396,343	\$ -	\$ -
Public safety	21,653,096	3,819,540	1,488,320	-
Environmental protection	550,780	1,049,356	-	-
Economic and physical development	6,452,959	23,050	-	135,791
Human services	22,610,724	204,388	15,799,464	-
Cultural and recreational	1,487,024	18,464	274,389	-
Education	20,636,632	-	-	1,005,124
Interest	1,124,600	-	-	-
Total governmental activities	<u>80,947,469</u>	<u>7,511,141</u>	<u>17,562,173</u>	<u>1,140,915</u>
Business-Type Activities:				
Water Fund	3,273,223	3,571,972	-	-
Total primary government	<u>\$ 84,220,692</u>	<u>\$ 11,083,113</u>	<u>\$ 17,562,173</u>	<u>\$ 1,140,915</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
Functions/Programs:	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Primary Government:	<u>Activities</u>	<u>Activities</u>	
Governmental Activities:			
General government	\$ (4,035,311)	\$ -	\$ (4,035,311)
Public safety	(16,345,236)	-	(16,345,236)
Environmental protection	498,576	-	498,576
Economic and physical development	(6,294,118)	-	(6,294,118)
Human services	(6,606,872)	-	(6,606,872)
Cultural and recreational	(1,194,171)	-	(1,194,171)
Education	(19,631,508)	-	(19,631,508)
Interest	(1,124,600)	-	(1,124,600)
Total governmental activities	<u>(54,733,240)</u>	<u>-</u>	<u>(54,733,240)</u>
Business-Type Activities:			
Water Fund	<u>-</u>	<u>298,749</u>	<u>298,749</u>
Total primary government	<u>(54,733,240)</u>	<u>298,749</u>	<u>(54,434,491)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	46,145,791	-	46,145,791
Local option sales tax	11,288,798	-	11,288,798
Other taxes and licenses	1,291,439	-	1,291,439
Investment earnings	30,559	6,845	37,404
Total general revenues	<u>58,756,587</u>	<u>6,845</u>	<u>58,763,432</u>
Change in net position	<u>4,023,347</u>	<u>305,594</u>	<u>4,328,941</u>
Net Position:			
Beginning of year - July 1	10,453,851	12,337,296	22,791,147
Restatement	(432,575)	-	(432,575)
Beginning of year, restated - July 1	<u>10,021,276</u>	<u>12,337,296</u>	<u>22,358,572</u>
End of year - June 30	<u>\$ 14,044,623</u>	<u>\$ 12,642,890</u>	<u>\$ 26,687,513</u>

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

CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds				Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 11,700,052	\$ 4,783,399	\$ 546,409	\$ 732,856	\$ 17,762,716
Taxes receivable (net)	2,438,100	-	-	286,415	2,724,515
Accounts receivable (net)	4,091,841	-	-	1,082,548	5,174,389
Due from other governments	589,817	-	-	44,024	633,841
Inventories	116,396	-	-	-	116,396
Restricted cash and cash equivalents	261,712	-	-	-	261,712
Total assets	<u>\$ 19,197,918</u>	<u>\$ 4,783,399</u>	<u>\$ 546,409</u>	<u>\$ 2,145,843</u>	<u>\$ 26,673,569</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,441,383	\$ -	\$ -	\$ 24,048	\$ 2,465,431
Deferred Inflows of Resources:					
Property taxes receivable	2,438,100	-	-	286,415	2,724,515
Ambulance receivable	424,685	-	-	-	424,685
Total deferred inflows of resources	<u>2,862,785</u>	<u>-</u>	<u>-</u>	<u>286,415</u>	<u>3,149,200</u>
Fund Balances:					
Non-spendable:					
Inventories	116,396	-	-	-	116,396
Restricted:					
Stabilization for State statute	4,256,973	-	-	1,126,572	5,383,545
Restricted, all other	778,931	-	-	292,301	1,071,232
Committed	-	-	546,409	416,566	962,975
Assigned	5,349,474	4,783,399	-	-	10,132,873
Unassigned	3,391,976	-	-	(59)	3,391,917
Total fund balances	<u>13,893,750</u>	<u>4,783,399</u>	<u>546,409</u>	<u>1,835,380</u>	<u>21,058,938</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,197,918</u>	<u>\$ 4,783,399</u>	<u>\$ 546,409</u>	<u>\$ 2,145,843</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.					
					33,115,206
Net pension asset					
					141,675
Net pension liability - LGERS					
					(7,662,514)
Total pension liability - LEOSSA					
					(1,391,989)
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.					
					22,678
Contributions to pension plans in the current fiscal year and pension related deferrals are deferred outflows of resources on the Statement of Net Position.					
					6,535,473
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.					
					3,149,200
Pension related deferrals					
					(317,713)
Long-term liabilities, compensated absences and interest payable are not due and payable in the current period and, therefore, are not reported in the funds.					
					(40,606,331)
Net position of governmental activities, per Exhibit A					<u>\$ 14,044,623</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major Funds				Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	Other Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 42,165,841	\$ -	\$ -	\$ 3,944,228	\$ 46,110,069
Local option sales taxes	6,124,092	-	-	4,293,706	10,417,798
Other taxes and licenses	442,271	-	-	-	442,271
Unrestricted intergovernmental	909,549	871,000	-	-	1,780,549
Restricted intergovernmental	17,147,940	509,979	618,446	946,066	19,222,431
Permits and fees	909,252	-	-	-	909,252
Sales and services	5,436,642	-	-	-	5,436,642
Investment earnings	19,855	4,752	202	5,750	30,559
Miscellaneous	495,711	-	-	7,640	503,351
Total revenues	<u>73,651,153</u>	<u>1,385,731</u>	<u>618,648</u>	<u>9,197,390</u>	<u>84,852,922</u>
Expenditures:					
Current:					
General government	6,273,085	-	-	-	6,273,085
Public safety	15,566,791	-	-	4,711,421	20,278,212
Environmental protection	539,529	-	-	29,925	569,454
Economic and physical development	5,679,969	560,729	-	206,834	6,447,532
Human services	22,025,870	-	-	794,118	22,819,988
Cultural and recreational	1,395,475	-	-	-	1,395,475
Education	18,381,397	-	618,446	1,636,789	20,636,632
Debt service:					
Principal retirement	2,803,750	-	-	1,605,058	4,408,808
Interest and fees	571,975	-	-	629,462	1,201,437
Total expenditures	<u>73,237,841</u>	<u>560,729</u>	<u>618,446</u>	<u>9,613,607</u>	<u>84,030,623</u>
Revenues over (under) expenditures	<u>413,312</u>	<u>825,002</u>	<u>202</u>	<u>(416,217)</u>	<u>822,299</u>
Other Financing Sources (Uses):					
Long-term debt issued	-	-	-	12,639,000	12,639,000
Payment on refinanced debt	-	-	-	(12,428,000)	(12,428,000)
Transfers from other funds	-	-	300,000	13,371	313,371
Transfers to other funds	(13,371)	-	-	(300,000)	(313,371)
Proceeds from sale of capital assets	66,203	-	-	-	66,203
Total other financing sources (uses)	<u>52,832</u>	<u>-</u>	<u>300,000</u>	<u>(75,629)</u>	<u>277,203</u>
Net change in fund balances	466,144	825,002	300,202	(491,846)	1,099,502
Fund Balances:					
Beginning of year - July 1	<u>13,427,606</u>	<u>3,958,397</u>	<u>246,207</u>	<u>2,327,226</u>	<u>19,959,436</u>
End of year - June 30	<u>\$ 13,893,750</u>	<u>\$ 4,783,399</u>	<u>\$ 546,409</u>	<u>\$ 1,835,380</u>	<u>\$ 21,058,938</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, 2017

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 1,099,502
<p>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:</p>	
Property taxes	35,722
Sales and services	82,172
Expenses related to compensated absences and OPEB that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(40,543)
Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures.	25,863
Expenses related to interest expense that do not require current financial resources are not reported as expenditures.	76,837
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,842,524
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.	(101,740)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,568,658)
Change in deferred outflows - pension	5,071,662
Change in deferred inflows - pension	530,307
Change in net pension asset and liability	(6,130,355)
Issuance of debt is reported as revenues in the governmental funds statements. However, in the Statement of Activities, proceeds from the issuance of debt is not a revenue rather it is an increase in liabilities.	(12,639,000)
Pension expense - LEOSSA	(97,754)
Principal repayments and refunding of debt are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	<u>16,836,808</u>
Change in net position of governmental activities, per Exhibit B	<u>\$ 4,023,347</u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED
MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Variance with Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 40,829,495	\$ 40,829,495	\$ 42,165,841	\$ 1,336,346
Local option sales taxes	6,200,000	6,200,000	6,124,092	(75,908)
Other taxes and licenses	410,500	450,000	442,271	(7,729)
Unrestricted intergovernmental	564,331	564,331	909,549	345,218
Restricted intergovernmental	16,411,828	17,601,044	17,147,940	(453,104)
Permits and fees	898,000	898,000	909,252	11,252
Sales and services	5,724,872	5,734,872	5,436,642	(298,230)
Investment earnings	10,000	10,000	19,855	9,855
Miscellaneous	161,371	279,351	495,711	216,360
Total revenues	<u>71,210,397</u>	<u>72,567,093</u>	<u>73,651,153</u>	<u>1,084,060</u>
Expenditures:				
Current:				
General government	6,788,689	7,066,602	6,273,085	793,517
Public safety	16,250,285	16,477,418	15,566,791	910,627
Environmental protection	581,597	591,097	539,529	51,568
Economic and physical development	6,731,640	6,751,042	5,679,969	1,071,073
Human services	22,663,570	23,825,353	22,025,870	1,799,483
Cultural and recreational	1,473,918	1,485,768	1,395,475	90,293
Intergovernmental:				
Education	18,435,309	18,468,139	18,381,397	86,742
Contingency	200,000	200,000	-	200,000
Debt service:				
Principal retirement	2,822,167	2,822,167	2,803,750	18,417
Interest and fees	553,559	553,559	571,975	(18,416)
Total expenditures	<u>76,500,734</u>	<u>78,241,145</u>	<u>73,237,841</u>	<u>5,003,304</u>
Revenues over (under) expenditures	<u>(5,290,337)</u>	<u>(5,674,052)</u>	<u>413,312</u>	<u>6,087,364</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	(13,371)	(13,371)	(13,371)	-
Proceeds from sale of capital assets	10,000	39,675	66,203	26,528
Appropriated fund balance	5,293,708	5,647,748	-	(5,647,748)
Total other financing sources (uses)	<u>5,290,337</u>	<u>5,674,052</u>	<u>52,832</u>	<u>(5,621,220)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	466,144	<u>\$ 466,144</u>
Fund Balance:				
Beginning of year - July 1			<u>13,427,606</u>	
End of year - June 30			<u>\$ 13,893,750</u>	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED
MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Sales Tax Reinvestment Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	867,000	867,000	871,000	4,000
Restricted intergovernmental	-	-	509,979	509,979
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	4,752	4,752
Miscellaneous	-	-	-	-
Total revenues	<u>867,000</u>	<u>867,000</u>	<u>1,385,731</u>	<u>518,731</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	2,867,000	2,867,000	560,729	2,306,271
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:	-	-	-	-
Education	-	-	-	-
Contingency	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>2,867,000</u>	<u>2,867,000</u>	<u>560,729</u>	<u>2,306,271</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>825,002</u>	<u>2,825,002</u>
Other Financing Sources (Uses):				
Transfers from (to) capital project funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Appropriated fund balance	2,000,000	2,000,000	-	(2,000,000)
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>825,002</u>	<u>\$ 825,002</u>
Fund Balance:				
Beginning of year - July 1			<u>3,958,397</u>	
End of year - June 30			<u>\$ 4,783,399</u>	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	<u>Water Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 6,879,710
Accounts receivable net	408,776
Due from other governments	53,452
Inventories	143,144
Restricted cash and cash equivalents	<u>95,320</u>
Total current assets	<u>7,580,402</u>
Non-current assets:	
Capital assets:	
Non-depreciable capital assets	105,322
Capital assets (net of depreciation)	<u>5,291,465</u>
Total capital assets	<u>5,396,787</u>
Total non-current assets	<u>5,396,787</u>
Total assets	<u>12,977,189</u>
Deferred Outflows of Resources:	
Contributions to pension plan in current fiscal year	32,564
Pension deferrals	<u>99,838</u>
Total deferred outflows of resources	<u>132,402</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	173,892
Amounts payable from restricted assets:	
Customer deposits	95,320
Current portion of compensated absences payable	<u>28,323</u>
Total current liabilities	<u>297,535</u>
Non-current liabilities:	
Compensated absences payable	7,081
Net pension liability	<u>156,378</u>
Total non-current liabilities	<u>163,459</u>
Total liabilities	<u>460,994</u>
Deferred Inflows of Resources:	
Pension deferrals	<u>5,707</u>
Net Position:	
Net investment in capital assets	5,396,787
Unrestricted	<u>7,246,103</u>
Total net position	<u>\$ 12,642,890</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, 2017

	<u>Water Fund</u>
Operating Revenues:	
Charges for services	\$ 3,481,546
Water taps	50,450
Other operating revenues	39,976
Total operating revenues	<u>3,571,972</u>
Operating Expenses:	
Water operations	2,867,780
Depreciation	405,443
Total operating expenses	<u>3,273,223</u>
Operating income (loss)	<u>298,749</u>
Non-Operating Revenues (Expenses):	
Investment earnings	<u>6,845</u>
Total non-operating revenues (expenses)	<u>6,845</u>
Change in net position	305,594
Net Position:	
Beginning of year - July 1	<u>12,337,296</u>
End of year - June 30	<u><u>\$ 12,642,890</u></u>

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Water Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 3,586,084
Cash paid for goods and services	(2,386,604)
Cash paid to or on behalf of employees	<u>(599,826)</u>
Net cash provided (used) by operating activities	<u>599,654</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	<u>(171,054)</u>
Cash Flows from Investing Activities:	
Investment earnings	<u>6,845</u>
Net increase (decrease) in cash and cash equivalents	435,445
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>6,539,585</u>
End of year - June 30	<u>\$ 6,975,030</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 298,749</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	405,443
Change in Assets and Liabilities:	
(Increase) decrease in accounts receivable	15,939
(Increase) decrease in inventory and other current assets	(64,200)
(Increase) decrease in due from other governments	(1,827)
(Increase) decrease in deferred outflows of resources for pensions	(102,983)
Increase (decrease) in net pension liability	124,590
Increase (decrease) in deferred inflows of resources for pensions	(10,815)
Increase (decrease) in accounts payable and accrued liabilities	(73,321)
Increase (decrease) in customer deposits	8,546
Increase (decrease) in compensated absences payable	<u>(467)</u>
Total adjustments	<u>300,905</u>
Net cash provided (used) by operating activities	<u>\$ 599,654</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, 2017

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 92,126
Accounts receivable	<u>22,273</u>
Total assets	<u>\$ 114,399</u>
Liabilities:	
Miscellaneous liabilities	\$ 42,619
Intergovernmental payable	<u>71,780</u>
Total liabilities	<u>\$ 114,399</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, 2017

1. Summary of Significant Accounting Policies

The accounting policies of Caldwell County, North Carolina, (government) and its component units conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

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

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

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

B. Basis of Presentation

Measurement Focus – Basis of Accounting

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The County reports the following major governmental funds:

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

The County reports the following major enterprise fund:

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

The County reports the following fiduciary fund types:

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

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

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, 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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

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

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

Their authority is subject to the following limitations:

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The federal asset forfeiture and State controlled substance funds are also classified as restricted assets because their use is restricted for future law enforcement expenditures.

Governmental Activities:

General Fund:

Federal Asset Forfeiture funds	\$ 32,474
State Controlled Substance funds	<u>229,238</u>
Total General Fund	<u>261,712</u>

Total governmental activities 261,712

Business-Type Activities:

Water Fund:

Customer deposits	<u>95,320</u>
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Total restricted cash \$ 357,032

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies and collects ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Inventories

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

Capital Assets

Purchased or constructed assets are reported at historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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 Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criteria – contributions made to the pension plans in the current fiscal year and pension related deferrals.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Long-Term Obligations

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

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as police, fire, EMS, and E-911.

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

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

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Restricted fund balance at June 30, 2017 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Restricted, All Other:		
Register of Deeds	\$ 201,444	\$ -
Human Services	315,775	-
Public safety	261,712	269,675
Education	-	22,626
Total	<u>\$ 778,931</u>	<u>\$ 292,301</u>

Restricted fund balance/net position on Exhibit A varies from Exhibit C by the register of deeds pension plan calculation for full accrual purposes of \$180,288 at June 30, 2017.

Committed Fund Balance. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing board can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Committed for Education – portion of fund balance budgeted by the Board to be used for future capital projects related to education.

Committed fund balance at June 30, 2017 is as follows:

<u>Purpose</u>	<u>Public Schools Capital Project Fund</u>	<u>Other Governmental Funds</u>
Education	\$ 546,409	\$ -
Future capital projects	-	416,566
Total	<u>\$ 546,409</u>	<u>\$ 416,566</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Subsequent year's expenditures	\$ 5,349,474	\$ 2,000,000
Economic development	-	2,783,399
Total	<u>\$ 5,349,474</u>	<u>\$ 4,783,399</u>

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

Caldwell County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, State funds, local non-County funds, and/or County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 13,893,750
Less:	
Inventories	(116,396)
Stabilization by State statute	<u>(4,256,973)</u>
Fund balance available for appropriation	<u>\$ 9,520,381</u>

Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined, benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Plan (RODSPF) (collectively, the "state-administered defined, benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined, benefit pension plans and additions to/deductions from the state-administered defined, benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined, benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined, benefit pension plans. Investments are reported at fair value.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by its agents in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this 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, 2017, the County's deposits had a carrying amount of \$21,223,385 and a bank balance of \$22,599,782. Of the bank balance, \$291,288 was covered by federal depository insurance and \$22,308,494 was covered by collateral held under the Pooling Method.

At June 30, 2017, the County had \$18,434 cash on hand.

Investments

As of June 30, 2017, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2017</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 1,315,071	N/A	AAAm
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	<u>2,534,694</u>	0.14 years	Unrated
Total investments		<u>\$ 3,849,765</u>		

*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months. All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. The County has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's internal investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Credit Risk. The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2017.

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

Property Tax – Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forest land may be taxed at present-use value as opposed to market value. When the property loses its eligibility for use-valuation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year</u> <u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,299,190	\$ 194,879	\$ 1,494,069
2015	1,335,493	133,549	1,469,042
2016	1,484,417	74,221	1,558,638
2017	1,531,579	-	1,531,579
Total	<u>\$ 5,650,679</u>	<u>\$ 402,649</u>	<u>\$ 6,053,328</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Receivables

Receivables at the government-wide level at June 30, 2017 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General property taxes	\$ -	\$ 6,454,090	\$ -	\$ 6,454,090
Allowance for doubtful accounts	-	(4,015,990)	-	(4,015,990)
Fire district taxes	-	639,798	-	639,798
Allowance for doubtful accounts	-	(386,668)	-	(386,668)
Rescue squad taxes	-	87,700	-	87,700
Allowance for doubtful accounts	-	(54,415)	-	(54,415)
Total	<u>-</u>	<u>2,724,515</u>	<u>-</u>	<u>2,724,515</u>
Ambulance receivables	8,129,896	-	-	8,129,896
Allowance for doubtful accounts	(7,326,601)	-	-	(7,326,601)
Sales tax receivable	2,579,576	-	-	2,579,576
DSS 1571 receivable	853,519	-	-	853,519
Other receivables	937,999	-	348,218	1,286,217
Sales tax refund	-	-	285,623	285,623
Total governmental activities	<u>\$ 5,174,389</u>	<u>\$ 2,724,515</u>	<u>\$ 633,841</u>	<u>\$ 8,532,745</u>
Business-Type Activities:				
Water	\$ 679,863	\$ -	\$ -	\$ 679,863
Allowance for doubtful accounts	(271,087)	-	-	(271,087)
Sales tax refund due	-	-	53,452	53,452
Total business-type activities	<u>\$ 408,776</u>	<u>\$ -</u>	<u>\$ 53,452</u>	<u>\$ 462,228</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 7,347,526	\$ 160,991	\$ (90,937)	\$ 7,417,580
Construction in progress	<u>622,450</u>	<u>786,765</u>	<u>-</u>	<u>1,409,215</u>
Total non-depreciable capital assets	<u>7,969,976</u>	<u>947,756</u>	<u>(90,937)</u>	<u>8,826,795</u>
Depreciable Capital Assets:				
Buildings	30,582,236	-	-	30,582,236
Equipment and furniture	12,508,073	567,638	(10,470)	13,065,241
Vehicles	<u>5,788,308</u>	<u>327,130</u>	<u>(355,628)</u>	<u>5,759,810</u>
Total depreciable capital assets	<u>48,878,617</u>	<u>894,768</u>	<u>(366,098)</u>	<u>49,407,287</u>
Less Accumulated Depreciation:				
Buildings	12,062,371	755,198	-	12,817,569
Equipment and furniture	7,349,534	1,081,682	(10,470)	8,420,746
Vehicles	<u>3,493,608</u>	<u>731,778</u>	<u>(344,825)</u>	<u>3,880,561</u>
Total accumulated depreciation	<u>22,905,513</u>	<u>\$ 2,568,658</u>	<u>\$ (355,295)</u>	<u>25,118,876</u>
Total depreciable capital assets, net	<u>25,973,104</u>			<u>24,288,411</u>
Governmental activities capital assets, net	<u>\$ 33,943,080</u>			<u>\$ 33,115,206</u>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 313,618
Public safety	1,791,925
Environmental protection	1,824
Human services	385,888
Cultural and recreational	<u>75,403</u>
Total	<u>\$ 2,568,658</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Business-Type Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	<u>51,392</u>	<u>33,930</u>	<u>-</u>	<u>85,322</u>
Total non-depreciable capital assets	<u>71,392</u>	<u>33,930</u>	<u>-</u>	<u>105,322</u>
Depreciable Capital Assets:				
Buildings	113,456	-	-	113,456
Water lines	15,662,184	-	-	15,662,184
Water valves	254,907	-	-	254,907
Fire hydrants	485,698	-	-	485,698
Water meters	369,839	-	-	369,839
Other system components	2,754,021	-	-	2,754,021
Equipment and vehicles	<u>1,287,788</u>	<u>137,124</u>	<u>(64,081)</u>	<u>1,360,831</u>
Total depreciable capital assets	<u>20,927,893</u>	<u>137,124</u>	<u>(64,081)</u>	<u>21,000,936</u>
Less Accumulated Depreciation:				
Buildings	21,270	2,836	-	24,106
Water lines	11,787,414	180,423	-	11,967,837
Water valves	213,018	3,809	-	216,827
Fire hydrants	325,888	7,663	-	333,551
Water meters	369,506	-	-	369,506
Other system components	1,458,821	49,003	-	1,507,824
Equipment and vehicles	<u>1,192,192</u>	<u>161,709</u>	<u>(64,081)</u>	<u>1,289,820</u>
Total accumulated depreciation	<u>15,368,109</u>	<u>\$ 405,443</u>	<u>\$ (64,081)</u>	<u>15,709,471</u>
Total depreciable capital assets, net	<u>5,559,784</u>			<u>5,291,465</u>
Business-type activities capital assets, net	<u>\$ 5,631,176</u>			<u>\$ 5,396,787</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2017 were as follows:

	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 1,229,353	\$ 173,892	\$ 1,403,245
Hospitalization reserve	1,236,078	-	1,236,078
Total	\$ 2,465,431	\$ 173,892	\$ 2,639,323

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017 was 8.00% of compensation for law enforcement officers and 7.35% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,583,959 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$7,818,892 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.36841%, which was an increase of 0.01426% from its proportion measure as of June 30, 2015.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

For the year ended June 30, 2017, the County recognized pension expense of \$2,123,565. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,903	\$ 273,983
Changes of assumptions	535,524	-
Net difference between projected and actual earnings on pension plan investments	4,322,864	-
Changes in proportion and differences between County contributions and proportionate share of contributions	30,858	11,385
County contributions subsequent to the measurement date	<u>1,583,959</u>	<u>-</u>
Total	<u>\$ 6,620,108</u>	<u>\$ 285,368</u>

\$1,583,959 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2018	\$ 728,734
2019	729,245
2020	2,053,360
2021	1,239,442
2022	-
Thereafter	<u>-</u>
Total	<u>\$ 4,750,781</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period ending January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	<u>\$18,557,884</u>	<u>\$ 7,818,892</u>	<u>\$(1,151,108)</u>

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. The County administers a public employee retirement system (the "Separation Allowance"), a single-employer, defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Terminated plan member entitled to, but not yet receiving, benefits	-
Active plan members	70
Total	74

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate used to measure the total pension liability is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and, at present, has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$38,493 as benefits came due for the reporting period.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

At June 30, 2017, the County reported a total pension liability of \$1,391,989. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$120,432.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 28,898
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>22,678</u>	<u>-</u>
Total	<u>\$ 22,678</u>	<u>\$ 28,898</u>

\$22,678 reported as deferred outflows of resources related to pensions resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2018	\$ (5,179)
2019	(5,179)
2020	(5,179)
2021	(5,179)
2022	(5,179)
Thereafter	<u>(3,003)</u>
Total	<u>\$ (28,898)</u>

\$22,678 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	<u>\$ 1,513,545</u>	<u>\$ 1,391,989</u>	<u>\$ 1,281,526</u>

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

	<u>2017</u>
Beginning balance	\$ 1,338,948
Service cost	78,498
Interest on the total pension liability	47,113
Changes of assumptions or other inputs	(34,077)
Benefit payments	<u>(38,493)</u>
Ending balance of the total pension liability	<u>\$ 1,391,989</u>

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined, contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2017, were \$183,731, which consisted of \$149,591 from the County and \$34,140 from the law enforcement officers. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,827 for the year ended June 30, 2017.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

At June 30, 2017, the County reported an asset of \$141,675 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was 0.75778%, which was an increase of 0.03660% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$5,389. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 152	\$ 1,834
Changes of assumptions	37,745	-
Net difference between projected and actual earnings on pension plan investments	243	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,800	7,320
County contributions subsequent to the measurement date	5,827	-
Total	\$ 47,767	\$ 9,154

Total pension expense for the LGERS and ROD plans for the year ended June 30, 2017 was \$2,128,954.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

\$5,827 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2018	\$ 14,604
2019	14,113
2020	5,652
2021	(1,583)
2022	-
Thereafter	-
Total	<u>\$ 32,786</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (114,235)	\$ (141,675)	\$ (164,726)

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 (LERS) and have at least thirty years of creditable service with the County. The County pays 50% of the cost of coverage for these benefits through private insurers until the retiree reaches the age for Medicare eligibility. Also, the County’s retirees can purchase coverage for their dependents at the County’s group rates if that dependent was previously covered at the time of retirement. New dependents cannot be added after retirement. The County Commissioners may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	15	-
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	473	76
Total	488	76

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 1.12% of annual covered payroll. For the current year, the County contributed \$214,364, or 1.09%, 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 1.06% and 1.06% of covered payroll, respectively. Each employee contributes up to \$15.04 per month for his or her coverage and an additional amount for dependent coverage for a total employee contribution in the amount of \$771,836. 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

	Governmental Activities
Annual required contribution	\$ 219,849
Interest on net OPEB obligation	85,734
Adjustments to annual required contribution	(81,903)
Annual OPEB cost (expense)	223,680
Contributions made	(214,364)
Increase (decrease) in net OPEB obligation	9,316
Net OPEB obligation:	
Beginning of year - July 1	2,143,358
End of year - June 30	\$ 2,152,674

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2017 were as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 272,535	69.21%	\$ 2,008,764
2016	261,501	48.53%	2,143,358
2017	223,680	95.84%	2,152,674

Funding Status and Funding Progress. As of June 30, 2016, 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 \$2,656,494. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,582,380, and the ratio of

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

the UAAL to the covered payroll was 13.6%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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

In the June 30, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% 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 7.75 to 5.0% annually. Both rates included a 3.0% 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 closed basis. The remaining amortization period at June 30, 2016, was 30 years.

As of June 30, 2017, 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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

death, but the benefit will be a minimum of \$25,000 but will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Closure and Post-Closure Care Costs – Landfill Facility

Federal and State laws and regulations require the County to place a final cover on its Mt. Herman Landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$286,629 reported as landfill closure and post-closure care liability at June 30, 2017 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the old landfill that is subject to these regulations. These amounts are based on what it would cost to perform all closure and post-closure care in 1998. The County closed the landfill on April 1, 1998. Actual closure and post-closure costs may be higher due to inflation, changes in technology, or changes in regulations. As actual cost of closure and post-closure are incurred, they will be recognized as expenditures and reductions of the accrued liability.

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, 2017

Deferred Outflows and Inflows of Resources

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

<u>Source</u>	<u>Amount</u>
Contributions to pension plans in current fiscal year	\$ 1,612,464
Pension deferrals	<u>5,078,089</u>
Total	<u><u>\$ 6,690,553</u></u>

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

<u>Source</u>	<u>Amount</u>
Taxes receivable, net (General Fund and Special Revenue Fund)	\$ 2,724,515
Ambulance receivables, net (General Fund)	424,685
Pension deferrals	<u>323,420</u>
Total	<u><u>\$ 3,472,620</u></u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtains property coverage through SIA Insurance Services, Inc. equal to replacement cost values of owned property subject to a limit of \$49,388,424 for any one occurrence; general, auto, professional, and employment practices liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; and crime coverage of \$250,000 per occurrence. The County is insured for its health insurance with the State Health Plan and is fully insured for its workers' compensation insurance with the North Carolina County Commissioners' Association.

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

The County does not carry flood insurance.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

Contingent Liabilities

At June 30, 2017, 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, 2017, lease expenditures totaled \$173,648. 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>
2018	\$ 94,425
2019	14,811
2020	<u>2,519</u>
Total minimum payments required	<u>\$ 111,755</u>

Capital Leases

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

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

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

At June 30, 2017, the County leased vehicles and equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$ 1,249,957	\$ 616,660	\$ 633,297

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2018	\$ 261,391
2019	257,448
2020	253,505
2021	-
Total minimum lease payments	772,344
Less: amount representing interest	<u>(23,658)</u>
Present value of the minimum lease payments	<u>\$ 748,686</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, 2017

Current Refinancing

On April 6, 2017, the County issued a \$12,639,000 installment financing agreement to refinance current debt service payments of \$12,428,000 of an installment financing agreement. As a result, the refinanced installment contract is considered to be defeased. The liability for the debt was removed from the governmental activities column of the Statement of Net Position in the fiscal year ending June 30, 2017. The reacquisition price was higher than the net carrying amount of the old debt by \$211,000. The amount was due to the prepayment penalties on the previous installment contract. The refinancing was undertaken to reduce total debt service payments over the next eleven years by \$218,507 and lock in a fixed interest rate for the life of the installment note.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Installment purchase contracts at June 30, 2017 are comprised of the following:

\$6,500,000 contract for construction of jail facilities, due in annual installments of \$540,907, including interest at 2.88%, through April 2018	\$ 473,019
\$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	4,030,574
\$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)	8,578,947
\$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)	6,578,947
\$2,971,361 Qualified School Construction Bonds for the addition of new classrooms at Sawmills Elementary School and Hudson Elementary School, financed for 14 years at 2.17% interest, due in annual installments through December 2024	1,584,726
\$2,248,500 for the replacement of HVAC systems at Davenport, Hudson and Gamewell schools; funded by BB&T through the federal stimulus program's QSCB loan program with an effective interest rate of zero; payments due annually through 2025	1,349,100
\$1,280,000 for Caldwell EDC Properties, LLC for purchase of Whisenant property for economic development; financed for 10 years at 4.00% interest, due in annual installments through July 2020; 2/3 is payable by the County and 1/3 is payable by the Town of Granite Falls through an interlocal agreement	369,388
\$12,639,000 to construct a new middle school to replace the old facility that housed William Lenoir Middle School, financed for 11 years at 2.33% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)	<u>12,639,000</u>
Total serviced by the General Fund	<u>\$ 35,603,701</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 3,869,715	\$ 781,039
2019	3,408,192	710,339
2020	3,496,113	630,223
2021	3,506,206	549,872
2022	3,363,921	469,256
2023-2027	16,937,554	1,135,556
2028-2030	1,022,000	27,793
Total	\$ 35,603,701	\$ 4,304,078

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, 2017 are comprised of the following individual issues:

General Obligation Bonds:

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 185,000	\$ 5,550
Total	\$ 185,000	\$ 5,550

At June 30, 2017, the County had a legal debt margin of approximately \$497,932,000.

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, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 500,000	\$ -	\$ 315,000	\$ 185,000	\$ 185,000
Installment purchases	39,236,947	12,639,000	16,272,246	35,603,701	3,869,715
Capitalized leases	998,248	-	249,562	748,686	249,562
Compensated absences	1,243,487	1,113,492	1,082,265	1,274,714	1,019,771
OPEB accrued liability	2,143,358	223,680	214,364	2,152,674	-
Accrued post-closure care	312,492	4,062	29,925	286,629	30,000
Net pension liability (LRS)	1,557,614	6,104,900	-	7,662,514	-
Total pension obligation (LEO)	867,880	524,109	-	1,391,989	-
Total governmental activities	\$ 46,860,026	\$ 20,609,243	\$ 18,163,362	\$ 49,305,907	\$ 5,354,048
Business-Type Activities:					
Compensated absences	\$ 35,871	\$ 29,467	\$ 29,934	\$ 35,404	\$ 28,323
Net pension liability (LRS)	31,788	124,590	-	156,378	-
Total business-type activities	\$ 67,659	\$ 154,057	\$ 29,934	\$ 191,782	\$ 28,323

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, 2017

Net Investment in Capital Assets

Net investment in capital assets at June 30, 2017 is computed as follows:

Capital assets, net of accumulated depreciation	\$ 33,115,206
Less capital debt:	
Gross debt	36,537,387
Less:	
School & EDC debt related to assets to which the County does not hold title	<u>(24,618,840)</u>
Net capital debt	<u>11,918,547</u>
 Net investment in capital assets	 <u>\$ 21,196,659</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, 2017, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2017, are summarized below.

	<u>Amount</u>
From the General Fund to the General Capital Project Fund to move lease payments sent by Adhezion Biomedical to the Building Reuse Fund	\$ 13,371
From the Schools Capital Project Fund - Sales Tax to the Public Schools Capital Project Fund to cover architect fees for GFMS that were funded by the new Article 524 sales tax	<u>300,000</u>
Total	<u>\$ 313,371</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, \$8,574,246 of debt issued for this purpose was still outstanding.

The County contributed \$3,498,619 for operating and capital purposes during the fiscal year ended June 30, 2017. In addition, the County made debt service payments of \$1,159,410 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 (the "Council") was established in November 1968 by the County in conjunction with three other counties and twenty-three municipalities. Each participating government appoints one member to the Council's governing board. The Council's financing is derived from voluntary annual dues paid by member governments and from federal and State grants. The County paid dues of \$21,676 to the Council during the fiscal year ended June 30, 2017.

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Blue Ridge Community Action, Inc. (the “BRCA”) is a private, non-profit, tax-exempt organization, which operates various programs providing aid and services to economically disadvantaged, handicapped, and elderly persons. BRCA is supported primarily by federal and State grants and appropriations from local governments. It is governed by a Board of Directors representing the County Commissions of Caldwell County and Burke County, local civic organizations, and communities with a high incidence of poverty. The Caldwell County Board of Commissioners appoints three of the eighteen members of the Board of Directors. For the year ended June 30, 2017, 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, 2017, Caldwell County contributed \$46,774.

5. Benefit Payments Issued by the State

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

	<u>Total Issued</u>	<u>Federal</u>	<u>State</u>
Medical Assistance Program	126,711,761	\$ 83,103,197	\$ 43,608,564
Children's Health Insurance Program	2,043,944	2,031,046	12,898
Special Supplemental Nutrition Program for Women, Infants, and Children	1,258,077	1,258,077	-
Temporary Assistance for Needy Families	152,363	152,363	-
Adoption Assistance	2,791,346	2,228,126	563,220
Foster Care - Title IV-E	1,095,315	849,079	246,236
Chafee Foster Care Independence Program	14,826	14,826	-
Refugee and Entrant Assistance	2,169	2,169	-
CWS Adopt Subsidy & Vendor	340,695	-	340,695
SC/SA Domiciliary Care Payment	510,020	-	510,020
SFHF Maximization	230,159	-	230,159
State Foster Home	181,881	-	181,881
Extended FC/Max Non IV-E	16,374	-	16,374
FC at Risk Maximization	4,652	-	4,652
SAA/SAD HB 1030	32,062	-	32,062
SC/SA Certain Disabled PY	554	-	554
	<u>554</u>	<u>-</u>	<u>554</u>
 Total	 <u>\$ 135,386,198</u>	 <u>\$ 89,638,883</u>	 <u>\$ 45,747,315</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

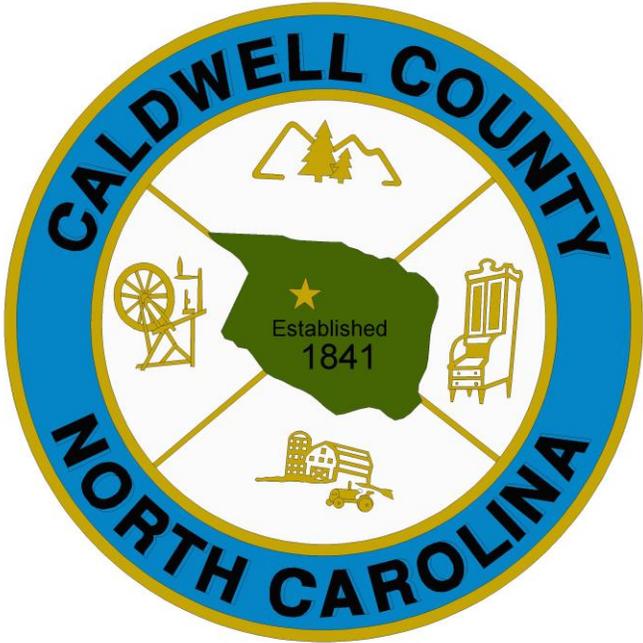
7. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for governmental activities decreased by \$432,575.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- **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**
- **Local Governmental Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset)**
- **Local Governmental Employees' Retirement System – Contributions**
- **Register of Deeds' Supplemental Pension Fund – Proportionate Share of Net Pension Liability (Asset)**
- **Register of Deeds' Supplemental Pension Fund – Contributions**
- **Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability**
- **Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Liability as a Percentage of Covered Payroll**



CALDWELL COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a/c)
12/31/2008	\$ -	\$ 5,065,903	\$ 5,065,903	0.00%	\$ 20,000,963	25.3%
12/31/2010	-	3,478,302	3,478,302	0.00%	19,002,847	18.3%
12/31/2012	-	3,261,657	3,261,657	0.00%	19,241,186	17.0%
12/31/2014	-	2,803,849	2,803,849	0.00%	20,648,750	13.6%
6/30/2016	-	2,656,494	2,656,494	0.00%	19,582,380	13.6%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2012	\$ 455,226	2.63%
2013	283,823	28.86%
2014	283,823	34.04%
2015	269,094	70.10%
2016	257,910	49.21%
2017	219,849	97.51%

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	6/30/2016
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Investment rate of return *	4.00%
Medical trend assumptions:	
Pre-Medicare trend rate	7.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

CALDWELL COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017**

Law Enforcement Officers' Special Separation Allowance

	<u>2017</u>
Beginning balance	\$ 1,338,948
Service cost	78,498
Interest on the total pension liability	47,113
Changes of assumptions or other inputs	(34,077)
Benefit payments	<u>(38,493)</u>
Ending balance of the total pension liability	<u>\$ 1,391,989</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

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

CALDWELL COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
 FOR THE YEAR ENDED JUNE 30, 2017**

Law Enforcement Officers' Special Separation Allowance

	2017
Total pension liability	\$ 1,391,989
Covered payroll	2,924,773
Total pension liability as a percentage of covered payroll	47.59%

Notes to the schedules:

Caldwell County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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

CALDWELL COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Caldwell County's proportion of the net pension liability (asset) (%)	0.36841%	0.35415%	0.34861%	0.34430%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ 7,818,892	\$ 1,589,402	\$ (2,055,915)	\$ 4,150,137
Caldwell County's covered-employee payroll	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605	\$ 17,879,977
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.31%	7.93%	(10.64%)	23.21%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

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

CALDWELL COUNTY, NORTH CAROLINA

**CALDWELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS**

Local Governmental Employees' Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,583,959	\$ 1,426,692	\$ 1,423,076	\$ 1,366,046
Contributions in relation to the contractually required contribution	<u>1,583,959</u>	<u>1,426,692</u>	<u>1,423,076</u>	<u>1,366,046</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Caldwell County's covered-employee payroll	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605
Contributions as a percentage of covered-employee payroll	7.43%	6.81%	7.10%	7.07%

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

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS*****Register of Deeds' Supplemental Pension Fund**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Caldwell County's proportion of the net pension liability (asset) (%)	0.75778%	0.72118%	0.76574%	0.68111%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ (141,675)	\$ (167,130)	\$ (173,562)	\$ (145,485)
Caldwell County's covered-employee payroll	\$ 71,275	\$ 69,845	\$ 68,441	\$ 66,963
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-198.77%	-239.29%	-253.59%	-217.26%
Plan fiduciary net position as a percentage of the total pension liability**	160.17%	197.29%	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

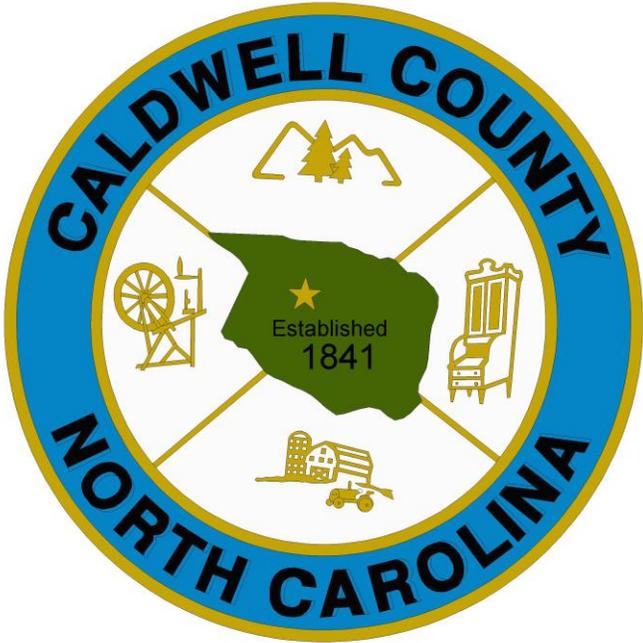
** This will be the same percentage for all participant employers in the ROD plan.

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

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS****Register of Deeds' Supplemental Pension Fund**

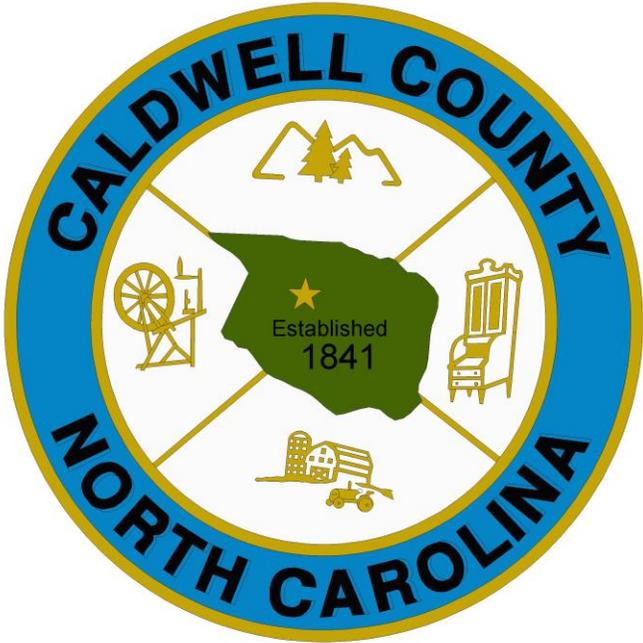
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,827	\$ 6,191	\$ 5,771	\$ 6,252
Contributions in relation to the contractually required contribution	<u>5,827</u>	<u>6,191</u>	<u>5,771</u>	<u>6,252</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Caldwell County's covered-employee payroll	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441
Contributions as a percentage of covered-employee payroll	8.01%	8.69%	8.26%	9.13%

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



THE GENERAL FUND

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



CALDWELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 40,829,495	\$ 42,165,841	\$ 1,336,346
Local Option Sales Tax:			
Article 39 one percent	3,000,000	2,862,440	(137,560)
Article 40 one-half of one percent	2,750,000	2,977,180	227,180
Article 42 one-half of one percent	450,000	284,436	(165,564)
Article 44 one-half of one percent	-	36	36
Total	<u>6,200,000</u>	<u>6,124,092</u>	<u>(75,908)</u>
Other Taxes and Licenses:			
Real estate transfer tax	165,000	177,625	12,625
Local occupancy tax	130,000	117,735	(12,265)
Scrap tire tax	109,500	109,380	(120)
White goods tax	35,000	31,264	(3,736)
Schedule B licenses	7,500	2,737	(4,763)
Gross receipts tax	3,000	3,530	530
Total	<u>450,000</u>	<u>442,271</u>	<u>(7,729)</u>
Unrestricted Intergovernmental:			
Payment in lieu of taxes	120,000	124,901	4,901
State hold-harmless reimbursement	-	335,261	335,261
Cable franchise tax	395,000	389,006	(5,994)
Soft cost reimbursement	37,331	37,331	-
EDC occupancy tax	12,000	23,050	11,050
Total	<u>564,331</u>	<u>909,549</u>	<u>345,218</u>
Restricted Intergovernmental:			
Federal and State aid - health	2,739,973	3,207,203	467,230
Federal and State aid - social services	13,396,469	12,584,621	(811,848)
Federal and State aid - law enforcement	412,631	415,688	3,057
Federal and State aid - library	131,850	139,211	7,361
Federal and State aid - miscellaneous	280,000	152,182	(127,818)

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Federal and State aid - JCPC	203,226	203,599	373
Federal and State aid - ambulance	200,000	241,373	41,373
Federal and State shared - controlled substance	85,895	52,841	(33,054)
Court facility fees	135,000	135,655	655
ABC revenue	16,000	15,567	(433)
Total	<u>17,601,044</u>	<u>17,147,940</u>	<u>(453,104)</u>
Permits and Fees:			
Inspection department	250,000	244,242	(5,758)
Marriage license	12,000	12,537	537
Environmental fees	56,000	72,885	16,885
Civil fees	125,000	107,896	(17,104)
Weapons permits	122,000	157,010	35,010
Register of Deeds	330,000	307,853	(22,147)
Miscellaneous	3,000	6,829	3,829
Total	<u>898,000</u>	<u>909,252</u>	<u>11,252</u>
Sales and Services:			
Home health receipts	5,000	-	(5,000)
Ambulance fees	2,650,000	2,734,281	84,281
Animal control	47,000	47,087	87
Jail fees	1,200,000	604,933	(595,067)
Jail commissary	30,000	59,467	29,467
Sheriff collection fees	2,000	781	(1,219)
Health Department fees	155,000	204,388	49,388
Household fees	675,000	685,142	10,142
Republic host fees	800,000	905,007	105,007
E911 services	73,000	73,000	-
Library fines and fees	30,000	18,464	(11,536)
Collection fees - special tax districts and towns	15,000	14,637	(363)
Miscellaneous	52,872	89,455	36,583
Total	<u>5,734,872</u>	<u>5,436,642</u>	<u>(298,230)</u>
Investment Earnings	<u>10,000</u>	<u>19,855</u>	<u>9,855</u>

CALDWELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Miscellaneous:			
Contributions	113,937	135,178	21,241
Other	165,414	360,533	195,119
Total	<u>279,351</u>	<u>495,711</u>	<u>216,360</u>
 Total revenues	 <u>72,567,093</u>	 <u>73,651,153</u>	 <u>1,084,060</u>
Expenditures:			
General Government:			
Administration:			
Salaries and benefits	360,762	360,761	
Operating expenditures	174,442	150,777	
Total	<u>535,204</u>	<u>511,538</u>	<u>23,666</u>
Board of Elections:			
Salaries and benefits	156,018	158,177	
Operating expenditures	239,560	161,840	
Total	<u>395,578</u>	<u>320,017</u>	<u>75,561</u>
Register of Deeds:			
Salaries and benefits	367,035	352,930	
Operating expenditures	137,600	116,517	
Total	<u>504,635</u>	<u>469,447</u>	<u>35,188</u>
Finance:			
Salaries and benefits	359,473	352,451	
Operating expenditures	82,094	61,671	
Total	<u>441,567</u>	<u>414,122</u>	<u>27,445</u>
Information Services:			
Salaries and benefits	469,215	453,252	
Operating expenditures	450,146	345,885	
Capital outlay	106,625	52,921	
Total	<u>1,025,986</u>	<u>852,058</u>	<u>173,928</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Scanning:			
Salaries and benefits	108,160	102,624	
Operating expenditures	<u>22,000</u>	<u>6,254</u>	
Total	<u>130,160</u>	<u>108,878</u>	<u>21,282</u>
Tax Administrator:			
Salaries and benefits	517,881	502,298	
Operating expenditures	<u>422,132</u>	<u>321,066</u>	
Total	<u>940,013</u>	<u>823,364</u>	<u>116,649</u>
Revaluation:			
Salaries and benefits	220,684	212,796	
Operating expenditures	<u>67,396</u>	<u>42,758</u>	
Total	<u>288,080</u>	<u>255,554</u>	<u>32,526</u>
Public Information:			
Salaries and benefits	102,877	102,011	
Operating expenditures	<u>40,796</u>	<u>19,661</u>	
Total	<u>143,673</u>	<u>121,672</u>	<u>22,001</u>
Building Maintenance:			
Salaries and benefits	253,061	227,903	
Operating expenditures	395,376	342,425	
Capital outlay	<u>167,271</u>	<u>67,132</u>	
Total	<u>815,708</u>	<u>637,460</u>	<u>178,248</u>
Land Records:			
Salaries and benefits	119,306	116,981	
Operating expenditures	<u>39,600</u>	<u>35,052</u>	
Total	<u>158,906</u>	<u>152,033</u>	<u>6,873</u>
Human Resources:			
Salaries and benefits	223,135	220,372	
Operating expenditures	<u>47,857</u>	<u>38,746</u>	
Total	<u>270,992</u>	<u>259,118</u>	<u>11,874</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Veterans Administration:			
Salaries and benefits	117,894	106,371	
Operating expenditures	9,937	7,737	
Total	<u>127,831</u>	<u>114,108</u>	<u>13,723</u>
Special Services:			
Law Library - courthouse	5,000	1,633	3,367
Institute of Government	8,500	8,425	75
Western Piedmont Council of Governments	21,677	21,677	-
Unemployment compensation	100,000	11,392	88,608
Insurance - building and equipment	320,000	324,044	(4,044)
City of Lenoir - McLean	5,000	5,000	-
Insurance reserve	700,000	622,824	77,176
Retiree health insurance	225,000	214,364	10,636
Administrative expenses	(128,908)	-	(128,908)
Community Service Program	6,000	6,141	(141)
Customer service training	20,000	11,700	8,300
Taxes, other	6,000	6,516	(516)
Total	<u>1,288,269</u>	<u>1,233,716</u>	<u>54,553</u>
Total general government	<u>7,066,602</u>	<u>6,273,085</u>	<u>793,517</u>
Public Safety:			
Animal Control:			
Salaries and benefits	404,254	382,916	
Operating expenditures	183,400	145,692	
Total	<u>587,654</u>	<u>528,608</u>	<u>59,046</u>
Sheriff's Department:			
Salaries and benefits	325,408	296,724	
Operating expenditures	357,337	319,829	
Capital outlay	33,300	32,188	
Total	<u>716,045</u>	<u>648,741</u>	<u>67,304</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Patrol Division:			
Salaries and benefits	1,729,268	1,726,019	
Operating expenditures	405,195	266,034	
Total	<u>2,134,463</u>	<u>1,992,053</u>	<u>142,410</u>
Investigative Division:			
Salaries and benefits	990,530	956,202	
Operating expenditures	147,831	105,049	
Capital outlay	11,783	11,783	
Total	<u>1,150,144</u>	<u>1,073,034</u>	<u>77,110</u>
Support Division:			
Salaries and benefits	583,191	576,560	
Operating expenditures	133,095	98,505	
Capital outlay	263,275	258,984	
Total	<u>979,561</u>	<u>934,049</u>	<u>45,512</u>
Reserve Division:			
Salaries and benefits	36,091	35,525	
Operating expenditures	3,000	810	
Total	<u>39,091</u>	<u>36,335</u>	<u>2,756</u>
County Jail and Building:			
Salaries and benefits	2,101,792	1,974,802	
Operating expenditures	1,412,625	1,202,490	
Capital outlay	23,743	15,755	
Total	<u>3,538,160</u>	<u>3,193,047</u>	<u>345,113</u>
School Resource Officer:			
Salaries and benefits	352,122	351,604	
Operating expenditures	29,862	20,873	
Total	<u>381,984</u>	<u>372,477</u>	<u>9,507</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Emergency Medical Services:			
Salaries and benefits	3,747,827	3,795,003	
Operating expenditures	874,208	793,830	
Capital outlay	120,532	120,532	
Total	<u>4,742,567</u>	<u>4,709,365</u>	<u>33,202</u>
Emergency Management:			
Salaries and benefits	94,364	93,655	
Operating expenditures	188,850	169,700	
Total	<u>283,214</u>	<u>263,355</u>	<u>19,859</u>
Fire Marshal:			
Salaries and benefits	147,885	147,004	
Operating expenditures	78,550	74,506	
Total	<u>226,435</u>	<u>221,510</u>	<u>4,925</u>
Communications Center:			
Salaries and benefits	1,000,020	941,806	
Operating expenditures	446,000	401,551	
Capital outlay	78,248	77,468	
Total	<u>1,524,268</u>	<u>1,420,825</u>	<u>103,443</u>
Special Services:			
Appreciation event	10,000	6,805	3,195
Court reform expense	4,047	3,962	85
Crime Stoppers	3,600	3,600	-
COOP Plan	2,800	2,800	-
PILT sharing	36,000	36,545	(545)
Forest contract - NC State	117,385	119,680	(2,295)
Total	<u>173,832</u>	<u>173,392</u>	<u>440</u>
Total public safety	<u>16,477,418</u>	<u>15,566,791</u>	<u>910,627</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental Protection:			
Convenience Center:			
Salaries and benefits	211,097	200,255	
Operating expenditures	380,000	339,274	
Total	<u>591,097</u>	<u>539,529</u>	<u>51,568</u>
Total environmental protection	<u>591,097</u>	<u>539,529</u>	<u>51,568</u>
Economic and Physical Development:			
Planning and Development:			
Salaries and benefits	135,906	130,463	
Operating expenditures	37,661	36,023	
Total	<u>173,567</u>	<u>166,486</u>	<u>7,081</u>
Building Inspection:			
Salaries and benefits	339,908	308,693	
Operating expenditures	53,150	37,820	
Total	<u>393,058</u>	<u>346,513</u>	<u>46,545</u>
Cooperative Extension:			
Salaries and benefits	43,297	33,065	
Operating expenditures	172,268	171,986	
Total	<u>215,565</u>	<u>205,051</u>	<u>10,514</u>
Soil and Water Conservation:			
Salaries and benefits	100,721	100,483	
Operating expenditures	31,480	30,481	
Total	<u>132,201</u>	<u>130,964</u>	<u>1,237</u>
Economic Development:			
Salaries and benefits	152,173	150,459	
Operating expenditures	242,050	212,160	
Total	<u>394,223</u>	<u>362,619</u>	<u>31,604</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Economic development incentives	5,226,900	4,273,959	
Occupancy tax expenditures	130,000	117,735	
Caldwell Railroad Commission	3,754	3,754	
Foothills Regional Airport Authority	81,774	72,888	
Total	<u>5,442,428</u>	<u>4,468,336</u>	974,092
Total economic and physical development	<u>6,751,042</u>	<u>5,679,969</u>	1,071,073
Human Services:			
Human Services Building:			
Salaries and benefits	112,424	89,457	
Operating expenditures	180,385	154,905	
Total	<u>292,809</u>	<u>244,362</u>	48,447
Health:			
Health Support:			
Salaries and benefits	493,049	465,901	
Operating expenditures	267,968	137,692	
Total	<u>761,017</u>	<u>603,593</u>	157,424
Environmental Health:			
Salaries and benefits	317,661	314,475	
Operating expenditures	40,098	30,981	
Total	<u>357,759</u>	<u>345,456</u>	12,303
Women's Health:			
Salaries and benefits	422,602	420,124	
Operating expenditures	43,920	34,382	
Total	<u>466,522</u>	<u>454,506</u>	12,016
Child Health:			
Salaries and benefits	750,101	741,958	
Operating expenditures	31,820	17,368	
Total	<u>781,921</u>	<u>759,326</u>	22,595

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Dental Health:			
Salaries and benefits	231,988	202,376	
Operating expenditures	42,376	26,758	
Capital outlay	49,949	49,949	
Total	<u>324,313</u>	<u>279,083</u>	45,230
Clinic:			
Salaries and benefits	1,457,748	1,349,470	
Operating expenditures	390,906	266,750	
Total	<u>1,848,654</u>	<u>1,616,220</u>	232,434
Home Health:			
Operating expenditures	5,000	-	
Total	<u>5,000</u>	-	5,000
Women, Infants, and Children:			
Salaries and benefits	354,399	333,149	
Operating expenditures	12,110	11,110	
Total	<u>366,509</u>	<u>344,259</u>	22,250
Total health	<u>4,911,695</u>	<u>4,402,443</u>	509,252
Social Services:			
Administration:			
Salaries and benefits	8,142,236	7,864,496	
Operating expenditures	628,100	526,367	
Total	<u>8,770,336</u>	<u>8,390,863</u>	379,473
Public Assistance:			
Adult resources	888,178	717,571	
Child resources	6,834,140	6,312,641	
Temporary resources	791,690	771,874	
Medicaid	775,000	633,806	
Total	<u>9,289,008</u>	<u>8,435,892</u>	853,116
Total social services	<u>18,059,344</u>	<u>16,826,755</u>	1,232,589

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Medical examiner	80,000	74,500	5,500
Mental health	120,138	119,705	433
Sheltered home	8,500	8,500	-
Council on Adolescent Health	12,000	12,000	-
Food for the Elderly	13,473	13,473	-
Senior Center	5,000	5,000	-
Adolescent Substance Abuse	20,099	20,099	-
Psychological services	21,416	21,416	-
Youthful Sex Offender Services	39,000	39,000	-
Peace Pipeline	23,104	23,104	-
Juvenile Justice Intervention	3,354	3,354	-
Parents and Adolescents	14,607	14,607	-
Miscellaneous CBA expenditures	12,259	11,503	756
Caldwell House	6,000	6,000	-
Project Challenge	68,112	68,112	-
Baptist Children's Home	4,629	4,629	-
Integrated Human Services	500	500	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	21,062	21,062	-
Rural Planning Organization	32,506	30,000	2,506
Western Piedmont Regional Transit Authority	38,246	38,246	-
Robin's Nest	10,000	10,000	-
Total	<u>561,505</u>	<u>552,310</u>	<u>9,195</u>
 Total human services	 <u>23,825,353</u>	 <u>22,025,870</u>	 <u>1,799,483</u>
Cultural and Recreational:			
Library:			
Salaries and benefits	922,981	853,351	
Operating expenditures	<u>419,465</u>	<u>415,202</u>	
Total	<u>1,342,446</u>	<u>1,268,553</u>	<u>73,893</u>
Library Buildings:			
Operating expenditures	<u>36,700</u>	<u>27,263</u>	
Total	<u>36,700</u>	<u>27,263</u>	<u>9,437</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
County Parks and Recreation:			
Wilson's Creek Center	41,600	32,936	
Total	<u>41,600</u>	<u>32,936</u>	<u>8,664</u>
Special Services:			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
Baton Ruritan Park	8,000	8,000	-
Oak Hill Park	9,628	9,628	-
Collettsville Park	18,114	18,114	-
Wilson's Creek Visitor Center	2,280	3,981	(1,701)
North Catawba Optimist Park	14,500	14,500	-
Kings Creek Community Athletic	1,500	1,500	-
Gamewell Optimist Club	3,500	3,500	-
Fort Defiance	3,500	3,500	-
Total	<u>65,022</u>	<u>66,723</u>	<u>(1,701)</u>
Total cultural and recreational	<u>1,485,768</u>	<u>1,395,475</u>	<u>90,293</u>
Education:			
Public Schools:			
Current expense	14,890,000	14,810,575	
Total	<u>14,890,000</u>	<u>14,810,575</u>	<u>79,425</u>
Community College:			
Current expense	3,353,619	3,346,302	
Capital outlay	180,000	180,000	
Total	<u>3,533,619</u>	<u>3,526,302</u>	<u>7,317</u>
Education Foundation	<u>11,520</u>	<u>11,520</u>	<u>-</u>
Communities in Schools	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total education	<u>18,468,139</u>	<u>18,381,397</u>	<u>86,742</u>

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Debt Service:			
Principal retirement	2,822,167	2,803,750	18,417
Interest and fees	553,559	571,975	(18,416)
Total debt service	<u>3,375,726</u>	<u>3,375,725</u>	<u>1</u>
Contingency	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>78,241,145</u>	<u>73,237,841</u>	<u>5,003,304</u>
Revenues over (under) expenditures	<u>(5,674,052)</u>	<u>413,312</u>	<u>6,087,364</u>
Other Financing Sources (Uses):			
Transfers:			
From (to) other funds	(13,371)	(13,371)	-
Proceeds from sale of capital assets	39,675	66,203	26,528
Appropriated fund balance	5,647,748	-	(5,647,748)
Total other financing sources (uses)	<u>5,674,052</u>	<u>52,832</u>	<u>(5,621,220)</u>
Net change in fund balance	<u>\$ -</u>	<u>466,144</u>	<u>\$ 466,144</u>
Fund Balance:			
Beginning of year - July 1		<u>13,427,606</u>	
End of year - June 30		<u>\$ 13,893,750</u>	



PUBLIC SCHOOLS CAPITAL PROJECT FUND

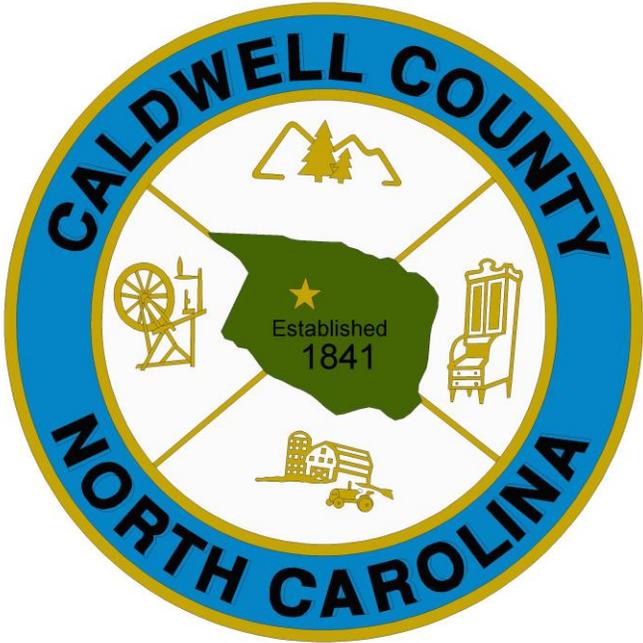
This fund is used to track the costs associated with the renovations of existing schools.



CALDWELL COUNTY, NORTH CAROLINA

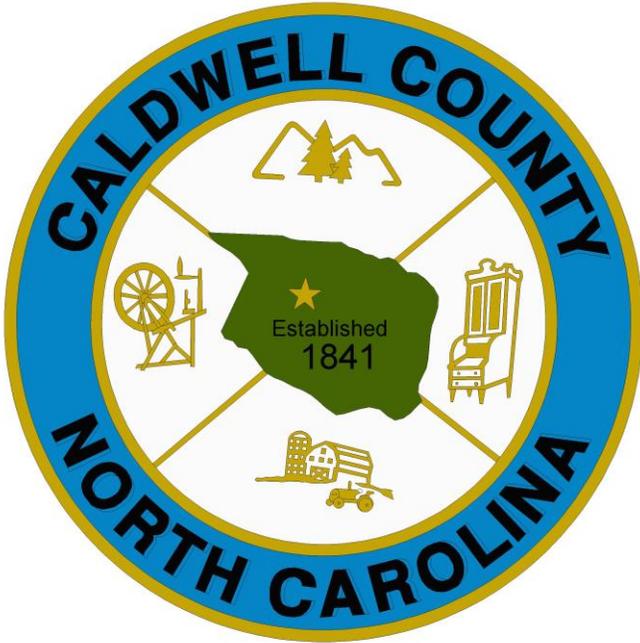
PUBLIC SCHOOLS CAPITAL PROJECT FUND - MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted intergovernmental:				
ADM funds	\$ 267,691	\$ 153,136	\$ 2,917	\$ 156,053
Public school lottery funds	3,981,184	1,645,119	615,529	2,260,648
Investment earnings	1,799	6,007	202	6,209
Total revenues	<u>4,250,674</u>	<u>1,804,262</u>	<u>618,648</u>	<u>2,422,910</u>
Expenditures:				
Capital outlay:				
Education:				
Sawmills Elementary improvements:				
Design fees	300,000	-	-	-
William Lenoir Middle improvements:				
Equipment and construction	14,452,861	14,231,133	-	14,231,133
School improvements - ADM	267,691	153,136	2,917	156,053
School improvements - lottery	3,981,184	1,645,119	615,529	2,260,648
Debt service:				
Interest and fees	<u>100,000</u>	<u>75,575</u>	<u>-</u>	<u>75,575</u>
Total expenditures	<u>19,101,736</u>	<u>16,104,963</u>	<u>618,446</u>	<u>16,723,409</u>
Revenues over (under) expenditures	<u>(14,851,062)</u>	<u>(14,300,701)</u>	<u>202</u>	<u>(14,300,499)</u>
Other Financing Sources (Uses):				
Installment purchase financing issued	14,500,000	14,546,908	-	14,546,908
Appropriated fund balance	51,062	-	-	-
Transfers:				
From Schools Capital Project Fund - sales tax	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total other financing sources (uses)	<u>14,851,062</u>	<u>14,546,908</u>	<u>300,000</u>	<u>14,846,908</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 246,207</u>	<u>\$ 300,202</u>	<u>\$ 546,409</u>



SALES TAX REINVESTMENT FUND

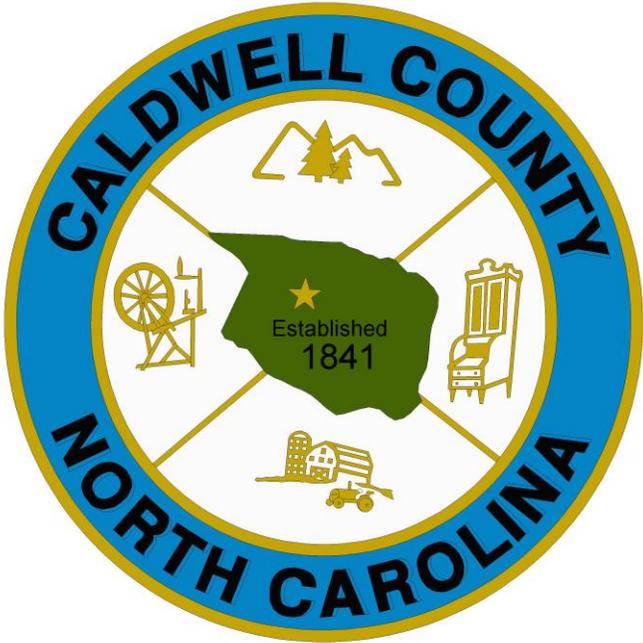
This fund accounts for contributions of a portion of sales tax revenues from five municipalities to be used for the common good of the County and its citizens, primarily for economic development purposes.



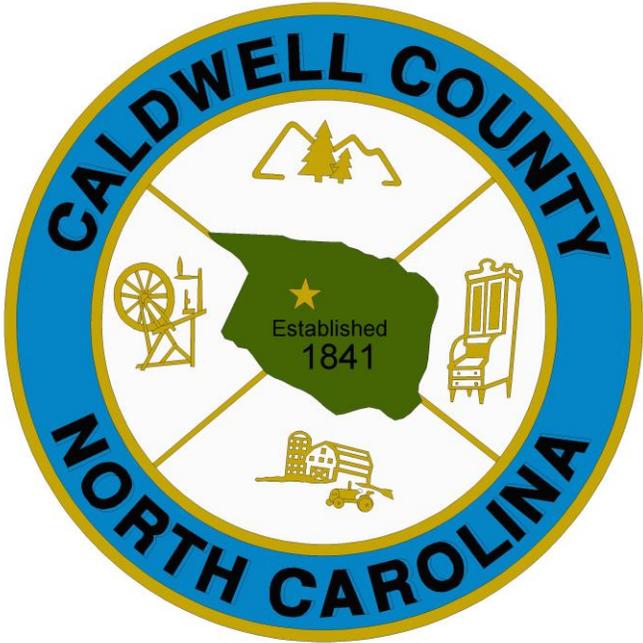
CALDWELL COUNTY, NORTH CAROLINA

**SPECIAL REVENUE FUND - SALES TAX REINVESTMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental:			
Local municipalities	\$ 867,000	\$ 867,000	\$ -
Other unrestricted revenue	-	4,000	4,000
Restricted intergovernmental	-	509,979	509,979
Investment earnings	-	4,752	4,752
Total revenues	<u>867,000</u>	<u>1,385,731</u>	<u>518,731</u>
Expenditures:			
Economic development:			
Commercial retail development	12,000	12,000	-
Economic development incentive	2,855,000	197,500	2,657,500
Grant expenditures	-	351,229	(351,229)
Total expenditures	<u>2,867,000</u>	<u>560,729</u>	<u>2,306,271</u>
Revenues over (under) expenditures	(2,000,000)	825,002	2,825,002
Other Financing Sources (Uses):			
Appropriated fund balance	<u>2,000,000</u>	-	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	825,002	<u>\$ 825,002</u>
Fund Balance:			
Beginning of year - July 1		<u>3,958,397</u>	
End of year - June 30		<u>\$ 4,783,399</u>	



COMBINING STATEMENTS FOR NONMAJOR FUNDS



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

	Special Revenue Fund <u>(Schedule D-1)</u>	Capital Project Fund <u>(Schedule E-1)</u>	Total Nonmajor Governmental Funds <u>(Exhibit C)</u>
Assets:			
Cash and cash equivalents	\$ 292,424	\$ 440,432	\$ 732,856
Taxes receivable - net	286,415	-	286,415
Accounts receivable	33,041	1,049,507	1,082,548
Due from other governments	23,714	20,310	44,024
Total assets	<u>\$ 635,594</u>	<u>\$ 1,510,249</u>	<u>\$ 2,145,843</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 22,808	\$ 1,240	\$ 24,048
Total liabilities	<u>22,808</u>	<u>1,240</u>	<u>24,048</u>
Deferred Inflows of Resources:			
Property taxes receivable	286,415	-	286,415
Total deferred inflows of resources	<u>286,415</u>	<u>-</u>	<u>286,415</u>
Fund Balances:			
Restricted:			
Stabilization for State statute	56,755	1,069,817	1,126,572
Restricted, all other	269,675	22,626	292,301
Committed	-	416,566	416,566
Unassigned	(59)	-	(59)
Total fund balances	<u>326,371</u>	<u>1,509,009</u>	<u>1,835,380</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 635,594</u>	<u>\$ 1,510,249</u>	<u>\$ 2,145,843</u>

CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Fund (Schedule D-2)	Capital Project Fund (Schedule E-2)	Total Nonmajor Governmental Funds (Exhibit D)
Revenues:			
Ad valorem taxes	\$ 3,944,228	\$ -	\$ 3,944,228
Local option sales tax	-	4,293,706	4,293,706
Restricted intergovernmental	423,597	522,469	946,066
Investment earnings	740	5,010	5,750
Miscellaneous	-	7,640	7,640
Total revenues	<u>4,368,565</u>	<u>4,828,825</u>	<u>9,197,390</u>
Expenditures:			
Current:			
Public safety	4,703,733	7,688	4,711,421
Environmental protection	-	29,925	29,925
Economic and physical development	-	206,834	206,834
Education	-	1,636,789	1,636,789
Human services	-	794,118	794,118
Debt service:			
Principal retirement	-	1,605,058	1,605,058
Interest and fees	-	629,462	629,462
Total expenditures	<u>4,703,733</u>	<u>4,909,874</u>	<u>9,613,607</u>
Revenues over (under) expenditures	<u>(335,168)</u>	<u>(81,049)</u>	<u>(416,217)</u>
Other Financing Sources (Uses):			
Long-term debt issued	-	12,639,000	12,639,000
Payment on refinanced debt	-	(12,428,000)	(12,428,000)
Transfers:			
From (to) General Fund	-	13,371	13,371
From (to) Public Schools Capital Project Fund	-	(300,000)	(300,000)
Total other financing sources (uses)	<u>-</u>	<u>(75,629)</u>	<u>(75,629)</u>
Net change in fund balances	(335,168)	(156,678)	(491,846)
Fund Balances:			
Beginning of the year - July 1	<u>661,539</u>	<u>1,665,687</u>	<u>2,327,226</u>
End of year - June 30	<u>\$ 326,371</u>	<u>\$ 1,509,009</u>	<u>\$ 1,835,380</u>

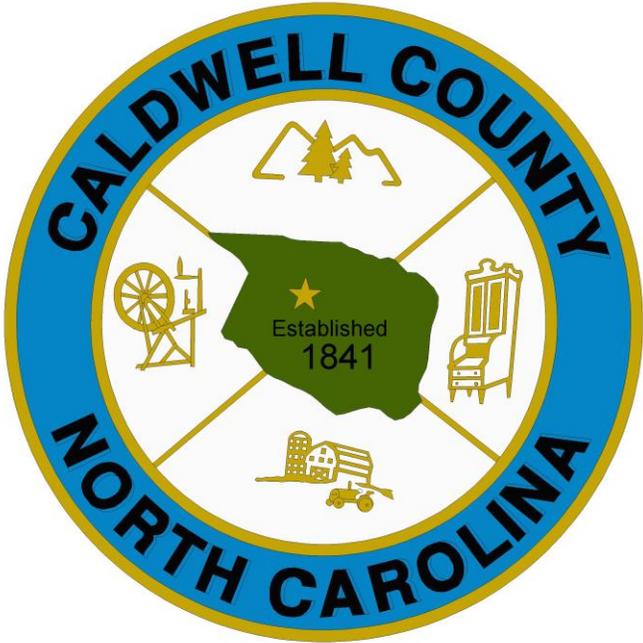
NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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



CALDWELL COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Fire Districts Fund	Rescue Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 22,748	\$ 44,094	\$ 225,582	\$ 292,424
Taxes receivable - net	253,130	33,285	-	286,415
Accounts receivable	-	-	33,041	33,041
Due from other governments	-	-	23,714	23,714
Total assets	<u>\$ 275,878</u>	<u>\$ 77,379</u>	<u>\$ 282,337</u>	<u>\$ 635,594</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 22,807	\$ 1	\$ -	\$ 22,808
Total liabilities	<u>22,807</u>	<u>1</u>	<u>-</u>	<u>22,808</u>
Deferred Inflows of Resources:				
Property taxes receivable	253,130	33,285	-	286,415
Total deferred inflows of resources	<u>253,130</u>	<u>33,285</u>	<u>-</u>	<u>286,415</u>
Fund Balances:				
Restricted:				
Stabilization for State statute	-	-	56,755	56,755
Restricted, all other	-	44,093	225,582	269,675
Unassigned	(59)	-	-	(59)
Total fund balances	<u>(59)</u>	<u>44,093</u>	<u>282,337</u>	<u>326,371</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 275,878</u>	<u>\$ 77,379</u>	<u>\$ 282,337</u>	<u>\$ 635,594</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, 2017**

	<u>Fire Districts Fund</u>	<u>Rescue Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
Ad valorem taxes	\$ 3,374,795	\$ 569,433	\$ -	\$ 3,944,228
Restricted intergovernmental	-	-	423,597	423,597
Investment earnings	148	231	361	740
Total revenues	<u>3,374,943</u>	<u>569,664</u>	<u>423,958</u>	<u>4,368,565</u>
Expenditures:				
Public safety	<u>3,374,910</u>	<u>785,015</u>	<u>543,808</u>	<u>4,703,733</u>
Total expenditures	<u>3,374,910</u>	<u>785,015</u>	<u>543,808</u>	<u>4,703,733</u>
Net change in fund balances	33	(215,351)	(119,850)	(335,168)
Fund Balances:				
Beginning of year - July 1	<u>(92)</u>	<u>259,444</u>	<u>402,187</u>	<u>661,539</u>
End of year - June 30	<u>\$ (59)</u>	<u>\$ 44,093</u>	<u>\$ 282,337</u>	<u>\$ 326,371</u>

CALDWELL COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 3,406,162	\$ 3,374,795	\$ (31,367)
Investment earnings	520	148	(372)
Total revenues	<u>3,406,682</u>	<u>3,374,943</u>	<u>(31,739)</u>
Expenditures:			
Public safety:			
Bethlehem Fire District	9,604	6,802	2,802
Blowing Rock Fire District	96,317	88,576	7,741
Collettsville Fire District	227,581	222,461	5,120
Gamewell Fire District	327,145	324,970	2,175
Grace Chapel Fire District	383,871	380,935	2,936
Granite Falls Fire District	96,949	92,951	3,998
Gunpowder Fire District	490,065	493,457	(3,392)
Kings Creek Fire District	168,608	164,675	3,933
Little River Fire District	192,067	191,911	156
North Catawba Fire District	628,278	629,608	(1,330)
Patterson Fire District	211,629	208,744	2,885
Sawmills Fire District	366,591	364,964	1,627
Valmead Fire District	143,927	142,227	1,700
Yadkin Fire District	64,050	62,629	1,421
Total expenditures	<u>3,406,682</u>	<u>3,374,910</u>	<u>31,772</u>
Net change in fund balance	<u>\$ -</u>	33	<u>\$ 33</u>
Fund Balance:			
Beginning of year - July 1		<u>(92)</u>	
End of year - June 30		<u>\$ (59)</u>	

CALDWELL COUNTY, NORTH CAROLINA

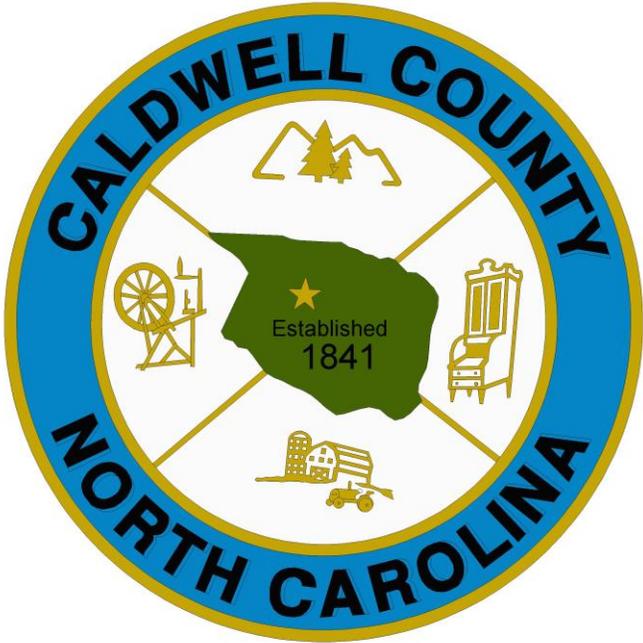
SPECIAL REVENUE FUND - RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 513,500	\$ 569,433	\$ 55,933
Investment earnings	-	231	231
Total revenues	<u>513,500</u>	<u>569,664</u>	<u>56,164</u>
Expenditures:			
Public safety	<u>811,500</u>	<u>785,015</u>	<u>26,485</u>
Revenues over (under) expenditures	(298,000)	(215,351)	82,649
Other Financing Sources (Uses):			
Appropriated fund balance	<u>298,000</u>	-	<u>(298,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(215,351)</u>	<u>\$ (215,351)</u>
Fund Balance:			
Beginning of year - July 1		<u>259,444</u>	
End of year - June 30		<u>\$ 44,093</u>	

CALDWELL COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
911 funds	\$ 402,062	\$ 396,498	\$ (5,564)
Grant revenue	-	27,099	27,099
Investment earnings	-	361	361
Total revenues	<u>402,062</u>	<u>423,958</u>	<u>21,896</u>
Expenditures:			
Public safety:			
Implemental functions	10,000	8,491	1,509
Telephone	110,000	88,088	21,912
Software maintenance	25,000	12,500	12,500
Hardware maintenance	225,000	226,110	(1,110)
Training	8,000	565	7,435
Capital outlay	<u>208,074</u>	<u>208,054</u>	<u>20</u>
Total expenditures	<u>586,074</u>	<u>543,808</u>	<u>42,266</u>
Revenues over (under) expenditures	(184,012)	(119,850)	64,162
Other Financing Sources (Uses):			
Appropriated fund balance	<u>184,012</u>	<u>-</u>	<u>(184,012)</u>
Net change in fund balance	<u>\$ -</u>	<u>(119,850)</u>	<u>\$ (119,850)</u>
Fund Balance:			
Beginning of year - July 1		<u>402,187</u>	
End of year - June 30		<u>\$ 282,337</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.

General Capital Project Fund - This fund includes the following individual projects:

The EMS Base Renovations Project - This project will construct two new EMS bases to serve the Lenoir area. One will be located in Lower Creek near the intersection of Highways 90 and 18. The other will be located in Valmead near Highway 321 just behind Valmead Elementary School. The County anticipates borrowing approximately \$1.5 million to complete both of these bases.

The HHS Building Road Project - This project will provide a new entrance road to the government campus on Morganton Boulevard. This new road will service both the human services building and the sheriff's office. It will also help take some traffic away from the mental health facility. So far, land has been purchased for this purpose but construction has not yet started.

The Mental Health Expansion Project - This project will build and expansion on to the existing mental health facility. This extra space will provide additional beds and make possible treatment for acute cases of mental illness and substance abuse. This project is funded by a loan from the North Carolina State Housing Authority and a grant from the former Foothills Mental Health.

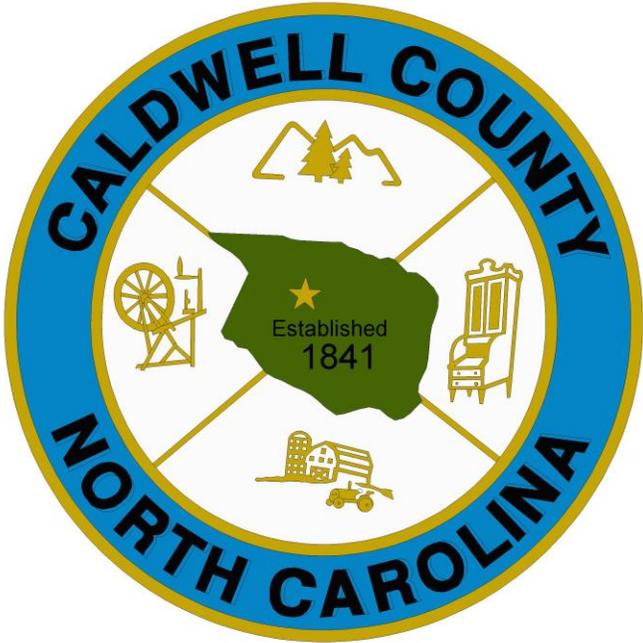
The Harpertown House Sale Funds Project - The County completed the Harpertown project a few years ago which included the construction of new homes for low income individuals. One of the houses the County owned as a result of the project was sold and the proceeds of this sale are set aside in this new project which will be used to fund repairs and maintenance to the community that originally benefited from the first Harpertown Project.

The Ground Water Monitoring Project - These are funds set aside years ago after the closing of the old landfill site on Mount Herman. The County uses these funds to perform testing of the ground water around the old site so that it may detect any environmental issues.

Flood Prone Area Grant Project – This project uses grant funds to purchase two properties that are located in areas vulnerable to flooding. The existing structures on the properties will be demolished and nothing will be built on them in the future. Both of these properties were damaged in recent flooding events.

The Site Clearing Fund Project - This project consists of funds set aside to assist private property owners with the removal of old commercial buildings in an effort to make them more marketable to new businesses which might locate here. So far no funds have been spent but the county continues to set aside funds for this purpose every year.

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



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2017

	Schools Capital Project Fund Sales Tax	General Capital Project Fund	Total
Assets:			
Cash and cash equivalents	\$ 22,626	\$ 417,806	\$ 440,432
Accounts receivable	802,951	246,556	1,049,507
Due from other governments	-	20,310	20,310
Total assets	<u>\$ 825,577</u>	<u>\$ 684,672</u>	<u>\$ 1,510,249</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 1,240	\$ 1,240
Total liabilities	<u>-</u>	<u>1,240</u>	<u>1,240</u>
Fund Balances:			
Restricted:			
Stabilization for State statute	802,951	266,866	1,069,817
Restricted, all other	22,626	-	22,626
Committed	-	416,566	416,566
Total fund balances	<u>825,577</u>	<u>683,432</u>	<u>1,509,009</u>
Total liabilities and fund balances	<u>\$ 825,577</u>	<u>\$ 684,672</u>	<u>\$ 1,510,249</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, 2017

	Schools Capital Project Fund Sales Tax	General Capital Project Fund	Total
Revenues:			
Local option sales tax	\$ 3,525,273	\$ 768,433	\$ 4,293,706
Restricted intergovernmental	386,678	135,791	522,469
Investment earnings	4,877	133	5,010
Miscellaneous revenue	-	7,640	7,640
Total revenues	<u>3,916,828</u>	<u>911,997</u>	<u>4,828,825</u>
Expenditures:			
Capital outlay:			
Education	1,636,789	-	1,636,789
Public safety	-	7,688	7,688
Human services	-	794,118	794,118
Economic and physical development	-	206,834	206,834
Environmental protection	-	29,925	29,925
Debt service:			
Principal retirement	1,605,058	-	1,605,058
Interest and fees	629,462	-	629,462
Total expenditures	<u>3,871,309</u>	<u>1,038,565</u>	<u>4,909,874</u>
Revenues over (under) expenditures	<u>45,519</u>	<u>(126,568)</u>	<u>(81,049)</u>
Other Financing Sources (Uses):			
Long-term debt issued	12,639,000	-	12,639,000
Payment on refunded debt	(12,428,000)	-	(12,428,000)
Transfers:			
From (to) General Fund	-	13,371	13,371
From (to) capital project funds	(300,000)	-	(300,000)
Total other financing sources (uses)	<u>(89,000)</u>	<u>13,371</u>	<u>(75,629)</u>
Net change in fund balances	(43,481)	(113,197)	(156,678)
Fund Balances:			
Beginning of year - July 1	<u>869,058</u>	<u>796,629</u>	<u>1,665,687</u>
End of year - June 30	<u>\$ 825,577</u>	<u>\$ 683,432</u>	<u>\$ 1,509,009</u>

CALDWELL COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL PROJECT FUND - SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Local option sales tax	\$ 3,700,000	\$ 3,525,273	\$ (174,727)
Restricted intergovernmental revenues:			
Public school lottery	386,678	386,678	-
Investment earnings	-	4,877	4,877
Total revenues	<u>4,086,678</u>	<u>3,916,828</u>	<u>(169,850)</u>
Expenditures:			
Capital outlay:			
Education:			
School improvements - sales tax	1,763,158	1,636,789	126,369
Debt service:			
Principal retirement	1,605,058	1,605,058	-
Interest and fees	682,229	629,462	52,767
Total expenditures	<u>4,050,445</u>	<u>3,871,309</u>	<u>179,136</u>
Revenues over (under) expenditures	<u>36,233</u>	<u>45,519</u>	<u>9,286</u>
Other Financing Sources (Uses) :			
Long-term debt issued	12,691,767	12,639,000	(52,767)
Payment on refinanced debt	(12,428,000)	(12,428,000)	-
Transfers:			
To Public Schools Capital Project Fund	(300,000)	(300,000)	-
Total other financing sources (uses)	<u>(36,233)</u>	<u>(89,000)</u>	<u>(52,767)</u>
Net change in fund balance	<u>\$ -</u>	<u>(43,481)</u>	<u>\$ (43,481)</u>
Fund Balance:			
Beginning of year - July 1		<u>869,058</u>	
End of year - June 30		<u>\$ 825,577</u>	

CALDWELL COUNTY, NORTH CAROLINA

**GENERAL CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

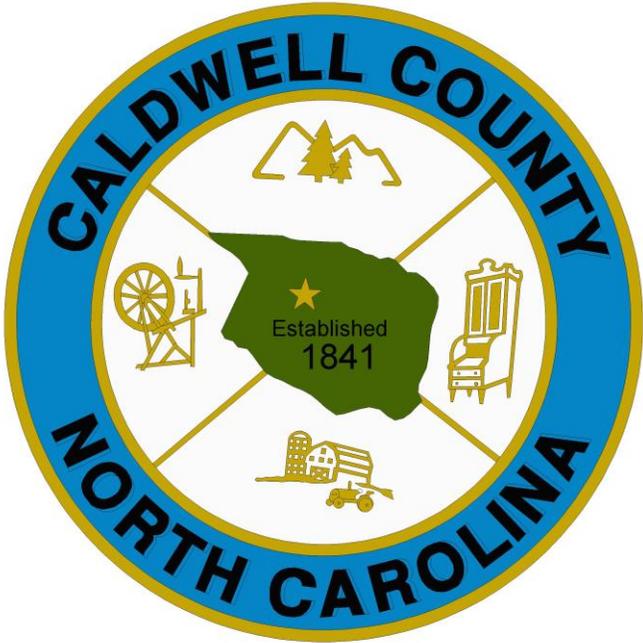
	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenues:				
Restricted intergovernmental - Mental Health Project	\$ 780,000	\$ 780,000	\$ -	\$ 780,000
Restricted intergovernmental - Flood Prone Area Grant	219,932	-	135,791	135,791
Local option sales tax	-	-	768,433	768,433
Investment earnings	-	1,482	133	1,615
Miscellaneous revenue	-	10,862	7,640	18,502
Total revenues	<u>999,932</u>	<u>792,344</u>	<u>911,997</u>	<u>1,704,341</u>
Expenditures:				
Capital outlay:				
Public safety:				
EMS base renovations	138,000	-	7,688	7,688
Human services:				
HHS Building Road Project	186,835	121,292	7,352	128,644
Mental Health Expansion Project	1,462,001	622,450	786,766	1,409,216
Harpertown House Sale Funds	13,432	-	-	-
Environmental protection:				
Groundwater monitoring	111,320	58,780	29,925	88,705
Economic and physical development:				
Site Clearing Fund	109,011	-	-	-
Flood Prone Area Grant Project	219,932	1,998	158,992	160,990
Capital accumulation	<u>474,721</u>	<u>152,689</u>	<u>47,842</u>	<u>200,531</u>
Total expenditures	<u>2,715,252</u>	<u>957,209</u>	<u>1,038,565</u>	<u>1,995,774</u>
Revenues over (under) expenditures	<u>(1,715,320)</u>	<u>(164,865)</u>	<u>(126,568)</u>	<u>(291,433)</u>
Other Financing Sources (Uses) :				
Installment purchase financing issued	820,000	-	-	-
Proceeds from sale of capital assets	138,000	-	-	-
Appropriated fund balance	648,309	-	-	-
Transfer to General Fund	-	(684,507)	-	(684,507)
Transfer to General Fund	-	(1,250,645)	-	(1,250,645)
Transfers from General Fund	<u>109,011</u>	<u>95,640</u>	<u>13,371</u>	<u>109,011</u>
Total other financing sources (uses)	<u>1,715,320</u>	<u>(1,839,512)</u>	<u>13,371</u>	<u>(1,826,141)</u>
Special item - sale of home health agency	-	2,801,006	-	2,801,006
Net change in fund balance	<u>\$ -</u>	<u>\$ 796,629</u>	<u>\$ (113,197)</u>	<u>\$ 683,432</u>

ENTERPRISE FUND

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

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

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



CALDWELL COUNTY, NORTH CAROLINA

WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,509,000	\$ 3,481,546	\$ (27,454)
Reconnection fees	37,000	22,625	(14,375)
Water taps	25,000	50,450	25,450
Other operating revenues	<u>5,000</u>	<u>17,345</u>	<u>12,345</u>
Total operating revenues	<u>3,576,000</u>	<u>3,571,966</u>	<u>(4,034)</u>
Non-operating revenues:			
Investment earnings	<u>2,000</u>	<u>5,657</u>	<u>3,657</u>
Total non-operating revenues	<u>2,000</u>	<u>5,657</u>	<u>3,657</u>
Total revenues	<u>3,578,000</u>	<u>3,577,623</u>	<u>(377)</u>
Expenditures:			
Operating expenses:			
Water purchases		1,394,910	
Salaries		450,479	
Employee benefits		147,880	
Travel and training		345	
Contractual services		36,331	
Repairs and maintenance		33,202	
Other operating expenditures		794,302	
Capital outlay		<u>137,124</u>	
Total operating expenses	<u>4,019,800</u>	<u>2,994,573</u>	<u>1,025,227</u>
Total expenditures	<u>4,019,800</u>	<u>2,994,573</u>	<u>1,025,227</u>
Revenues over (under) expenditures	<u>(441,800)</u>	<u>583,050</u>	<u>1,024,850</u>

CALDWELL COUNTY, NORTH CAROLINA

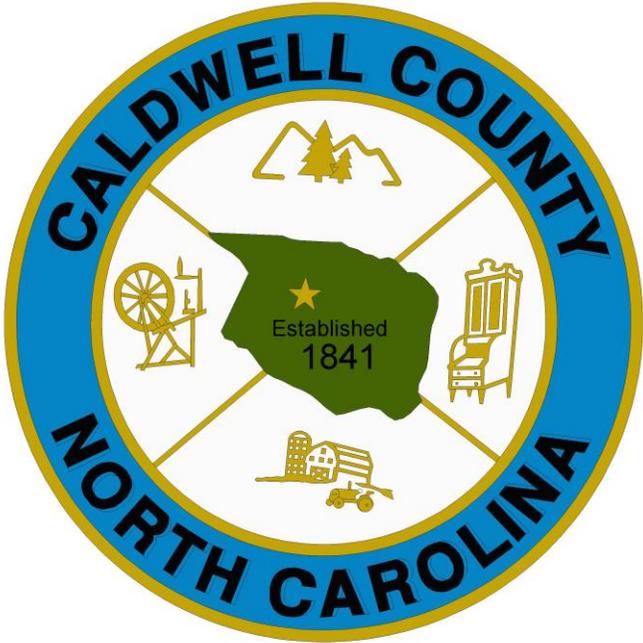
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Appropriated fund balance	441,800	-	(441,800)
Total other financing sources (uses)	<u>441,800</u>	<u>-</u>	<u>(441,800)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	583,050	<u>\$ 583,050</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(405,443)	
Increase in net pension liability		(124,590)	
Change in deferred outflows of resources - pension		102,983	
Change in deferred inflows of resources - pension		10,815	
Change in compensated absences		467	
Capital outlay		137,124	
Water Capital Project Fund activities:			
Capital project expenditures (total)		(33,930)	
Capital project items capitalized to capital assets		33,930	
Investment earnings		<u>1,188</u>	
Change in net position		<u>\$ 305,594</u>	

CALDWELL COUNTY, NORTH CAROLINA

WATER TANKS CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,188	\$ 1,188
Total revenues	<u>-</u>	<u>-</u>	<u>1,188</u>	<u>1,188</u>
Expenditures:				
Water projects:				
Construction	1,212,000	41,892	33,930	75,822
Maintenance supplies	<u>410,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total expenditures	<u>1,622,000</u>	<u>441,892</u>	<u>33,930</u>	<u>475,822</u>
Revenues over (under) expenditures	(1,622,000)	(441,892)	(32,742)	(474,634)
Other Financing Sources (Uses) :				
Transfer (to) from Water Fund	<u>1,622,000</u>	<u>1,622,000</u>	<u>-</u>	<u>1,622,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,180,108</u>	<u>\$ (32,742)</u>	<u>\$ 1,147,366</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:

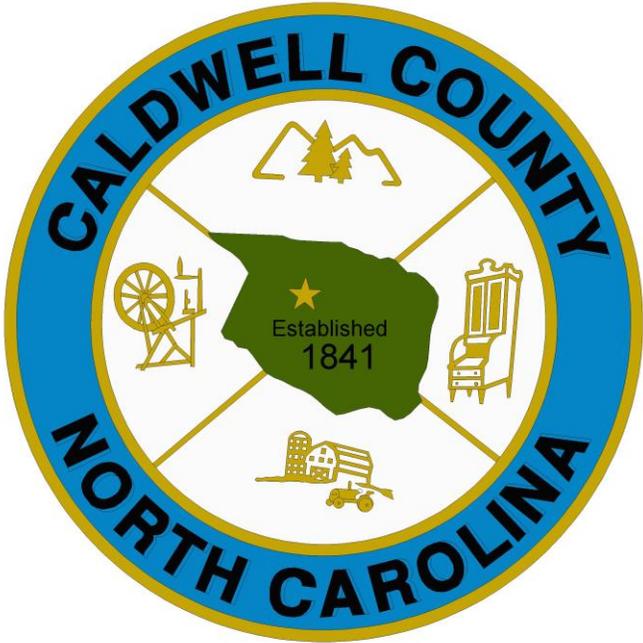
Social Services Fund – accounts for monies held by the Social Services department for the benefit of certain individuals in the County.

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 the Caldwell County Board of Education

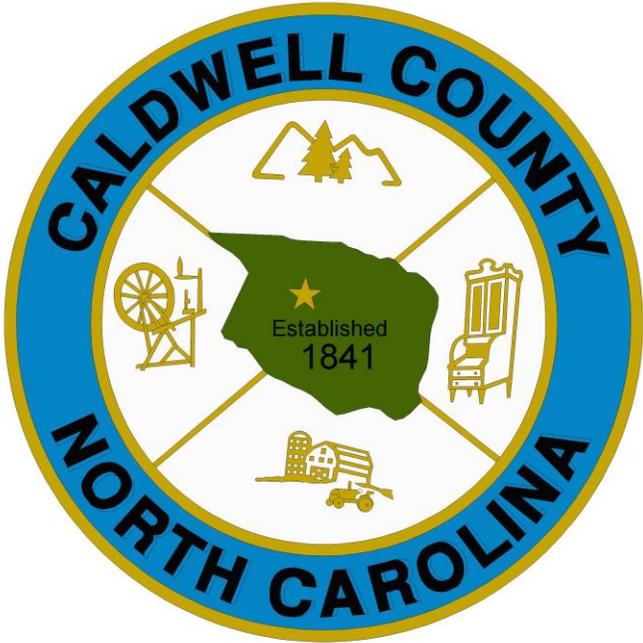
Deed of Trust Fund – accounts for the \$5 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.



CALDWELL COUNTY, NORTH CAROLINA

**AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2017**

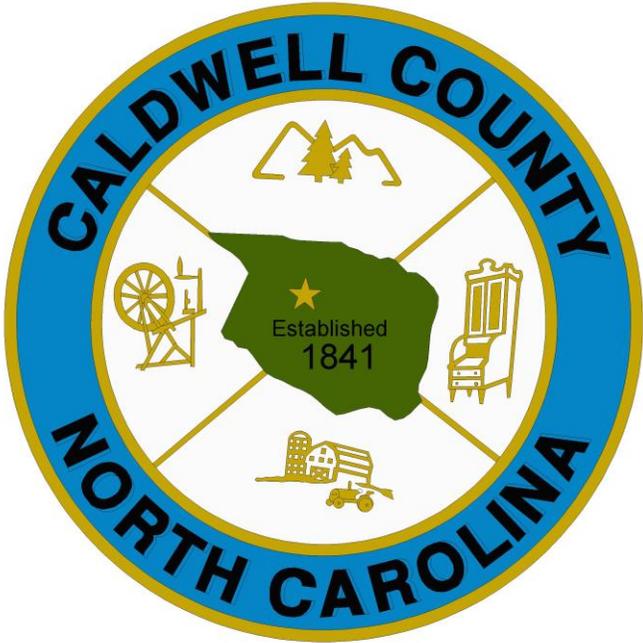
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 47,301	\$ 195,254	\$ 199,936	\$ 42,619
Liabilities:				
Miscellaneous liabilities	\$ 47,301	\$ 195,254	\$ 199,936	\$ 42,619
Tax Collector Fund:				
Assets:				
Cash and cash equivalents	\$ 3,038	\$ 1,700,979	\$ 1,701,515	\$ 2,502
Accounts receivable	3,516	1,319	-	4,835
Total assets	<u>\$ 6,554</u>	<u>\$ 1,702,298</u>	<u>\$ 1,701,515</u>	<u>\$ 7,337</u>
Liabilities:				
Intergovernmental payable	<u>\$ 6,554</u>	<u>\$ 1,702,298</u>	<u>\$ 1,701,515</u>	<u>\$ 7,337</u>
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 50,509	\$ 278,794	\$ 282,575	\$ 46,728
Liabilities:				
Intergovernmental payable	<u>\$ 50,509</u>	<u>\$ 278,794</u>	<u>\$ 282,575</u>	<u>\$ 46,728</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 229,958	\$ 229,958	\$ -
Accounts receivable	16,974	464	-	17,438
Total assets	<u>\$ 16,974</u>	<u>\$ 230,422</u>	<u>\$ 229,958</u>	<u>\$ 17,438</u>
Liabilities:				
Intergovernmental payable - State of NC	\$ -	\$ 229,958	\$ 229,958	\$ -
Intergovernmental payable	16,974	230,423	229,959	17,438
Total liabilities	<u>\$ 16,974</u>	<u>\$ 460,381</u>	<u>\$ 459,917</u>	<u>\$ 17,438</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 38	\$ 245,142	\$ 244,903	\$ 277
Liabilities:				
Intergovernmental payable - State of NC	<u>\$ 38</u>	<u>\$ 245,142</u>	<u>\$ 244,903</u>	<u>\$ 277</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 100,886	\$ 2,650,127	\$ 2,658,887	\$ 92,126
Accounts receivable	20,490	1,783	-	22,273
Total assets	<u>\$ 121,376</u>	<u>\$ 2,651,910</u>	<u>\$ 2,658,887</u>	<u>\$ 114,399</u>
Liabilities:				
Miscellaneous liabilities	\$ 47,301	\$ 195,254	\$ 199,936	\$ 42,619
Intergovernmental payables	74,075	2,686,615	2,688,910	71,780
Total liabilities	<u>\$ 121,376</u>	<u>\$ 2,881,869</u>	<u>\$ 2,888,846</u>	<u>\$ 114,399</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, 2017

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2016</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 42,471,916	\$ 40,891,345	\$ 1,580,571
2015-2016	1,526,975	-	444,679	1,082,296
2014-2015	1,002,885	-	243,852	759,033
2013-2014	909,430	-	218,727	690,703
2012-2013	794,850	-	109,175	685,675
2011-2012	666,520	-	86,544	579,976
2010-2011	568,010	-	193,758	374,252
2009-2010	356,496	-	53,800	302,696
2008-2009	288,455	-	49,852	238,603
2007-2008	213,620	-	53,335	160,285
2006-2007	99,953	-	99,953	-
Total	<u>\$ 6,427,194</u>	<u>\$ 42,471,916</u>	<u>\$ 42,445,020</u>	6,454,090
Allowance for doubtful receivables				<u>(4,015,990)</u>
Ad valorem taxes receivable - net				<u>\$ 2,438,100</u>
Reconciliation with Revenues:				
Ad valorem taxes				\$ 42,165,841
Reconciling items:				
Interest collected				(484,490)
Discounts and adjustments allowed				514,389
Releases				27,407
Miscellaneous adjustments				27,621
Amount written off for tax year 2006-2007, per Statute of Limitations				99,953
Amount written off for tax year 2010-2011, per Statute of Limitations (vehicles)				<u>94,299</u>
Total collections and credits				<u>\$ 42,445,020</u>

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2017

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at:					
Current year's rate	\$ 6,565,796,538	\$ 0.6300	\$ 41,748,265	\$ 37,848,341	\$ 3,899,924
Total	<u>6,565,796,538</u>		<u>41,748,265</u>	<u>37,848,341</u>	<u>3,899,924</u>
Discoveries:					
Current year taxes	195,796,473		1,233,518	1,233,518	-
Prior year taxes	<u>7,163,350</u>		<u>43,829</u>	<u>43,829</u>	<u>-</u>
Total	<u>202,959,823</u>		<u>1,277,347</u>	<u>1,277,347</u>	<u>-</u>
Abatements	<u>(87,888,199)</u>		<u>(553,696)</u>	<u>(553,696)</u>	<u>-</u>
Total property valuation	<u>\$ 6,680,868,162</u>				
Net Levy			42,471,916	38,571,992	3,899,924
Uncollected tax at June 30, 2017			<u>1,580,571</u>	<u>1,580,571</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 40,891,345</u>	<u>\$ 36,991,421</u>	<u>\$ 3,899,924</u>
Current Levy Collection Percentage			<u>96.28%</u>	<u>95.90%</u>	<u>100.00%</u>

CALDWELL COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2017****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	<u>100%</u>
Real property	\$ 4,842,818,503
Personal property	1,644,220,879
Public service companies	<u>193,828,780</u>
Total assessed valuation	<u>\$ 6,680,868,162</u>
Tax rate per \$100 (2)	<u>\$ 0.6300</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 42,471,916</u>

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

Fire Districts	\$ 3,416,683
Rescue Squad Association	<u>573,414</u>
Total	<u>\$ 3,990,097</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.

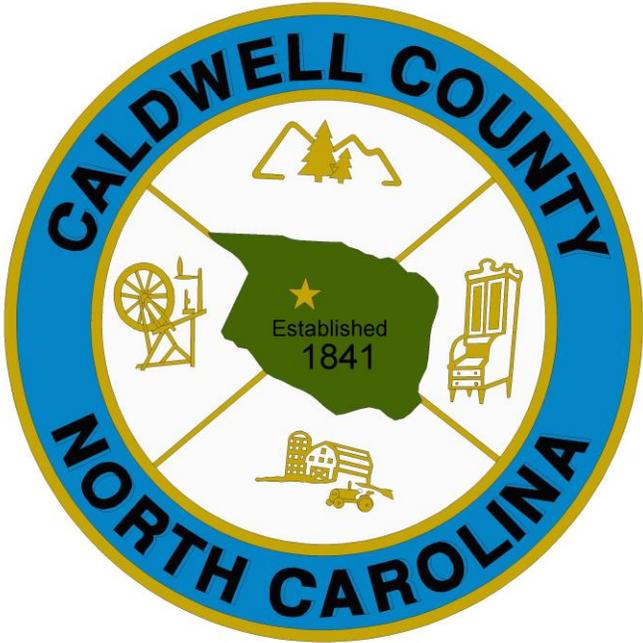
CALDWELL COUNTY, NORTH CAROLINA**EMERGENCY TELEPHONE SYSTEM FUND UNSPENT BALANCE****PSAP RECONCILIATION****JUNE 30, 2017**

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

Ending fund balance, reported on budget to actual (Schedule D-5)	\$ 282,337
Allowable 911 expenditures previously reported in the General Fund (interfund transfer to be recorded in the Emergency Telephone System Fund in the subsequent year):	<u>(65,133)</u>
Ending balance, PSAP Revenue-Expenditure report	<u>\$ 217,204</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:

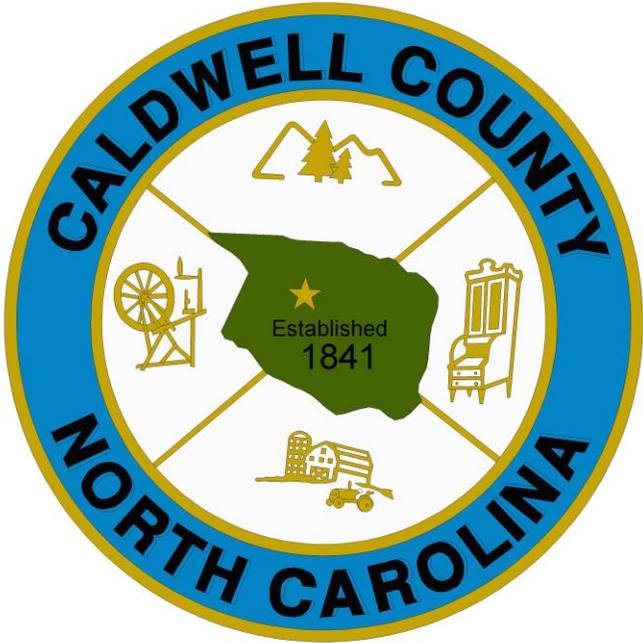
- Ratios of Outstanding Debt by Type – *table 9*
- Ratios of General Bonded Debt Outstanding – *table 10*
- Direct and Overlapping Governmental Activities Debt – *table 11*
- Legal Debt Margin Information – *table 12*

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 20,964,573	\$ 13,968,057	\$ 15,967,772	\$ 18,196,511	\$ 17,405,500	\$ 16,244,931	\$ 30,783,723	\$ 18,060,668	\$ 20,245,509	\$ 21,196,659
Restricted	254,210	168,227	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,635,065
Unrestricted	(16,461,139)	(8,504,943)	(6,696,269)	(8,145,952)	(3,643,043)	2,972,940	(13,203,563)	(15,528,468)	(15,970,780)	(13,787,101)
Total governmental activities net position	\$ 4,757,644	\$ 5,631,341	\$ 9,485,877	\$ 18,303,078	\$ 20,630,422	\$ 25,180,476	\$ 23,442,054	\$ 9,701,109	\$ 10,453,851	\$ 14,044,623
Business-Type Activities										
Net investment in capital assets	\$ 9,021,528	\$ 9,496,025	\$ 9,348,526	\$ 8,965,042	\$ 6,706,831	\$ 6,542,043	\$ 6,135,073	\$ 5,928,124	\$ 5,631,176	\$ 5,396,787
Unrestricted	2,948,320	2,944,018	3,704,866	4,593,808	4,692,293	5,391,897	5,870,662	6,484,095	6,706,120	7,246,103
Total business-type activities net position	\$ 11,969,848	\$ 12,440,043	\$ 13,053,392	\$ 13,558,850	\$ 11,399,124	\$ 11,933,940	\$ 12,005,735	\$ 12,412,219	\$ 12,337,296	\$ 12,642,890
Primary Government										
Net investment in capital assets	\$ 29,986,101	\$ 23,464,082	\$ 25,316,298	\$ 27,161,553	\$ 24,112,331	\$ 22,786,974	\$ 36,918,796	\$ 23,988,792	\$ 25,876,685	\$ 26,593,446
Restricted	254,210	168,227	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,635,065
Unrestricted	(13,512,819)	(5,560,925)	(2,991,403)	(3,552,144)	1,049,250	8,364,837	(7,332,901)	(9,044,373)	(9,264,660)	(6,540,998)
Total primary government net position	\$ 16,727,492	\$ 18,071,384	\$ 22,539,269	\$ 31,861,928	\$ 32,029,546	\$ 37,114,416	\$ 35,447,789	\$ 22,113,328	\$ 22,791,147	\$ 26,687,513

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 6,231,443	\$ 6,616,330	\$ 5,963,274	\$ 5,924,927	\$ 5,572,490	\$ 5,937,620	\$ 6,305,830	\$ 6,211,896	\$ 6,845,366	\$ 6,431,654
Public Safety	14,921,150	16,339,753	15,643,605	15,870,157	16,479,850	17,203,962	19,957,279	19,274,686	20,638,553	21,653,096
Environmental Protection	610,428	546,111	439,077	571,484	474,617	468,991	330,695	368,373	509,242	550,780
Economic and Physical Development	2,290,081	5,008,531	3,145,167	3,090,772	3,703,056	3,769,854	5,354,305	6,951,531	7,639,737	6,452,959
Human Services	26,409,787	24,885,954	22,866,817	23,302,680	23,268,124	22,368,529	21,721,385	21,860,299	22,248,546	22,610,724
Cultural and Recreational	1,387,251	1,512,762	1,428,632	1,397,666	1,415,319	1,384,266	1,413,792	1,366,651	1,441,711	1,487,024
Education	26,703,975	22,254,600	20,444,673	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632
Interest	1,965,651	2,700,360	2,463,201	2,144,724	1,546,524	966,760	1,121,084	1,829,765	1,117,397	1,124,600
Total governmental activities expenses	80,519,766	79,864,401	72,394,446	71,902,712	74,536,229	72,622,451	78,541,727	89,310,898	81,853,881	80,947,469
Business-Type Activities:										
Water	3,054,383	2,976,157	2,608,119	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223
Total business-type activities expenses	3,054,383	2,976,157	2,608,119	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223
Total Primary Government Expenses	\$ 83,574,149	\$ 82,840,558	\$ 75,002,565	\$ 74,523,059	\$ 77,365,029	\$ 75,420,931	\$ 81,895,814	\$ 92,383,515	\$ 85,477,454	\$ 84,220,692
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,666,404	\$ 4,123,611	\$ 1,875,506	\$ 2,241,816	\$ 2,298,938	\$ 1,879,735	\$ 2,213,386	\$ 2,350,903	\$ 2,219,976	\$ 2,396,343
Public Safety	3,377,166	3,439,027	4,079,127	3,974,707	4,021,004	4,198,842	4,319,569	4,155,880	4,294,169	3,819,540
Environmental Protection	1,028,112	870,426	883,503	881,014	853,585	858,482	926,598	964,897	883,338	1,049,356
Economic and Physical Development	9,000	13,500	18,000	9,000	17,000	18,829	24,809	30,287	63,890	23,050
Human Services	2,331,278	2,342,048	2,536,232	2,200,069	1,505,761	715,138	198,949	158,856	189,690	204,388
Cultural and Recreational	36,127	35,224	38,255	37,251	34,829	29,951	29,777	28,804	26,813	18,464
Other Grants and Contributions:										
Public Safety	1,180,025	1,924,989	1,596,709	1,708,091	1,376,670	1,293,563	1,344,280	1,392,403	2,238,320	1,488,320
Human Services	14,333,369	15,034,049	15,572,645	16,041,424	15,377,107	14,768,143	14,534,714	14,658,535	16,072,575	15,799,464
Cultural and Recreational	247,036	316,309	268,837	265,019	257,945	280,495	252,531	248,640	234,056	274,389
Capital Grants and Contributions:										
General Government	-	-	154,641	-	-	-	-	-	-	-
Public Safety	-	-	15,060	-	-	-	-	395,275	-	-
Education	1,207,502	2,880	791,670	4,497,261	1,122,112	998,602	1,453,620	144,191	396,930	1,005,124
Economic and Physical Development	557,341	214,955	83,413	200,048	430,414	(99,395)	95,594	-	1,014,715	135,791
Cultural and Recreational	-	-	36,300	-	-	-	-	-	-	-
Total governmental activities program revenues	26,973,360	28,317,018	27,949,898	32,055,700	27,295,365	24,942,385	25,393,827	24,528,671	27,634,472	26,214,229

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for Services:										
Water	3,447,076	3,559,079	3,388,353	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972
Other Grants and Contributions	770,298	27,464	-	-	-	-	-	-	-	-
Total business-type activities program revenues	4,217,374	3,586,543	3,388,353	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972
Total Primary Government Program Revenues	\$ 31,190,734	\$ 31,903,561	\$ 31,338,251	\$ 35,342,114	\$ 30,692,513	\$ 28,403,690	\$ 28,816,855	\$ 28,061,451	\$ 31,179,765	\$ 29,786,201
Net (Expense)/Revenue										
Governmental activities	\$ (53,546,406)	\$ (51,547,383)	\$ (44,444,548)	\$ (39,847,012)	\$ (47,240,864)	\$ (47,680,066)	\$ (53,147,900)	\$ (64,782,227)	\$ (54,219,409)	\$ (54,733,240)
Business-type activities	1,162,991	610,386	780,234	666,067	568,348	662,825	68,941	460,163	(78,280)	298,749
Total primary government net expense	(52,383,415)	(50,936,997)	(43,664,314)	(39,180,945)	(46,672,516)	(47,017,241)	(53,078,959)	(64,322,064)	(54,297,689)	(54,434,491)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	36,900,178	38,699,401	38,312,526	38,582,825	38,944,274	38,830,489	41,145,366	42,083,076	43,443,559	46,145,791
Local Option Sales Tax	14,126,336	12,167,876	8,627,362	8,797,924	9,288,329	9,371,153	9,841,286	10,399,692	10,545,869	11,288,798
Other Taxes and License	1,319,737	1,011,652	1,041,337	1,023,585	1,141,149	1,048,889	1,089,813	1,124,511	969,058	1,291,439
Investment Earnings	1,531,438	-	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559
Miscellaneous	-	344,186	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-	-	2,801,006	-	-	-	-
Transfers	(879,454)	164,583	173,757	172,170	134,699	134,700	-	-	-	-
Total Governmental Activities	52,998,235	52,387,698	48,299,084	48,664,213	49,568,207	52,230,120	52,093,866	53,617,954	54,972,151	58,736,587
Business-Type Activities:										
Investment Earnings	41,749	24,392	6,872	11,561	7,697	6,671	2,874	2,003	3,357	6,845
Gain (Loss) on sale of capital assets	-	-	-	-	(2,601,072)	-	-	-	-	-
Transfers	879,454	(164,583)	(173,757)	(172,170)	(134,699)	(134,700)	-	-	-	-
Total Business-Type Activities	921,203	(140,191)	(166,885)	(160,609)	(2,728,074)	(128,029)	2,874	2,003	3,357	6,845
Total Primary Government General Revenues and Other Change in Net Position	\$ 53,919,438	\$ 52,247,507	\$ 48,132,199	\$ 48,503,604	\$ 46,840,133	\$ 52,102,091	\$ 52,096,740	\$ 53,619,957	\$ 54,975,508	\$ 58,763,432
Change in Net Position										
Governmental activities	\$ (548,171)	\$ 840,315	\$ 3,854,536	\$ 8,817,201	\$ 2,327,343	\$ 4,550,054	\$ (1,054,034)	\$ (1,164,273)	\$ 752,742	\$ 4,023,347
Business-type activities	2,084,194	470,195	613,349	505,458	(2,159,726)	534,796	71,815	462,166	(74,923)	305,594
Total Primary Government, June 30	\$ 1,536,023	\$ 1,310,510	\$ 4,467,885	\$ 9,322,659	\$ 167,617	\$ 5,084,850	\$ (982,219)	\$ (10,702,107)	\$ 677,819	\$ 4,328,941

CALDWELL COUNTY, NORTH CAROLINA

**Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 5,326,518	\$ 4,638,637	\$ 4,398,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	1,891,065	2,197,421	2,010,967	-	-	-	-	-	-	-
Undesignated	9,048,639	8,836,621	9,776,196	-	-	-	-	-	-	-
Non-spendable	-	-	-	57,415	65,931	51,253	59,193	78,107	64,293	116,396
Restricted	-	-	-	3,865,044	4,767,310	4,597,110	4,437,430	4,934,175	4,571,255	5,035,904
Assigned	-	-	-	891,066	3,170,924	4,832,465	6,719,990	7,554,536	5,293,708	5,349,474
Unassigned	-	-	-	11,217,875	9,066,420	6,946,418	5,403,379	3,021,352	3,498,350	3,391,976
Total General Fund	\$ 16,266,222	\$ 15,672,679	\$ 16,186,031	\$ 16,031,400	\$ 17,070,585	\$ 16,427,246	\$ 16,619,992	\$ 15,588,170	\$ 13,427,606	\$ 13,893,750
All Other Governmental Funds										
Reserved	\$ 301,796	\$ 690,101	\$ 613,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	9,303,600	2,427,389	3,182,408	-	-	-	-	-	-	-
Special Revenue Funds	-	1,424,811	2,086,224	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	174,981	-	-	-	-	-	-	-	-	-
Special Revenue Funds	1,975,643	-	-	-	-	-	-	-	-	-
Restricted in Special Revenue Fund	-	-	-	1,058,304	659,752	1,365,272	703,132	488,292	661,631	326,430
Restricted in Capital Project Fund	-	-	-	3,329,171	1,441,024	223	13,840,506	3,563,177	946,236	1,092,443
Committed in Capital Project Fund	-	-	-	1,387,486	1,387,543	3,767,538	3,102,875	1,902,498	965,658	962,975
Committed in Special Revenue Fund	-	-	-	-	-	2,677,056	-	-	-	-
Assigned Special Revenue Fund	-	-	-	1,557,064	1,911,739	33,666	3,117,800	3,527,221	3,958,397	4,783,399
Unassigned in Capital Project Fund	-	-	-	(260,947)	-	-	-	(828,751)	-	-
Unassigned in Special Revenue Fund	-	-	-	(8,838)	-	(15)	(17,528)	(11,933)	(92)	(59)
Total all other governmental funds	\$ 11,756,020	\$ 4,542,501	\$ 5,882,120	\$ 7,323,187	\$ 5,139,111	\$ 7,843,740	\$ 20,746,785	\$ 8,640,504	\$ 6,531,830	\$ 7,165,188

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

The increase from the fiscal year ended June 30, 2016 to the fiscal year ended June 30, 2017 was primarily due to the performance in the Sales Tax Reinvestment Fund and the General Fund. Each of those funds took in more revenue than they spent out. In the General Fund, this was a very small percentage of the total activity in the fund. In the Sales Tax Reinvestment Fund, the fund balance has increased annually for several years. The County is expanding the permissible uses for these funds starting with the current fiscal year.

CALDWELL COUNTY, NORTH CAROLINA

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad Valorem Taxes	\$ 36,144,485	\$ 38,298,580	\$ 37,919,512	\$ 38,320,869	\$ 38,541,713	\$ 39,022,556	\$ 41,619,214	\$ 42,571,130	\$ 43,648,495	\$ 46,110,069
Local Options Sales Taxes	13,526,236	11,567,876	7,427,362	7,597,924	8,088,329	8,134,653	8,507,179	9,522,192	9,598,869	10,417,798
Other Taxes	803,906	368,792	348,168	333,579	336,917	368,196	406,041	428,432	448,698	442,271
Inter-governmental	19,205,234	20,169,874	20,689,220	25,446,252	21,409,559	19,553,041	20,309,332	19,373,274	22,064,303	21,002,980
Permits & Fees	1,216,133	925,263	827,023	783,483	853,603	892,712	979,459	931,087	988,384	909,252
Sales and Services	6,896,219	6,678,285	7,856,820	7,442,493	6,823,988	6,137,928	5,850,886	5,645,211	5,726,191	5,436,642
Investment Earnings	1,531,438	344,186	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559
Miscellaneous	771,705	1,760,745	326,142	275,395	231,880	322,125	325,850	201,836	295,520	503,351
Total Revenues	\$ 80,095,356	\$ 80,113,601	\$ 75,538,349	\$ 80,287,704	\$ 76,345,745	\$ 74,475,094	\$ 78,015,362	\$ 78,683,837	\$ 82,784,125	\$ 84,852,922
Expenditures										
General Government	\$ 6,032,771	\$ 6,479,968	\$ 5,898,084	\$ 5,697,609	\$ 5,590,159	\$ 5,832,168	\$ 6,075,394	\$ 6,002,597	\$ 6,877,314	\$ 6,273,085
Public Safety	14,734,280	16,409,321	15,432,491	16,696,104	15,879,567	16,365,114	17,851,907	17,853,941	20,978,370	20,278,212
Environmental Protection	614,322	550,449	486,076	670,461	492,800	484,047	344,473	402,536	537,042	569,454
Economic & Physical Development	2,290,081	4,999,351	3,134,328	3,083,359	3,692,991	3,767,605	5,454,012	6,964,432	7,618,898	6,447,532
Human Services	26,351,855	29,826,904	23,139,590	23,156,413	22,703,809	22,004,519	21,289,154	22,239,953	22,714,866	22,819,988
Cultural & Recreational	1,302,404	1,427,674	1,336,651	1,341,927	1,323,224	1,300,335	1,330,819	1,347,740	1,378,635	1,395,475
Education	26,703,975	22,254,601	20,444,673	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632
Capital Projects	10,898,506	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	2,916,456	1,842,524
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	2,926,353	4,657,256	4,771,192	9,216,941	4,566,328	4,129,494	3,689,354	3,319,456	4,394,126	4,408,808
Interest	1,965,651	2,700,360	2,463,207	2,144,724	1,546,524	966,760	1,093,326	1,306,878	1,208,520	1,201,437
Total Expenditures	\$ 93,820,198	\$ 89,305,884	\$ 77,106,292	\$ 81,607,840	\$ 77,871,651	\$ 75,372,511	\$ 79,465,796	\$ 93,114,923	\$ 90,037,556	\$ 85,873,147
Excess of revenues over (under) expenditures	\$ (13,724,842)	\$ (9,192,283)	\$ (1,567,943)	\$ (1,320,136)	\$ (1,525,906)	\$ (897,417)	\$ (1,450,434)	\$ (14,431,086)	\$ (7,253,431)	\$ (1,020,225)
Other Financing Sources (Uses)										
Bond Proceeds	-	-	8,725,000	-	-	-	-	-	-	-
Payment to Bond Holders (refinancing)	-	-	(8,625,000)	-	-	-	-	-	-	-
Bond Premium	-	-	154,641	-	-	-	-	-	-	-
Instalment purchase financing issued	500,000	1,152,920	2,971,361	2,438,507	231,080	-	14,500,000	1,247,810	-	12,639,000
Payment on Instalment purchases (refinancing)	-	-	-	-	-	-	-	-	-	(12,428,000)
Sales of Capital Assets	103,566	164,583	21,355	3,481	15,236	2,824,007	46,225	45,173	67,737	66,203
Transfers in	-	67,518	657,546	1,270,780	446,352	384,430	-	632,893	1,278,468	313,371
Transfers out	(879,454)	-	(483,789)	(1,106,196)	(311,653)	(249,640)	-	(632,893)	(1,278,468)	(313,371)
Total other financing sources (uses)	(275,888)	1,385,021	3,421,114	2,606,572	381,015	2,958,797	14,546,225	1,292,983	67,737	277,203
Net change in fund balances	\$ (14,000,730)	\$ (7,807,262)	\$ 1,853,171	\$ 1,286,436	\$ (1,144,891)	\$ 2,061,380	\$ 13,095,791	\$ (13,138,103)	\$ (7,185,694)	\$ (743,022)
Debt Service as a percentage of governmental expenditures	5.95%	8.87%	9.54%	14.15%	7.98%	6.88%	6.02%	5.09%	6.43%	6.68%

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				
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
2014	3,659,115,363	947,655,902	162,932,838		1,537,951,255	6,307,655,358	0.6000
2015	3,657,284,205	996,743,902	172,991,129		1,606,514,532	6,433,533,768	0.6000
2016	3,689,922,794	1,030,356,302	192,102,157		1,709,561,514	6,621,942,767	0.6000
2017	3,373,027,508	1,469,790,995	193,828,780		1,644,220,879	6,680,868,162	0.6300

CALDWELL COUNTY, NORTH CAROLINA

North Carolina
 Property Tax Rates
 Direct and Overlapping Governments
 (Per \$100 of Assessed Value)
 Last Ten Fiscal Years

	Taxes Payable in the Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
COUNTY DIRECT RATE										
County-Wide Rate *	\$ 0.6300	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6299	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599
CITY										
City of Lenoir	0.58	0.58	0.58	0.56	0.56	0.54	0.5400	0.5400	0.5400	0.5400
City of Hickory	0.57	0.57	0.57	0.50	0.50	0.50	0.5000	0.5000	0.5000	0.5000
SPECIAL DISTRICTS										
Lenoir Special District	0.25	0.25	0.25	0.25	0.25	0.25	0.2500	0.2500	0.2500	0.2500
TOWNS										
Hudson	0.43	0.39	0.39	0.39	0.37	0.37	0.3700	0.3700	0.3500	0.3500
Granite Falls	0.45	0.44	0.44	0.44	0.44	0.42	0.4200	0.4200	0.4200	0.4200
Rhodhiss	0.55	0.55	0.55	0.55	0.55	0.55	0.5500	0.5500	0.5500	0.5500
Blowing Rock	0.37	0.33	0.31	0.28	0.28	0.28	0.2800	0.2800	0.2800	0.2800
Sawmills	0.20	0.20	0.20	0.20	0.20	0.20	0.2000	0.2000	0.1500	0.1500
VILLAGES										
Cedar Rock	0.15	0.15	0.15	0.15	0.15	0.15	0.1500	0.1500	0.1500	0.1000
RESCUE SERVICES	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085
FIRE DISTRICTS										
	0.3950	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310
	to	to	to	to	to	to	to	to	to	to
	0.1385	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300

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

CALDWELL COUNTY, NORTH CAROLINA

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

Taxpayer	Fiscal Year Ended June 30, 2017			Fiscal Year Ended June 30, 2008		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Google	\$ 535,316,090	1	8.01%			
Tapaha Dynamics LLC	355,600,300	2	5.32%			
MDI/Merchant Distributors	125,080,562	3	1.87%	\$ 114,511,003	1	2.20%
Duke Energy	77,891,970	4	1.17%	54,908,743	2	1.05%
Blue Ridge Electric Membership	62,207,961	5	0.93%	40,536,010	4	0.78%
Walmart	35,043,872	6	0.52%			
Bernhardt Industries	25,132,606	7	0.38%	30,774,469	5	0.59%
Heritage Home Group LLC/HHG Real Property LLC	22,275,170	8	0.33%			
Greer Labs	21,232,696	9	0.32%			
Sealed Air Corporation	19,607,608	10	0.29%			
Broyhill Industries, Inc.				47,694,492	3	0.92%
Neptco				26,328,442	6	0.51%
BellSouth				23,774,462	7	0.46%
Kincaid Furniture				19,187,822	8	0.37%
Bemis				17,127,117	9	0.33%
Shuford Mills				14,302,445	10	0.27%

* 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
2017	\$ 42,109,895	96.25%	\$ 40,529,324	96.25%	-	\$ 40,529,324	96.25%
2016	39,744,478	96.16%	38,217,503	96.16%	443,913	38,661,417	97.27%
2015	38,611,973	95.99%	37,065,023	95.99%	787,917	37,852,940	98.03%
2014	37,906,403	94.73%	35,909,696	94.73%	1,306,005	37,215,701	98.18%
2013	35,746,118	96.20%	34,386,100	96.20%	674,344	35,060,443	98.08%
2012	36,566,382	96.98%	35,461,834	96.98%	524,571	35,986,405	98.41%
2011	35,009,037	93.79%	34,160,132	93.79%	474,653	34,634,785	95.10%
2010	35,997,030	96.99%	35,325,921	96.99%	368,412	35,694,334	98.00%
2009	36,421,115	98.48%	35,866,112	98.48%	316,400	36,182,512	99.34%
2008	34,510,433	99.16%	34,220,745	99.16%	129,403	34,350,148	99.54%

CALDWELL COUNTY, NORTH CAROLINA

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Installment Purchases	Capital Leases	Water Bonds	General Obligation Bonds	Installment Purchases	Capital Leases			
2008	\$ 10,238,325	\$ -	\$ 45,993,498	\$ -	\$ 96,675	\$ -	\$ 2,378,310	\$ -	\$ 58,706,807	2.48%	\$ 737.58
2009	8,660,077	-	43,912,135	155,366	29,923	-	2,005,525	-	54,763,026	2.60%	707.66
2010	7,090,000	-	43,825,627	112,113	-	-	1,606,775	-	52,634,515	3.18%	657.77
2011	5,485,000	-	38,759,815	-	-	-	1,444,683	-	45,689,498	2.67%	570.98
2012	3,945,000	-	35,964,568	-	-	-	-	-	39,909,568	2.48%	479.82
2013	2,445,000	-	33,335,074	-	-	-	-	-	35,780,074	2.31%	430.48
2014	1,385,000	-	45,815,967	-	-	-	-	-	47,200,967	2.97%	567.89
2015	825,000	-	43,771,174	-	-	-	-	-	44,596,174	2.77%	536.55
2016	500,000	-	39,236,947	998,248	-	-	-	-	40,735,195	2.53%	490.09
2017	185,000	-	35,603,701	748,686	-	-	-	-	36,537,387	2.12%	439.59

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
2008	\$ 10,238,325	0.43%	0.19%	\$ 128.63	79,594
2009	8,660,077	0.41%	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
2014	1,385,000	0.09%	0.02%	16.66	83,117
2015	825,000	0.05%	0.01%	9.93	83,117
2016	500,000	0.03%	0.01%	6.06	82,445
2017	185,000	0.01%	0.00%	2.25	82,292

CALDWELL COUNTY, NORTH CAROLINA

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2017**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Caldwell County	\$ 36,537,387	100.00%	\$ 36,537,387
Total Direct Debt	\$ 36,537,387		\$ 36,537,387
Underlying City of Lenoir	\$ 2,017,062	100.00%	\$ 2,017,062
Overlapping City of Hickory	31,163,660	1.93%	601,459
Total Underlying and Overlapping Debt	\$ 33,180,722		\$ 2,618,521
Grand Total	\$ 69,718,109		\$ 39,155,908

CALDWELL COUNTY, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Value of Property	\$ 5,209,394,180	\$ 5,515,369,206	\$ 5,377,766,127	\$ 5,389,529,112	\$ 5,540,557,372	\$ 5,674,721,362	\$ 6,307,655,358	\$ 6,433,533,768	\$ 6,621,942,767	\$ 6,680,868,162
Debt Limit 8% of Assessed Value (statutory limitation)	416,751,534	441,229,536	430,221,290	431,162,329	443,244,590	453,977,709	504,612,429	514,682,701	529,755,421	534,469,453
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	56,231,823	54,763,025	52,634,496	45,689,498	39,909,568	35,780,074	47,200,967	44,596,174	40,735,195	36,537,387
Legal Debt Margin	\$ 360,519,711	\$ 386,466,511	\$ 377,586,794	\$ 385,472,831	\$ 407,464,516	\$ 407,386,989	\$ 457,411,462	\$ 470,086,527	\$ 489,020,226	\$ 497,932,066

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

	13.49%	12.41%	12.23%	10.60%	8.07%	10.26%	9.35%	8.66%	7.69%	6.84%
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CALDWELL COUNTY, NORTH CAROLINA

Demographic and Economic Statistics

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Public School Enrollment		Private School Enrollment		Unemployment Rate
					Enrollment	Rate	Enrollment	Rate	
2008	79,594	2,366,574,770	29,733	n/a	12,817	7.50%	400	7.50%	
2009	77,386	2,107,994,640	27,240	n/a	12,741	15.60%	400	15.60%	
2010	80,020	1,656,654,060	20,703	40	12,888	12.70%	400	12.70%	
2011	83,209	1,711,957,296	21,217	42	12,452	13.30%	400	13.30%	
2012	83,117	1,609,311,354	19,362	42	12,555	13.20%	400	13.20%	
2013	83,117	1,549,300,880	18,640	42	12,333	10.00%	400	10.00%	
2014	82,590	1,587,544,980	19,222	42	12,072	7.40%	421	7.40%	
2015	82,321	1,609,540,192	19,552	44	12,060	7.10%	400	7.10%	
2016	82,445	1,611,964,640	19,552	43	11,918	6.30%	400	6.30%	
2017	82,292	1,725,827,824	20,972	43	11,569	4.20%	400	4.20%	

** Source: North Carolina Economic Development Commission

CALDWELL COUNTY, NORTH CAROLINA

**Principal Employers
Current Year and Nine Years Ago**

Employer	2017			2008		
	Employees	Rank	Total County Employment	Employees	Rank	Total County Employment
Caldwell County Schools	1000+	1	34,570	1000+	1	35,337
Bernhardt Furniture Co Inc	1000+	2	34,570	1000+	3	35,337
Merchants Distributors Inc	1000+	3	34,570	1000+	2	35,337
Heritage Home Group, LLC	500-999	4	34,570			
Caldwell Memorial Hospital Inc	500-999	5	34,570	500-999	5	35,337
Caldwell County	500-999	6	34,570	500-999	8	35,337
Wal-Mart Associates Inc	500-999	7	34,570			
Caldwell Community Coll & Tech Inst	500-999	8	34,570	500-999	6	35,337
Fairfield Chair Company	250-499	9	34,570			
Skill Creations, Inc.	250-499	10	34,570			
Broyhill Furniture Industries Inc				500-999	4	35,337
Thomasville Furniture Ind Inc				500-999	7	35,337
Universal Mental Health Services				500-999	9	35,337
Paxar Americas Inc				250-499	10	35,337

** Source: North Carolina Economic Development Commission

CALDWELL COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function

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

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

*** Data prior to 2010 is not available

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Fiscal Year Ended June 30, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety									
Average Daily Population at Jail	172	197	247	246	198	195	189	188	166
Number of Arrests by Sheriff Department	3,440	2,867	3,514	3,508	3,473	3,207	3,499	3,457	3,883
Responses by Sheriff Department	43,507	44,507	42,950	41,244	41,384	34,293	37,062	61,584	56,709
Health and Human Services									
Department of Social Services									
Adult Medicaid applications completed	1,381	1,470	1,683	2,490	2,430	2,608	2,278	2,212	1,498
Family Medicaid applications completed	701	3,484	3,790	5,728	6,417	6,580	8,068	8,460	8,611
New Children enrolled in Medicaid	n/a	n/a	n/a	2,952	4,053	4,342	5,365	5,599	6,003
Special Assistance applications completed	95	78	48	117	146	178	167	127	147
Food Stamps applications taken	4,800	5,059	5,478	4,061	4,900	5,582	5,656	5,826	5,915
Food Stamps applications approved	4,614	5,123	5,296	4,976	3,832	4,171	4,033	4,033	4,060
Food Stamps applications denied	761	647	1,513	990	1,009	1,047	984	1,491	1,538
Child Support orders	304	376	304	417	404	499	549	621	566
Medicaid Transportation requests	20,402	18,903	18,758	16,137	16,554	13,234	12,290	10,927	10,841
Average children receiving Child Care Subsidy each month	763	703	674	712	740	766	850	856	867
Emergency Assistance applications taken	3,349	3,562	3,504	3,841	4,832	5,017	3,773	3,544	3,534
Emergency Assistance applications approved	3,286	3,530	3,452	3,803	4,754	4,957	3,745	3,485	3,358
Work First applications completed	42	39	28	39	83	162	170	222	260
Average monthly enrollment in Adolescent Parenting Program	-	-	-	-	-	-	17	18	14
Adult Protective Services referrals	744	717	592	630	707	652	512	421	380
Reported cases of Physical or Sexual Abuse to Children	27	39	70	58	50	58	64	36	33
New cases of children placed in Foster Care	81	84	92	124	136	108	141	103	66
Finalized Adoptions	50	64	46	57	39	28	42	48	49
Clients seen at reception desk	30,647	32,786	41,760	49,303	49,787	33,303	34,878	33,852	30,935
Telephone calls received by switch board	52,916	90,565	73,723	89,011	100,547	107,194	99,229	103,617	109,372
Total Number of CPS Reports Investigated	1,134	1,057	1,117	1,020	1,000	1,979	1,830	1,095	856

Economic Impact of Social Services Administered Programs

Medicaid	\$ 116,437,663	\$ 109,814,040	n/a	\$ 107,070,682	\$ 106,270,617	\$ 101,671,025	\$ 97,187,390	\$ 94,971,287	\$ 92,623,710
Food Stamps	17,088,842	20,987,778	21,289,069	20,793,667	21,117,486	24,787,284	23,495,280	21,734,319	16,035,745
Work First	155,580	163,094	123,334	144,606	209,246	172,302	147,626	147,626	196,659
Rest Home	1,087,510	1,111,753	1,187,968	1,289,393	1,418,374	1,344,695	1,352,486	1,307,034	1,363,514
Energy & Crisis	752,264	723,218	797,677	706,333	809,228	896,386	1,054,851	1,160,671	622,660
Foster Care and Adoption	5,792,063	5,590,066	5,827,764	5,305,442	5,136,449	4,870,092	4,529,359	4,226,791	3,639,776
Child Daycare	3,329,635	2,996,704	2,850,529	2,925,670	2,987,568	3,187,595	3,606,396	2,492,378	3,402,818
Child Support	5,646,128	5,165,874	5,796,790	5,831,040	6,191,419	6,417,807	6,561,065	6,524,085	6,577,867
Total	\$ 150,289,685	\$ 146,552,527	\$ 37,873,131	\$ 144,066,833	\$ 144,140,387	\$ 143,347,186	\$ 137,934,453	\$ 132,564,191	\$ 124,462,749

Health Department

Rabies vaccinations given by animal control	1,290	1,199	1,350	923	832	893	1,442	1,448	1,382
Animals adopted out from the animal shelter	246	240	285	227	215	178	226	211	260
Dollars paid out by the WIC program	\$ 1,283,237	\$ 1,299,752	\$ 1,518,926	\$ 1,641,404	\$ 1,681,599	\$ 1,662,408	\$ 1,558,068	\$ 1,619,081	\$ 1,760,973
Home visits made by home health agency	n/a	n/a	n/a	n/a	n/a	11,436	17,950	17,950	16,152
Immunization rate for two year old children	87%	88%	90%	94%	89%	76%	79%	74%	90%
Number of children seen by dentist	1,673	2,120	2,506	2,377	2,414	1,416	3,196	3,291	2,896
Adult and child immunizations	n/a	n/a	n/a	2,762	1,465	1,188	n/a	n/a	5,326

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Fiscal Year Ended June 30, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009
Health Department (continued)									
Primary clinic visits	9,107	9,279	9,195	8,647	9,125	1,800	2,120	n/a	7,871
Nutrition contacts for WIC	7,851	8,045	8,124	8,215	8,576	9,243	n/a	n/a	10,593
Inspections carried out by Environmental Health	2,728	1,873	1,722	1,377	1,144	1,158	1,650	n/a	1,453
Maternity care encounters	1,936	2,040	2,254	2,465	2,306	2,415	3,240	n/a	3,539
Local TV programs for health education	27	14	12	14	12	14	25	21	15
Environmental Protection									
Solid Waste Investigations	151	101	152	70	49	42	45	139	n/a
Solid Waste Fines Issued	-	-	-	-	-	-	-	-	n/a
Economic Development									
<u>Building Permits Issued</u>									
New non-residential permits	54	90	77	65	76	65	73	59	55
Non-residential additions	71	90	61	60	88	78	52	54	70
New residential permits	99	90	117	98	74	63	87	119	147
Residential additions	152	150	155	138	145	174	194	145	164
Total Issued	376	420	410	361	383	380	406	377	436
Economic Development Incentive Payments	\$ 4,273,959	\$ 5,437,696	\$ 5,437,696	\$ 3,932,145	\$ 2,495,915	\$ 1,238,559	\$ 1,249,713	\$ 1,284,854	\$ 580,066
<u>Major Subdivisions Approved</u>									
Preliminary	2	1	1	-	-	-	-	1	3
Final	-	1	-	-	-	-	-	1	4
Cell Tower collocator requests approved	-	-	-	-	-	-	-	-	3
Rezoning requests	2	-	-	3	1	-	1	3	3
Variance requests	-	9	1	-	-	-	-	1	1
Planning violation investigations	n/a	n/a	18	17	21	17	13	8	-
Planning violation complaints	n/a	n/a	18	17	21	17	13	8	3
Street signs installed (E911)	54	84	55	65	91	105	69	288	358
Cultural and Recreational									
Library branches	3	3	3	3	3	3	3	3	3
Library staff	19,86	19,86	19,86	19,86	19,86	19,86	19,86	19,86	19,86
Total number of print items	131,818	125,744	128,154	142,376	133,987	140,854	138,102	136,848	122,408
Total number of electronic materials	118,265	n/a	n/a						
Total number of non-print items	n/a	18,031	16,687	19,891	16,288	24,475	23,776	21,977	18,384
Registered Borrowers	30,907	40,082	37,911	39,537	36,917	64,383	61,747	59	55,875
Total circulation	277,787	265,294	287,732	318,608	331,252	357,792	363,323	384,377	359,890
Number of visits to libraries	307,405	297,928	206,366	226,191	283,828	314,742	294,231	275,595	269,448
Reference questions answered	59,956	50,856	53,820	29,146	50,038	42,392	47,946	43,763	41,809
Number of uses of public computers	41,243	43,223	50,586	55,250	59,341	67,780	71,569	70,832	58,855
Meeting rooms attendance	15,484	22,730	19,006	18,669	26,857	27,642	38,024	34,687	29,472
Library programs hosted	570	n/a	n/a						
Library program attendance	11,244	n/a	n/a						

* 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, 2017

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety									
Jail capacity	185	185	185	185	185	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600
Number of ambulances	13	13	13	13	14	14	15	13	11
Number of squad cars	90	91	90	90	75	75	72	87	86
Health and Human Services									
Square footage available to Health Department	45,660	45,660	45,660	45,660	45,660	45,660	45,660	45,660	45,660
Square footage available to DSS	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736
Environmental Protection									
Number of convenience sites in County	9	9	9	9	9	9	9	9	9
General Government									
Square footage in County office building	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550
Cultural and Recreational									
Number of libraries in County	3	3	3	3	3	3	3	3	3
Square footage used by libraries	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741
Number of parks in County	4	4	4	4	4	4	4	4	4

* 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, 2017

Date of Incorporation	1,841
Form of Government	Commission - Manager
Number of Employees	
Full-Time Permanent	658
Other	548
Area in square miles	110
Number of Government Facilities and Services:	
Miles of Street	589 paved 108 unpaved
Fire Protection (a)	
Number of Stations	14
Number of Firefighters	553
Number of Responses	11,236
Law Enforcement (b)	
Number of Stations	1
Number of Officers	75
Cultural and Recreational	
Parks	13
Acres Covered by Parks	379
Acres Covered by National Forest	45,603
Number of Libraries	3
Number of Volumes	131,818
Number of Electronic Materials	118,265
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	27
Number of Classrooms	1,013
Number of Teachers	835
Number of Students	11,569
Higher Education (Caldwell Community College)	
Number of Locations	2
Number of Students	3,902

(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.