

**COUNTY OF CALDWELL
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2018

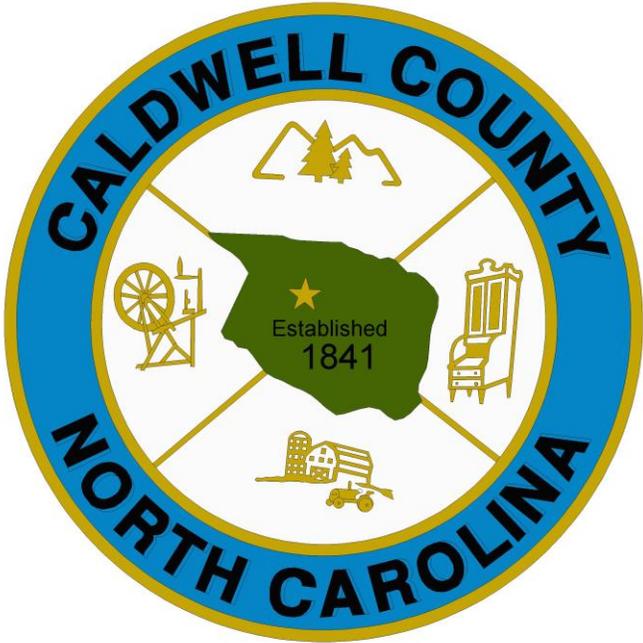


CALDWELL COUNTY, NORTH CAROLINA

Comprehensive Annual Financial Report

**For the Year Ended
June 30, 2018**

**Prepared by
Finance Department**



CALDWELL COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2018

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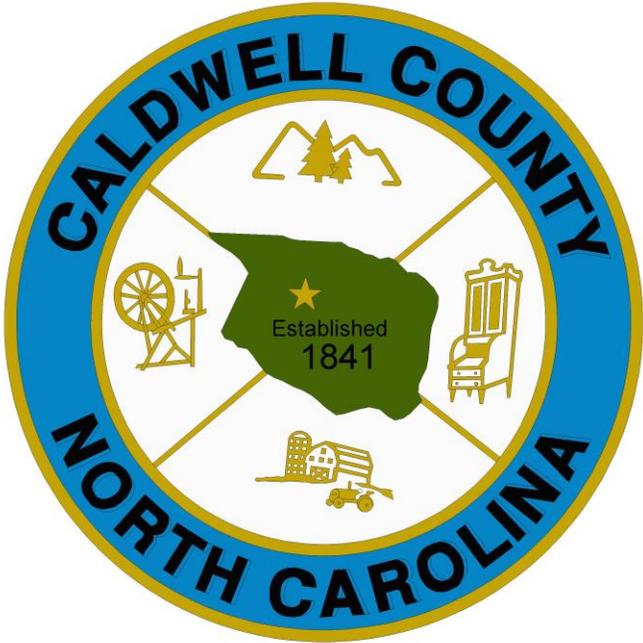
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INTRODUCTORY SECTION





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

LETTER OF TRANSMITTAL

November 16, 2018

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, 2018.

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, 2018, 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, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Description of the County

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

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

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

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

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

Economic Conditions and Outlook

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

Financial Information

The North Carolina Local Government Budget and Fiscal Control Act requires that all money expended by a unit of local government be budgeted. Because of this requirement, the budget is an integral part of a city or county's accounting system and daily operations. The annual budget, together with the various project budgets, forms an operating plan in addition to setting spending limits. For Caldwell County, annual budgets are adopted for the General Fund, some Special Revenue Funds, and Enterprise Operating Fund. Multiyear project budgets are adopted for some Special Revenue Funds, Capital Project Funds and Enterprise Capital Project Funds. Appropriations in the General Fund are made at the department level, and Enterprise and Special Revenue appropriations are made at the fund level. Capital Project appropriations are made at the object level. For internal accounting purposes, budgetary control is maintained at the line item

account level. Purchase orders within any line item are not issued until additional appropriations are made available through budget amendments or transfers. County department heads may make transfers of appropriations within a fund as long as total fund appropriations are not changed. The Board of Commissioners must approve budget amendments that change total fund appropriations or transfer appropriations between funds. Encumbrances outstanding at June 30, 2018, 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. Potential new projects include a replacement of Granite Falls Middle School, construction of two new EMS bases in the Lenoir area and either a replacement or significant renovation to the Animal Shelter. All of these projects would be funded via a borrowing. The school project would be supported by revenue generated by sales tax expansion.

Other Information

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

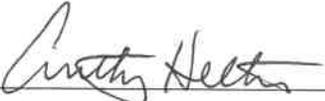
Caldwell County intends to submit this report to the Governmental Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting program. This program recognized governmental units that publish easily read and efficiently organized Comprehensive Annual Financial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

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

Respectfully submitted,

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

Stan Kiser
County Manager

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

Anthony Helton
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Caldwell County
North Carolina

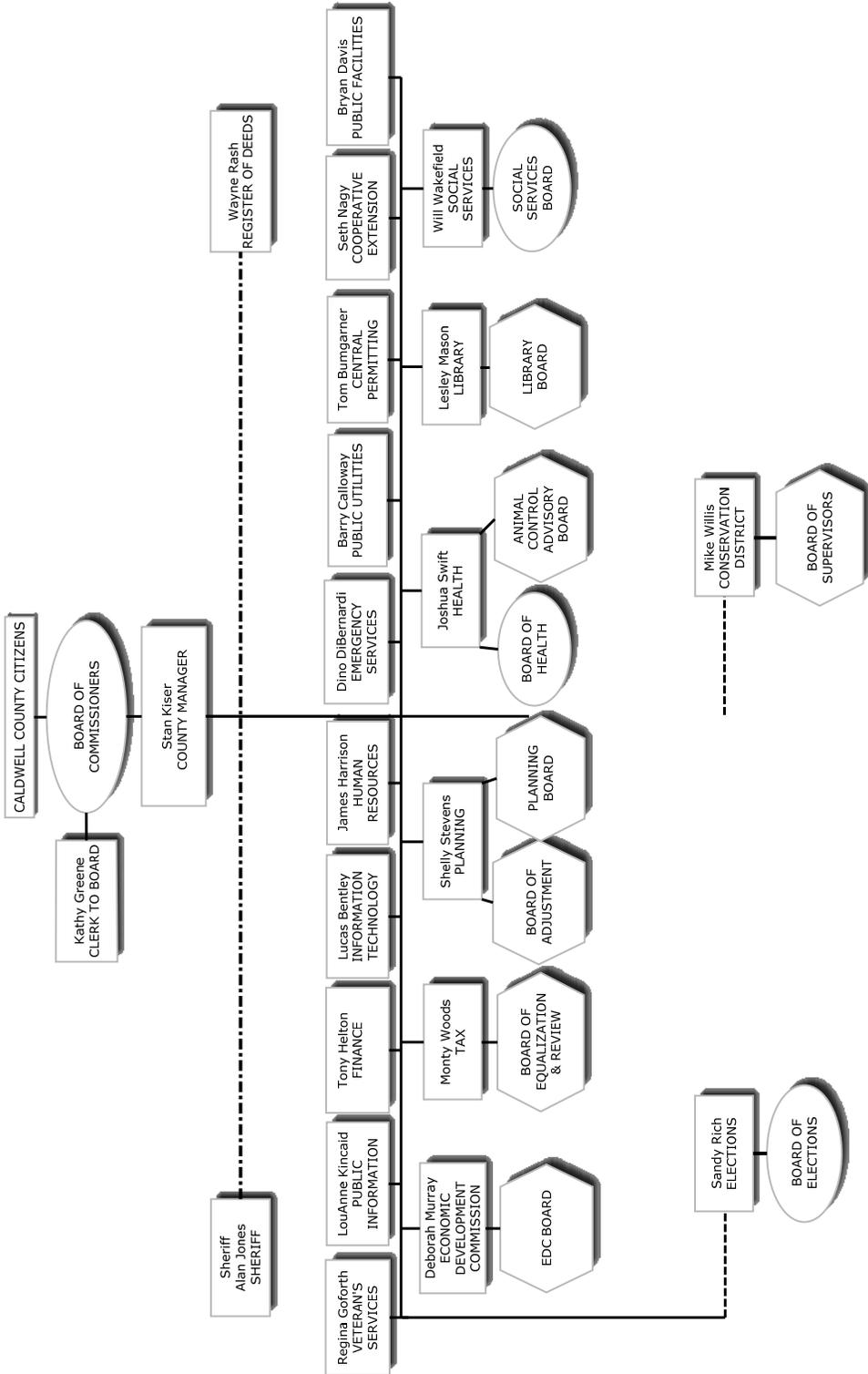
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

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, 2018

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

Joshua Swift, Health Director

Monty Woods, Tax Administrator

Jimmy Harrison, Human Resources Director

Lesley Mason, Library Director

Tony Helton, Finance Officer

Sandra Rich, Director of Elections

Barry Calloway, Public Utilities Supervisor

Bryan Davis, Facilities Supervisor

Tom Bumgarner, Central Permitting Supervisor

Shelley Stevens, Planning Director

Regina Goforth, Veterans Services Director

Dino Dibernardi, Emergency Services Director

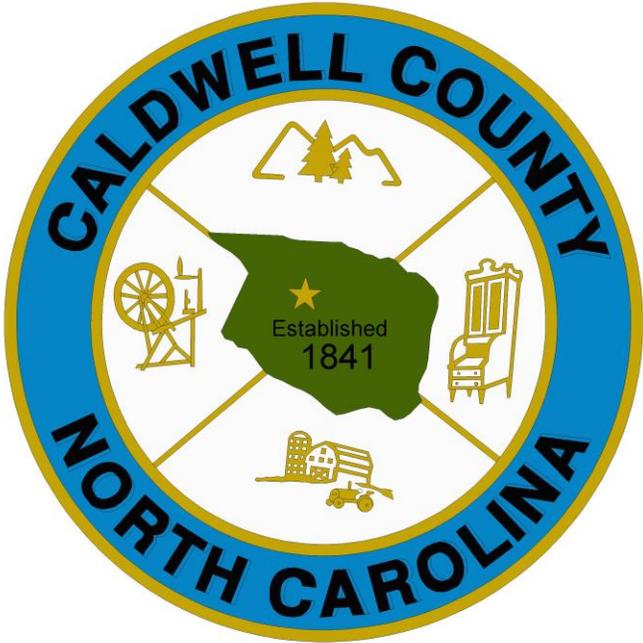
Kevin Brown, Fire Marshal

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, 2018, 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, 2018, 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.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, for fiscal year ended June 30, 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are the responsibility of management, and were derived from, and relate directly to, the

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

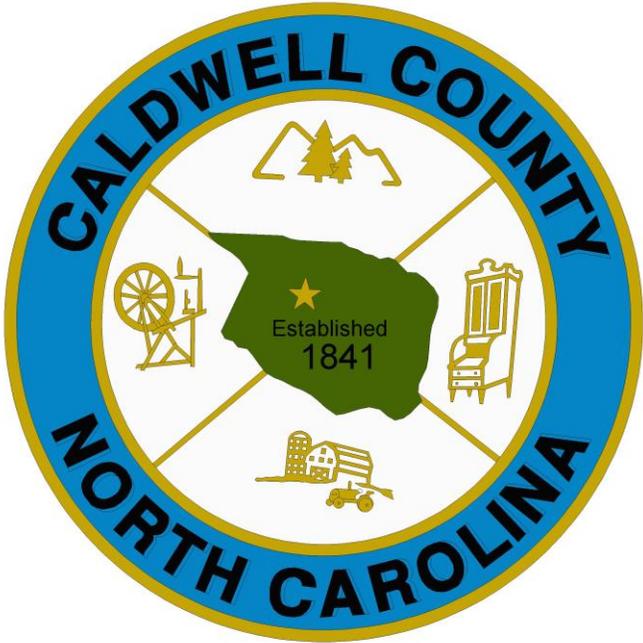
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements; and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2018 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 16, 2018



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, 2018. 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 \$28,827,827 (net position).
- The government's total net position increased by \$3,083,287, due to increased net position in both the governmental and business-type activities.
- As of the close of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$21,982,583.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,492,253.
- The total fund balance in the General Fund decreased by \$2,916 as a result of activities that took place during the fiscal year ended June 30, 2018.
- 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 \$28,827,827 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Assets:						
Current and other assets	\$ 27,364,784	\$ 26,815,244	\$ 8,138,477	\$ 7,580,402	\$ 35,503,261	\$ 34,395,646
Capital assets	32,542,417	33,115,206	5,406,248	5,396,787	37,948,665	38,511,993
Total assets	<u>59,907,201</u>	<u>59,930,450</u>	<u>13,544,725</u>	<u>12,977,189</u>	<u>73,451,926</u>	<u>72,907,639</u>
Deferred Outflows of Resources						
	<u>4,470,205</u>	<u>6,558,151</u>	<u>82,851</u>	<u>132,402</u>	<u>4,553,056</u>	<u>6,690,553</u>
Liabilities:						
Current liabilities	7,462,902	8,174,406	305,314	297,535	7,768,216	8,471,941
Long-term liabilities	40,634,294	43,951,859	180,681	163,459	40,814,975	44,115,318
Total liabilities	<u>48,097,196</u>	<u>52,126,265</u>	<u>485,995</u>	<u>460,994</u>	<u>48,583,191</u>	<u>52,587,259</u>
Deferred Inflows of Resources						
	<u>585,013</u>	<u>317,713</u>	<u>8,951</u>	<u>5,707</u>	<u>593,964</u>	<u>323,420</u>
Net Position:						
Net investment in capital assets	21,014,795	21,196,659	5,406,248	5,396,787	26,421,043	26,593,446
Restricted net position	6,278,616	6,635,065	-	-	6,278,616	6,635,065
Unrestricted net position	(11,598,214)	(13,787,101)	7,726,382	7,246,103	(3,871,832)	(6,540,998)
Total net position	<u>\$ 15,695,197</u>	<u>\$ 14,044,623</u>	<u>\$ 13,132,630</u>	<u>\$ 12,642,890</u>	<u>\$ 28,827,827</u>	<u>\$ 26,687,513</u>

The government's net position increased by \$3,083,287 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,732,177	\$ 7,511,141	\$ 3,630,964	\$ 3,571,972	\$ 10,363,141	\$ 11,083,113
Operating grants and contributions	13,436,087	17,562,173	-	-	13,436,087	17,562,173
Capital grants and contributions	2,626,358	1,140,915	-	-	2,626,358	1,140,915
General revenues:						
Property taxes	46,573,903	46,145,791	-	-	46,573,903	46,145,791
Local option sales tax	11,444,115	11,288,798	-	-	11,444,115	11,288,798
Other taxes and licenses	1,089,152	1,291,439	-	-	1,089,152	1,291,439
Investment earnings	55,941	30,559	16,620	6,845	72,561	37,404
Total revenues	<u>81,957,733</u>	<u>84,970,816</u>	<u>3,647,584</u>	<u>3,578,817</u>	<u>85,605,317</u>	<u>88,549,633</u>
Expenses:						
Governmental activities:						
General government	6,514,507	6,431,654	-	-	6,514,507	6,431,654
Public safety	21,793,763	21,653,096	-	-	21,793,763	21,653,096
Environmental protection	578,401	550,780	-	-	578,401	550,780
Economic and physical development	7,030,709	6,452,959	-	-	7,030,709	6,452,959
Human services	18,548,252	22,610,724	-	-	18,548,252	22,610,724
Cultural and recreational	1,550,598	1,487,024	-	-	1,550,598	1,487,024
Education	22,611,641	20,636,632	-	-	22,611,641	20,636,632
Interest	813,953	1,124,600	-	-	813,953	1,124,600
Business-type activities:						
Water Fund	-	-	3,080,206	3,273,223	3,080,206	3,273,223
Total expenses	<u>79,441,824</u>	<u>80,947,469</u>	<u>3,080,206</u>	<u>3,273,223</u>	<u>82,522,030</u>	<u>84,220,692</u>
Change in net position before transfers	2,515,909	4,023,347	567,378	305,594	3,083,287	4,328,941
Transfers in (out)	15,725	-	(15,725)	-	-	-
Change in net position	<u>2,531,634</u>	<u>4,023,347</u>	<u>551,653</u>	<u>305,594</u>	<u>3,083,287</u>	<u>4,328,941</u>
Net Position:						
Beginning net position	14,044,623	10,453,851	12,642,890	12,337,296	26,687,513	22,791,147
Restatement	(881,060)	(432,575)	(61,913)	-	(942,973)	(432,575)
Beginning net position, restated	<u>13,163,563</u>	<u>10,021,276</u>	<u>12,580,977</u>	<u>12,337,296</u>	<u>25,744,540</u>	<u>22,358,572</u>
Ending net position	<u>\$ 15,695,197</u>	<u>\$ 14,044,623</u>	<u>\$ 13,132,630</u>	<u>\$ 12,642,890</u>	<u>\$ 28,827,827</u>	<u>\$ 26,687,513</u>

Governmental Activities. Governmental activities increased Caldwell County's net position by \$2,531,634. This is primarily due to the County continuing to pay down existing debt while issuing very little new debt.

Business-Type Activities. Business-type activities increased Caldwell County's net position by \$551,653. The key elements in this increase are as follows:

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$21,982,583, an increase of \$923,645 in comparison with the prior year. The largest reason for this increase is the county's paying down of its existing debt while issuing very little new debt. Approximately 16% of this total amount, or \$3,491,834, 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 \$3,492,253 while total fund balance reached \$13,890,834. The County's fund balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$9,758,819, or 13.71%, of expenditures.

The total fund balance of Caldwell County's General Fund decreased by \$2,916 during the current fiscal year. This change is statistically break even, which the goal for this year's budget.

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

The County's Public Schools Capital Project Fund is a major capital project fund. This fund includes 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 \$7,726,382. The total increase in net position for the Water Fund was \$551,653. Other factors concerning the finances of this fund have already been addressed in the discussion of Caldwell County's business-type activities.

General Fund Budgetary Highlights

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

- Appropriations of fund balance in the General Fund totaled \$713,833. Out of this amount \$240,000 was used to purchase and renovate the old Grace Chapel Fire Department building and turn it into an EMS base. \$50,000 was added to cover increased cost of providing retiree health insurance and the remainder was used to purchase vehicles and equipment for EMS and Sheriff's department.
- Funds totaling \$748,000 were transferred into the General Fund from the General Capital Projects fund and used for various projects including the new entrance road for the Health and Human Services Building, a replacement boiler at the Court House and an a new HVAC at the public library.

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 decreased during the year as the county is attempting to make better use of these funds. \$350,000 was transferred out of this fund to help fund construction for two new EMS bases in Lenoir.

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, 2018 amounts to \$37,948,665. 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. The school system has applied for state grant totaling \$15,000,000 that would help fund the project if they are successful.
- The County's tax rate remained unchanged for fiscal year 2017-2018 at 63 cents.
- The County continued to explore options on various other capital needs such as:
 - 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. Construction has begun on this project and it should be completed by the end of calendar year 2018.
 - The county has hired a firm to design a new animal shelter. The location for this new facility has not yet been determined.

Table 3
Capital Assets, Net of Depreciation
As of June 30, 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Land	\$ 7,618,971	\$ 7,417,580	\$ 20,000	\$ 20,000	\$ 7,638,971	\$ 7,437,580
Construction in progress	111,651	1,409,215	212,857	85,322	324,508	1,494,537
Buildings	18,745,400	17,764,667	86,514	89,350	18,831,914	17,854,017
Equipment, furniture, and vehicles	6,066,395	6,523,744	-	-	6,066,395	6,523,744
Water system	-	-	5,086,877	5,202,115	5,086,877	5,202,115
Total capital assets, net of depreciation, where applicable	<u>\$ 32,542,417</u>	<u>\$ 33,115,206</u>	<u>\$ 5,406,248</u>	<u>\$ 5,396,787</u>	<u>\$ 37,948,665</u>	<u>\$ 38,511,993</u>

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

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

Table 4
General Obligation Bonds Outstanding
As of June 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
General obligation bonds	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,000</u>

Caldwell County’s general obligation debt decreased during the year by \$185,000. 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 \$509,713,000, 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 63 of this report.

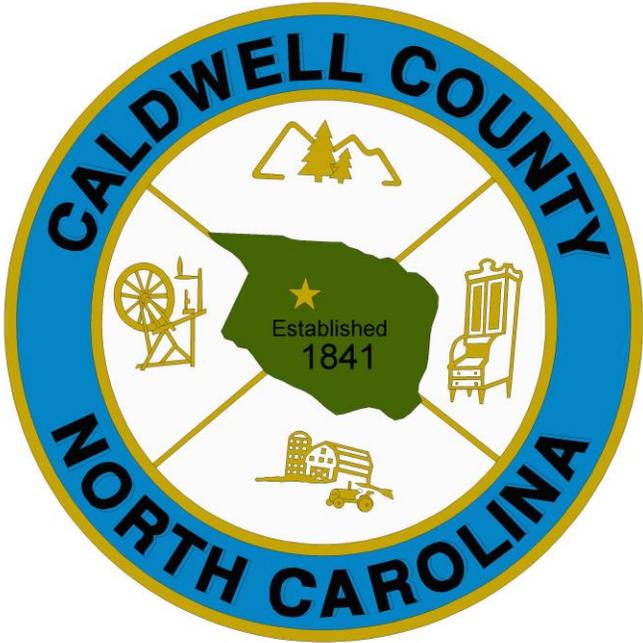
Economic Factors and Next Year's Budgets and Rates

Caldwell County continues to maintain a sound financial condition. Caldwell County's fund balance percentage, as calculated by the Local Government Commission, is 12.61% as of June 30, 2018. This is well above the recommended minimum of 8%. Property and sales tax collections exceeded budget for fiscal year 2017-2018. Actual expenditures in the General Fund came in over \$8 million below the budget.

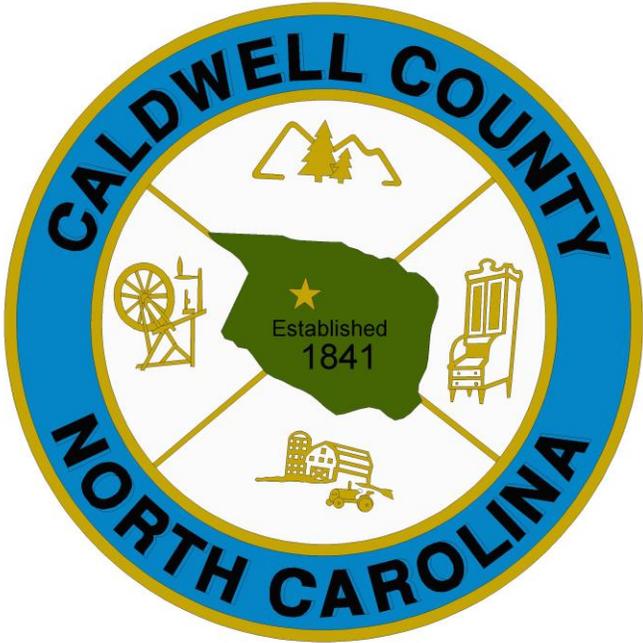
The budget for fiscal year 2018-2019 maintains the current tax rate of 63 cents per \$100 of tax value. The budget for fiscal year 2018-2019 includes a substantial fund balance appropriation in the General Fund, but we do not anticipate using any of it. The County typically budgets its expenditures at 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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 18,187,305	\$ 7,399,735	\$ 25,587,040
Taxes receivable, net	2,723,145	-	2,723,145
Accounts receivable, net	4,878,244	485,752	5,363,996
Due from other governments	611,949	17,796	629,745
Inventories	65,935	138,564	204,499
Restricted cash and cash equivalents	783,741	96,630	880,371
Total current assets	<u>27,250,319</u>	<u>8,138,477</u>	<u>35,388,796</u>
Non-current assets:			
Net pension asset	114,465	-	114,465
Non-depreciable capital assets	7,730,622	232,857	7,963,479
Depreciable capital assets, net	24,811,795	5,173,391	29,985,186
Total non-current assets	<u>32,656,882</u>	<u>5,406,248</u>	<u>38,063,130</u>
Total assets	<u>59,907,201</u>	<u>13,544,725</u>	<u>73,451,926</u>
Deferred Outflows of Resources:			
OPEB deferrals	252,146	199	252,345
Pension deferrals	4,218,059	82,652	4,300,711
Total deferred outflows of resources	<u>4,470,205</u>	<u>82,851</u>	<u>4,553,056</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	2,137,528	181,777	2,319,305
Accrued interest payable	350,218	-	350,218
Payable from restricted assets:			
Customer deposits	-	96,630	96,630
Current portion of long-term liabilities	4,975,156	26,907	5,002,063
Total current liabilities	<u>7,462,902</u>	<u>305,314</u>	<u>7,768,216</u>
Long-term liabilities:			
Net pension liability - LGERS	5,372,587	109,645	5,482,232
Total pension liability - LEOSSA	1,546,222	-	1,546,222
Total OPEB liability	3,151,133	64,309	3,215,442
Due in more than one year	30,564,352	6,727	30,571,079
Total long-term liabilities	<u>40,634,294</u>	<u>180,681</u>	<u>40,814,975</u>
Total liabilities	<u>48,097,196</u>	<u>485,995</u>	<u>48,583,191</u>
Deferred Inflows of Resources:			
Prepaid taxes	111,847	-	111,847
OPEB deferrals	146,469	2,989	149,458
Pension deferrals	326,697	5,962	332,659
Total deferred inflows of resources	<u>585,013</u>	<u>8,951</u>	<u>593,964</u>
Net Position:			
Net investment in capital assets	21,014,795	5,406,248	26,421,043
Restricted for:			
Stabilization for state statute	5,194,977	-	5,194,977
Register of Deeds pension plan	161,687	-	161,687
Human services	241,229	-	241,229
Public safety	638,243	-	638,243
Register of Deeds	19,854	-	19,854
Education	22,626	-	22,626
Unrestricted (deficit)	<u>(11,598,214)</u>	<u>7,726,382</u>	<u>(3,871,832)</u>
Total net position	<u>\$ 15,695,197</u>	<u>\$ 13,132,630</u>	<u>\$ 28,827,827</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, 2018

Functions/Programs:	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General government	\$ 6,514,507	\$ 2,004,610	\$ -	\$ -
Public safety	21,793,763	3,397,084	1,862,926	-
Environmental protection	578,401	1,098,694	-	-
Economic and physical development	7,030,709	32,479	-	34,568
Human services	18,548,252	179,399	11,310,939	-
Cultural and recreational	1,550,598	19,911	262,222	-
Education	22,611,641	-	-	2,591,790
Interest	813,953	-	-	-
Total governmental activities	<u>79,441,824</u>	<u>6,732,177</u>	<u>13,436,087</u>	<u>2,626,358</u>
Business-Type Activities:				
Water Fund	3,080,206	3,630,964	-	-
Total primary government	<u>\$ 82,522,030</u>	<u>\$ 10,363,141</u>	<u>\$ 13,436,087</u>	<u>\$ 2,626,358</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, 2018

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (4,509,897)	\$ -	\$ (4,509,897)
Public safety	(16,533,753)	-	(16,533,753)
Environmental protection	520,293	-	520,293
Economic and physical development	(6,963,662)	-	(6,963,662)
Human services	(7,057,914)	-	(7,057,914)
Cultural and recreational	(1,268,465)	-	(1,268,465)
Education	(20,019,851)	-	(20,019,851)
Interest	(813,953)	-	(813,953)
Total governmental activities	<u>(56,647,202)</u>	<u>-</u>	<u>(56,647,202)</u>
Business-Type Activities:			
Water Fund	-	550,758	550,758
Total primary government	<u>(56,647,202)</u>	<u>550,758</u>	<u>(56,096,444)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	46,573,903	-	46,573,903
Local option sales tax	11,444,115	-	11,444,115
Other taxes and licenses	1,089,152	-	1,089,152
Investment earnings	55,941	16,620	72,561
Total general revenues, excluding transfers	59,163,111	16,620	59,179,731
Transfers	15,725	(15,725)	-
Total general revenues	<u>59,178,836</u>	<u>895</u>	<u>59,179,731</u>
Change in net position	<u>2,531,634</u>	<u>551,653</u>	<u>3,083,287</u>
Net Position:			
Beginning of year - July 1	14,044,623	12,642,890	26,687,513
Restatement	(881,060)	(61,913)	(942,973)
Beginning of year, restated - July 1	<u>13,163,563</u>	<u>12,580,977</u>	<u>25,744,540</u>
End of year - June 30	<u>\$ 15,695,197</u>	<u>\$ 13,132,630</u>	<u>\$ 28,827,827</u>

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

CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major Funds				Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 11,142,419	\$ 4,438,549	\$ 362,899	\$ 2,243,438	\$ 18,187,305
Taxes receivable (net)	2,454,468	-	-	268,677	2,723,145
Accounts receivable (net)	3,760,979	-	-	1,117,265	4,878,244
Due from other governments	600,317	-	-	11,632	611,949
Inventories	65,935	-	-	-	65,935
Restricted cash and cash equivalents	783,741	-	-	-	783,741
Total assets	<u>\$ 18,807,859</u>	<u>\$ 4,438,549</u>	<u>\$ 362,899</u>	<u>\$ 3,641,012</u>	<u>\$ 27,250,319</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,055,494	\$ -	\$ -	\$ 82,034	\$ 2,137,528
Deferred Inflows of Resources:					
Property taxes receivable	2,454,468	-	-	268,677	2,723,145
Prepaid taxes	111,847	-	-	-	111,847
Ambulance receivable	295,216	-	-	-	295,216
Total deferred inflows of resources	<u>2,861,531</u>	<u>-</u>	<u>-</u>	<u>268,677</u>	<u>3,130,208</u>
Fund Balances:					
Non-spendable:					
Inventories	65,935	-	-	-	65,935
Restricted:					
Stabilization for state statute	4,066,080	-	-	1,128,897	5,194,977
Restricted, all other	1,044,824	-	-	406,201	1,451,025
Committed	-	-	362,899	1,755,622	2,118,521
Assigned	5,221,742	4,438,549	-	-	9,660,291
Unassigned	3,492,253	-	-	(419)	3,491,834
Total fund balances	<u>13,890,834</u>	<u>4,438,549</u>	<u>362,899</u>	<u>3,290,301</u>	<u>21,982,583</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,807,859</u>	<u>\$ 4,438,549</u>	<u>\$ 362,899</u>	<u>\$ 3,641,012</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets, net of accumulated depreciation, used in governmental activities, are not current financial resources and, therefore, are not reported in the funds.					
					32,542,417
Net pension asset					
					114,465
Net pension liability - LGERS					
					(5,372,587)
Total pension liability - LEOSSA					
					(1,546,222)
Total OPEB liability					
					(3,151,133)
Deferred outflows of resources related to pensions are not reported in the funds.					
					4,218,059
Deferred outflows of resources related to OPEB are not reported in the funds.					
					252,146
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.					
					3,018,361
Deferred inflows of resources related to pensions are not reported in the funds.					
					(326,697)
Deferred inflows of resources related to OPEB are not reported in the funds.					
					(146,469)
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.					
					(35,889,726)
Net position of governmental activities, per Exhibit A					
					<u>\$ 15,695,197</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, 2018

	Major Funds				Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	Other Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 42,710,260	\$ -	\$ -	\$ 3,865,013	\$ 46,575,273
Local option sales taxes	6,482,618	-	-	4,351,497	10,834,115
Other taxes and licenses	520,956	-	-	-	520,956
Unrestricted intergovernmental	640,353	610,000	-	-	1,250,353
Restricted intergovernmental	13,137,753	210,716	2,209,411	822,469	16,380,349
Permits and fees	979,574	-	-	-	979,574
Sales and services	5,288,156	-	-	-	5,288,156
Investment earnings	40,842	10,116	869	4,114	55,941
Miscellaneous	198,837	-	-	-	198,837
Total revenues	<u>69,999,349</u>	<u>830,832</u>	<u>2,210,280</u>	<u>9,043,093</u>	<u>82,083,554</u>
Expenditures:					
Current:					
General government	6,661,990	-	-	-	6,661,990
Public safety	17,052,818	-	-	4,410,387	21,463,205
Environmental protection	567,274	-	-	67,525	634,799
Economic and physical development	6,520,200	437,109	-	69,256	7,026,565
Human services	18,051,877	-	-	25,278	18,077,155
Cultural and recreational	1,462,763	-	-	-	1,462,763
Education	18,438,516	-	2,393,790	1,779,335	22,611,641
Debt service:					
Principal retirement	2,800,452	-	-	1,577,824	4,378,276
Interest and fees	522,608	-	-	296,054	818,662
Total expenditures	<u>72,078,498</u>	<u>437,109</u>	<u>2,393,790</u>	<u>8,225,659</u>	<u>83,135,056</u>
Revenues over (under) expenditures	<u>(2,079,149)</u>	<u>393,723</u>	<u>(183,510)</u>	<u>817,434</u>	<u>(1,051,502)</u>
Other Financing Sources (Uses):					
Long-term debt issued	1,264,000	-	-	676,415	1,940,415
Transfers from other funds	1,128,000	-	-	388,573	1,516,573
Transfers to other funds	(350,499)	(738,573)	-	(427,501)	(1,516,573)
Proceeds from sale of capital assets	34,732	-	-	-	34,732
Total other financing sources (uses)	<u>2,076,233</u>	<u>(738,573)</u>	<u>-</u>	<u>637,487</u>	<u>1,975,147</u>
Net change in fund balances	(2,916)	(344,850)	(183,510)	1,454,921	923,645
Fund Balances:					
Beginning of year - July 1	<u>13,893,750</u>	<u>4,783,399</u>	<u>546,409</u>	<u>1,835,380</u>	<u>21,058,938</u>
End of year - June 30	<u>\$ 13,890,834</u>	<u>\$ 4,438,549</u>	<u>\$ 362,899</u>	<u>\$ 3,290,301</u>	<u>\$ 21,982,583</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, 2018**

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)	\$ 923,645
<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	(1,370)
Sales and services	(129,469)
Contribution of capital assets is reported as a revenue in the Statement of Activities and is not reported in the governmental funds.	15,725
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	58,995
Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures.	62,366
Expenses related to interest expense that do not require current financial resources are not reported as expenditures.	4,709
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	2,057,591
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.	(29,714)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,616,391)
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.	(1,940,415)
Pension expense - LEOSSA	(61,699)
Pension expense - LGERS	(160,293)
Pension expense - ROD	(18,600)
OPEB plan expense	(11,722)
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>4,378,276</u>
Change in net position of governmental activities, per Exhibit B	<u><u>\$ 2,531,634</u></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, 2018

	General Fund			Variance with Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 41,071,180	\$ 41,071,180	\$ 42,710,260	\$ 1,639,080
Local option sales taxes	6,000,000	6,000,000	6,482,618	482,618
Other taxes and licenses	425,500	470,500	520,956	50,456
Unrestricted intergovernmental	565,451	565,451	640,353	74,902
Restricted intergovernmental	17,276,313	17,615,027	13,137,753	(4,477,274)
Permits and fees	917,000	917,000	979,574	62,574
Sales and services	5,315,872	5,330,874	5,288,156	(42,718)
Investment earnings	10,000	10,000	40,842	30,842
Miscellaneous	161,480	232,962	198,837	(34,125)
Total revenues	<u>71,742,796</u>	<u>72,212,994</u>	<u>69,999,349</u>	<u>(2,213,645)</u>
Expenditures:				
Current:				
General government	7,484,160	7,897,585	6,661,990	1,235,595
Public safety	17,387,990	18,249,238	17,052,818	1,196,420
Environmental protection	652,153	679,653	567,274	112,379
Economic and physical development	6,554,721	6,669,118	6,520,200	148,918
Human services	23,383,098	23,429,310	18,051,877	5,377,433
Cultural and recreational	1,482,515	1,562,158	1,462,763	99,395
Intergovernmental:				
Education	18,488,139	18,527,364	18,438,516	88,848
Contingency	200,000	184,635	-	184,635
Debt service:				
Principal retirement	2,807,067	2,821,567	2,800,452	21,115
Interest and fees	486,656	514,658	522,608	(7,950)
Total expenditures	<u>78,926,499</u>	<u>80,535,286</u>	<u>72,078,498</u>	<u>8,456,788</u>
Revenues over (under) expenditures	<u>(7,183,703)</u>	<u>(8,322,292)</u>	<u>(2,079,149)</u>	<u>6,243,143</u>
Other Financing Sources (Uses):				
Long-term debt issued	1,296,000	1,264,000	1,264,000	-
Transfers from (to) General Fund	-	-	-	-
Transfers from (to) special revenue funds	350,000	350,000	350,000	-
Transfers from (to) capital project funds	(13,371)	414,629	427,501	12,872
Proceeds from sale of capital assets	10,000	38,000	34,732	(3,268)
Appropriated fund balance	5,541,074	6,255,663	-	(6,255,663)
Total other financing sources (uses)	<u>7,183,703</u>	<u>8,322,292</u>	<u>2,076,233</u>	<u>(6,246,059)</u>
Net change in fund balance	\$ -	\$ -	(2,916)	\$ (2,916)
Fund Balance:				
Beginning of year - July 1			13,893,750	
End of year - June 30			<u>\$ 13,890,834</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, 2018

	<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	600,000	600,000	610,000	10,000
Restricted intergovernmental	-	-	210,716	210,716
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	10,116	10,116
Miscellaneous	-	-	-	-
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>830,832</u>	<u>230,832</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	2,250,000	2,250,000	437,109	1,812,891
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:	-	-	-	-
Education	-	-	-	-
Contingency	-	-	-	-
Debt service:	-	-	-	-
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>2,250,000</u>	<u>2,250,000</u>	<u>437,109</u>	<u>1,812,891</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>(1,650,000)</u>	<u>393,723</u>	<u>2,043,723</u>
Other Financing Sources (Uses):				
Long-term debt issued	-	-	-	-
Transfers from (to) General Fund	(350,000)	(350,000)	(350,000)	-
Transfers from (to) special revenue funds	-	-	-	-
Transfers from (to) capital project funds	-	(388,573)	(388,573)	-
Proceeds from sale of capital assets	-	-	-	-
Appropriated fund balance	<u>2,000,000</u>	<u>2,388,573</u>	<u>-</u>	<u>(2,388,573)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>(738,573)</u>	<u>(2,388,573)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(344,850)</u>	<u>\$ (344,850)</u>
Fund Balance:				
Beginning of year - July 1			<u>4,783,399</u>	
End of year - June 30			<u>\$ 4,438,549</u>	

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

CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	<u>Water Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,399,735
Accounts receivable net	485,752
Due from other governments	17,796
Inventories	138,564
Restricted cash and cash equivalents	<u>96,630</u>
Total current assets	<u>8,138,477</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	232,857
Capital assets (net of depreciation)	<u>5,173,391</u>
Total capital assets	<u>5,406,248</u>
Total non-current assets	<u>5,406,248</u>
Total assets	<u>13,544,725</u>
Deferred Outflows of Resources:	
OPEB deferrals	199
Pension deferrals	<u>82,652</u>
Total deferred outflows of resources	<u>82,851</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	181,777
Amounts payable from restricted assets:	
Customer deposits	96,630
Current portion of compensated absences payable	<u>26,907</u>
Total current liabilities	<u>305,314</u>
Non-current liabilities:	
Compensated absences payable	6,727
Net pension liability	109,645
Total OPEB liability	<u>64,309</u>
Total non-current liabilities	<u>180,681</u>
Total liabilities	<u>485,995</u>
Deferred Inflows of Resources:	
Pension deferrals	5,962
OPEB deferrals	<u>2,989</u>
Total deferred inflows of resources	<u>8,951</u>
Net Position:	
Net investment in capital assets	5,406,248
Unrestricted	<u>7,726,382</u>
Total net position	<u>\$ 13,132,630</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, 2018

	<u>Water Fund</u>
Operating Revenues:	
Charges for services	\$ 3,553,929
Water taps	57,571
Other operating revenues	19,464
Total operating revenues	<u>3,630,964</u>
Operating Expenses:	
Water operations	2,712,746
Depreciation	367,460
Total operating expenses	<u>3,080,206</u>
Operating income (loss)	<u>550,758</u>
Non-Operating Revenues (Expenses):	
Investment earnings	<u>16,620</u>
Total non-operating revenues (expenses)	<u>16,620</u>
Income (loss) before transfers	567,378
Non-cash transfer of assets	<u>(15,725)</u>
Change in net position	<u>551,653</u>
Net Position:	
Beginning of year - July 1	12,642,890
Restatement	<u>(61,913)</u>
Beginning of year - July 1, restated	<u>12,580,977</u>
End of year - June 30	<u>\$ 13,132,630</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, 2018

	<u>Water Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 3,589,644
Cash paid for goods and services	(2,095,411)
Cash paid to or on behalf of employees	(596,872)
Net cash provided (used) by operating activities	<u>897,361</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	<u>(392,646)</u>
Cash Flows from Investing Activities:	
Investment earnings	<u>16,620</u>
Net increase (decrease) in cash and cash equivalents	521,335
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>6,975,030</u>
End of year - June 30	<u>\$ 7,496,365</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 550,758</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	367,460
Change in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(76,976)
(Increase) decrease in inventory and other current assets	4,580
(Increase) decrease in due from other governments	35,656
(Increase) decrease in deferred outflows of resources for pensions	49,750
(Increase) decrease in deferred outflows of resources for OPEB	(199)
(Increase) decrease in net pension asset	3,017
Increase (decrease) in net pension liability	(49,750)
Increase (decrease) in OPEB	2,396
Increase (decrease) in deferred inflows of resources for pensions	255
Increase (decrease) in deferred inflows of resources for OPEB	2,989
Increase (decrease) in accounts payable and accrued liabilities	7,885
Increase (decrease) in customer deposits	1,310
Increase (decrease) in compensated absences payable	(1,770)
Total adjustments	<u>346,603</u>
Net cash provided (used) by operating activities	<u>\$ 897,361</u>
Non-Cash Transactions:	
The County transferred \$15,725 of capital assets to the General Fund in the current year.	<u>\$ 15,725</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, 2018

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 89,146
Accounts receivable	<u>31,889</u>
Total assets	<u>\$ 121,035</u>
Liabilities:	
Miscellaneous liabilities	\$ 43,465
Intergovernmental payable	<u>77,570</u>
Total liabilities	<u>\$ 121,035</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, 2018

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, 2018

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, 2018

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, 2018

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

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

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

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

E. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

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

Deposits and Investments

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

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

The County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 government money market fund, 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 considered cash and cash equivalents.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Restricted Assets

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

Governmental Activities:

General Fund:

Federal Asset Forfeiture funds	\$ 42,479
State Controlled Substance funds	212,189
Unexpended debt proceeds	<u>529,073</u>
Total General Fund	<u>783,741</u>

Total governmental activities 783,741

Business-Type Activities:

Water Fund:

Customer deposits	<u>96,630</u>
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Total restricted cash \$ 880,371

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, 2017. 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, 2018

Inventories

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

Capital Assets

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

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

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

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criteria – pension and OPEB related deferrals.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

Long-Term Obligations

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

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

Restricted for Human Services (debt) – portion of fund balance restricted by revenue source to purchase a new phone system for the human services building which houses DSS and the Health Department

Restricted for General Government – portion of fund balance restricted by revenue source to replace voting machines for the board of elections

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, 2018**

Restricted fund balance at June 30, 2018 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Restricted, All Other:		
Register of Deeds	\$ 19,854	\$ -
Human Services (Adoption)	241,229	-
Human Services (debt)	363,830	-
General Government (debt)	165,243	-
Public safety	254,668	383,575
Education	-	22,626
Total	<u>\$ 1,044,824</u>	<u>\$ 406,201</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 \$161,687 and unspent debt proceeds of \$529,073 for a net difference of \$367,386 at June 30, 2018.

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, 2018 is as follows:

<u>Purpose</u>	<u>Public Schools Capital Project Fund</u>	<u>Other Governmental Funds</u>
Education	\$ 362,899	\$ -
Future capital projects	-	1,755,622
Total	<u>\$ 362,899</u>	<u>\$ 1,755,622</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018 is as follows:

Purpose	General Fund	Other Governmental Funds
Subsequent year's expenditures	\$ 5,221,742	\$ 2,000,000
Economic development	-	2,438,549
Total	\$ 5,221,742	\$ 4,438,549

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, 2018

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	\$ 13,890,834
Less:	
Inventories	(65,935)
Stabilization by state statute	<u>(4,066,080)</u>
Fund balance available for appropriation	<u>\$ 9,758,819</u>

Defined Benefit Cost-Sharing Plans

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

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by its agents in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

the County under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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, 2018, the County's deposits had a carrying amount of \$22,248,792 and a bank balance of \$23,588,400. Of the bank balance, \$544,257 was covered by federal depository insurance and \$23,044,143 was covered by collateral held under the Pooling Method.

At June 30, 2018, the County had \$20,269 cash on hand.

Investments

As of June 30, 2018, the County's investment balances were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 1,203,512	N/A	N/A
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	3,083,984	3,083,984	-
Total investments		<u>\$ 4,287,496</u>	<u>\$ 3,083,984</u>	<u>\$ -</u>

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

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

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

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018.

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 Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,335,493	\$ 200,324	\$ 1,535,817
2016	1,484,417	148,442	1,632,859
2017	1,531,579	76,579	1,608,158
2018	1,552,243	-	1,552,243
Total	<u>\$ 5,903,732</u>	<u>\$ 425,345</u>	<u>\$ 6,329,077</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General property taxes	\$ -	\$ 6,217,109	\$ -	\$ 6,217,109
Allowance for doubtful accounts	-	(3,762,641)	-	(3,762,641)
Fire district taxes	-	626,927	-	626,927
Allowance for doubtful accounts	-	(372,381)	-	(372,381)
Rescue squad taxes	-	62,329	-	62,329
Allowance for doubtful accounts	-	(48,198)	-	(48,198)
Total	<u>-</u>	<u>2,723,145</u>	<u>-</u>	<u>2,723,145</u>
Ambulance receivables	8,672,745	-	-	8,672,745
Allowance for doubtful accounts	(8,057,383)	-	-	(8,057,383)
Sales tax receivable	2,748,421	-	-	2,748,421
DSS 1571 receivable	615,876	-	-	615,876
Other receivables	898,585	-	352,872	1,251,457
Sales tax refund	-	-	259,077	259,077
Total governmental activities	<u>\$ 4,878,244</u>	<u>\$ 2,723,145</u>	<u>\$ 611,949</u>	<u>\$ 8,213,338</u>
Business-Type Activities:				
Water	\$ 768,686	\$ -	\$ -	\$ 768,686
Allowance for doubtful accounts	(282,934)	-	-	(282,934)
Sales tax refund due	-	-	17,796	17,796
Total business-type activities	<u>\$ 485,752</u>	<u>\$ -</u>	<u>\$ 17,796</u>	<u>\$ 503,548</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 7,417,580	\$ 201,391	\$ -	\$ -	\$ 7,618,971
Construction in progress	1,409,215	119,388	-	(1,416,952)	111,651
Total non-depreciable capital assets	<u>8,826,795</u>	<u>320,779</u>	<u>-</u>	<u>(1,416,952)</u>	<u>7,730,622</u>
Depreciable Capital Assets:					
Buildings	30,582,236	329,428	-	1,416,952	32,328,616
Equipment and furniture	13,065,241	685,330	-	-	13,750,571
Vehicles	5,759,810	722,054	(175,965)	58,063	6,363,962
Total depreciable capital assets	<u>49,407,287</u>	<u>1,736,812</u>	<u>(175,965)</u>	<u>1,475,015</u>	<u>52,443,149</u>
Less Accumulated Depreciation:					
Buildings	12,817,569	765,647	-	-	13,583,216
Equipment and furniture	8,420,746	1,124,929	-	-	9,545,675
Vehicles	3,880,561	725,815	(146,251)	42,338	4,502,463
Total accumulated depreciation	<u>25,118,876</u>	<u>\$ 2,616,391</u>	<u>\$ (146,251)</u>	<u>\$ 42,338</u>	<u>27,631,354</u>
Total depreciable capital assets, net	<u>24,288,411</u>				<u>24,811,795</u>
Governmental activities capital assets, net	<u>\$ 33,115,206</u>				<u>\$ 32,542,417</u>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 308,289
Public safety	1,844,881
Environmental protection	1,824
Human services	385,994
Cultural and recreational	<u>75,403</u>
Total	<u>\$ 2,616,391</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Construction in progress	<u>85,322</u>	<u>127,535</u>	<u>-</u>	<u>-</u>	<u>212,857</u>
Total non-depreciable capital assets	<u>105,322</u>	<u>127,535</u>	<u>-</u>	<u>-</u>	<u>232,857</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	54,057	-	-	423,896
Other system components	2,754,021	-	-	-	2,754,021
Equipment and vehicles	<u>1,360,831</u>	<u>211,054</u>	<u>(19,512)</u>	<u>(58,063)</u>	<u>1,494,310</u>
Total depreciable capital assets	<u>21,000,936</u>	<u>265,111</u>	<u>(19,512)</u>	<u>(58,063)</u>	<u>21,188,472</u>
Less Accumulated Depreciation:					
Buildings	24,106	2,836	-	-	26,942
Water lines	12,317,229	134,011	-	-	12,451,240
Water valves	230,456	3,809	-	-	234,265
Fire hydrants	349,969	7,662	-	-	357,631
Water meters	369,506	5,856	-	-	375,362
Other system components	1,507,825	46,201	-	-	1,554,026
Equipment and vehicles	<u>910,380</u>	<u>167,085</u>	<u>(19,512)</u>	<u>(42,338)</u>	<u>1,015,615</u>
Total accumulated depreciation	<u>15,709,471</u>	<u>\$ 367,460</u>	<u>\$ (19,512)</u>	<u>\$ (42,338)</u>	<u>16,015,081</u>
Total depreciable capital assets, net	<u>5,291,465</u>				<u>5,173,391</u>
Business-type activities capital assets, net	<u>\$ 5,396,787</u>				<u>\$ 5,406,248</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2018 were as follows:

	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 908,693	\$ 181,777	\$ 1,090,470
Hospitalization reserve	1,228,835	-	1,228,835
Total	\$ 2,137,528	\$ 181,777	\$ 2,319,305

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, 2018

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, 2018 was 8.25% of compensation for law enforcement officers and 7.57% 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 \$1,685,322 for the year ended June 30, 2018.

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, 2018, the County reported a liability of \$5,482,232 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.35885%, which was a decrease of 0.00956% from its proportion measured as of June 30, 2016.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, the County recognized pension expense of \$1,848,887. At June 30, 2018, 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	\$ 315,827	\$ 155,185
Changes of assumptions	782,939	-
Net difference between projected and actual earnings on pension plan investments	1,331,094	-
Changes in proportion and differences between County contributions and proportionate share of contributions	17,446	142,927
County contributions subsequent to the measurement date	<u>1,685,322</u>	<u>-</u>
Total	<u>\$ 4,132,628</u>	<u>\$ 298,112</u>

\$1,685,322 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, 2019. 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
2019	\$ 268,411
2020	1,557,908
2021	765,045
2022	(442,170)
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 2,149,194</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 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, 2016 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, 2018

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, 2017 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 2017 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 7.20%. 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, 2018**

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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	<u>\$ 16,457,790</u>	<u>\$ 5,482,232</u>	<u>\$ (3,678,891)</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, 2016, the Separation Allowance's membership consisted of:

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

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

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and, at present, has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$59,742 as benefits came due for the reporting period.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

At June 30, 2018, the County reported a total pension liability of \$1,546,222. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$137,345.

At June 30, 2018, 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	\$ -	\$ 6,880
Changes of assumptions	79,090	23,719
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>37,823</u>	<u>-</u>
Total	<u>\$ 116,913</u>	<u>\$ 30,599</u>

\$37,823 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2019	\$ 8,842
2020	8,842
2021	8,842
2022	8,842
2023	11,018
Thereafter	<u>2,105</u>
Total	<u>\$ 48,491</u>

\$37,823 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, 2018**

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 3.16%, 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 (2.16%) or one percentage point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	<u>\$ 1,680,700</u>	<u>\$ 1,546,222</u>	<u>\$ 1,424,121</u>

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

	<u>2018</u>
Beginning balance	<u>1,391,989</u>
Service cost	75,166
Interest on the total pension liability	52,578
Differences between expected and actual experience in the measurement of the total pension liability	(8,216)
Changes of assumptions or other inputs	94,447
Benefit payments	<u>(59,742)</u>
Net changes	<u>154,233</u>
Ending balance of the total pension liability	<u>\$1,546,222</u>

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.86% at December 31, 2016 to 3.16% at December 31, 2017.

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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined, contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2018, were \$190,843, which consisted of \$155,613 from the County and \$35,230 from the law enforcement officers. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

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

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 \$5,878 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$114,465 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.67060%, which was a decrease of 0.08718% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$24,478. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,965	\$ 369
Changes of assumptions	19,313	-
Net difference between projected and actual earnings on pension plan investments	9,730	-
Changes in proportion and differences between County contributions and proportionate share of contributions	14,284	3,579
County contributions subsequent to the measurement date	5,878	-
Total	\$ 51,170	\$ 3,948

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

\$5,878 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, 2019. 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
2019	\$ 22,577
2020	15,173
2021	1,113
2022	2,481
2023	-
Thereafter	-
Total	<u>\$ 41,344</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 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, 2016 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, 2018

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, 2017 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ 89,968</u>	<u>\$ 114,465</u>	<u>\$ 135,066</u>

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

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$5,482,232	\$ -	\$(114,465)	\$5,367,767
Proportion of the Net Pension Liability (Asset)	0.35885%	NA	-0.67060%	
Total Pension Liability	-	\$1,546,222	-	\$1,546,222
Pension expense	\$1,848,887	\$ 137,345	\$ 24,478	\$2,010,710

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	ROD	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 315,827	\$ -	\$ 1,965	\$ 317,792
Changes of assumptions	782,939	79,090	19,313	881,342
Net difference between projected and actual earnings on pension plan investments	1,331,094	-	9,730	1,340,824
Changes in proportion and differences between County contributions and proportionate share of contributions	17,446	-	14,284	31,730
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,685,322</u>	<u>37,823</u>	<u>5,878</u>	<u>1,729,023</u>
	<u><u>\$4,132,628</u></u>	<u><u>\$116,913</u></u>	<u><u>\$51,170</u></u>	<u><u>\$4,300,711</u></u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$ 155,185	\$ 6,880	\$ 369	\$ 162,434
Changes of assumptions	-	23,719	-	23,719
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>142,927</u>	<u>-</u>	<u>3,579</u>	<u>146,506</u>
	<u><u>\$ 298,112</u></u>	<u><u>\$ 30,599</u></u>	<u><u>\$ 3,948</u></u>	<u><u>\$ 332,659</u></u>

Other Post-Employment Benefits – Healthcare Benefits

Plan Description. The County (by local ordinance) provides post-employment healthcare benefits to retirees of the County as a single-employer, defined, benefit plan, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least thirty years of creditable service with the County. The County pays 50% of the cost of coverage for these benefits through private insurers until the retiree reaches the age for Medicare eligibility. Also, the County's retirees can purchase coverage for their dependents at the County's group rates if that dependent was previously covered at the time of retirement. New dependents cannot be added after retirement. The County Commissioners may amend the benefit provisions. A separate report was not issued for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

Retirees and dependents receiving benefits	15
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>549</u>
Total	<u><u>564</u></u>

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

Total OPEB Liability

The County's total OPEB liability of \$3,215,442 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50%-7.75%, including wage inflation
Discount rate	3.56 percent
Healthcare cost trend rates	Pre-Medicare - 7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	<u>\$ 3,292,384</u>
Changes for the year:	
Service cost	178,535
Interest	96,162
Differences between expected and actual experience	11,053
Changes of assumptions or other inputs	(165,955)
Benefit payments	<u>(196,737)</u>
Net changes	<u>(76,942)</u>
Balance at June 30, 2018	<u><u>\$ 3,215,442</u></u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.01% to 3.56%.

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	<u>\$ 3,525,597</u>	<u>\$ 3,215,442</u>	<u>\$ 2,940,895</u>

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$2,852,924</u>	<u>\$3,215,442</u>	<u>\$3,655,126</u>

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$259,299. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,954	\$ -
Changes of assumptions	-	149,458
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>242,391</u>	<u>-</u>
Total	<u>\$ 252,345</u>	<u>\$ 149,458</u>

\$242,391 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2019	\$ (15,398)
2020	(15,398)
2021	(15,398)
2022	(15,398)
2023	(15,398)
Thereafter	<u>(62,514)</u>
Total	<u>\$ (139,504)</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Other Employment Benefits

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

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 \$224,263 reported as landfill closure and post-closure care liability at June 30, 2018 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.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

Deferred Outflows and Inflows of Resources

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 4,300,711
OPEB deferrals	252,345
Total	<u>\$ 4,553,056</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)	\$ 2,723,145
Prepaid taxes	111,847
Ambulance receivables, net (General Fund)	295,216
OPEB deferrals	149,458
Pension deferrals	332,659
Total	<u>\$ 3,612,325</u>

Risk Management

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

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

The County does not carry flood insurance.

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

Contingent Liabilities

At June 30, 2018, 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, 2018, lease expenditures totaled \$123,632. 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>
2019	\$ 54,024
2020	50,757
2021	19,323
2022	<u>4,084</u>
Total minimum payments required	<u>\$ 128,188</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, 2018**

At June 30, 2018, 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	\$ 872,211	\$ 377,746

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2019	\$ 257,448
2020	<u>253,505</u>
Total minimum lease payments	510,953
Less: amount representing interest	<u>(11,829)</u>
Present value of the minimum lease payments	<u>\$ 499,124</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, 2018

Installment purchase contracts at June 30, 2018 are comprised of the following:

Serviced by the County's General Fund:

\$676,415 for expansion of the Mental Health Facility, financed for 30 years at 0% interest and due in monthly installments	\$ 666,413
\$5,950,000 financing for the construction of the ASU Center facility on the campus of CCC&TI, due in annual installments of \$326,100 through July 2012; annual payment increases to \$542,568, including interest at 3.5%, through July 2025	3,620,577
\$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)	7,721,053
\$12,500,000 for a new facility on the government campus adjacent to the existing Sheriff's Department building to house both the Department of Social Services and the Health Department, financed for 20 years at 3.431% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)	5,921,053
\$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	1,386,635
\$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	1,199,200
\$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	282,471
\$1,264,000 59 month financing to purchase capital outlay consisting of vehicles and other equipment. Financed at an interest rate of 1.60% through September of 2022	1,264,000
\$14,500,000 borrowing to construct new middle school to replace the old facility that housed William Lenoir Middle School. Fifteen year term with interest rate fixed at 2.81% for the first ten years with a variable rate for the final five with a cap of 9%	<u>11,539,000</u>
Total serviced by the General Fund	<u>\$ 33,600,402</u>

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 3,753,019	\$ 730,226
2020	3,767,703	646,527
2021	3,780,796	562,192
2022	3,643,511	477,544
2023	3,652,311	396,704
2024-2028	14,562,550	743,027
2029-2033	112,951	-
2034-2038	112,951	-
2039-2043	112,951	-
2044-2048	101,659	-
Total	<u>\$ 33,600,402</u>	<u>\$ 3,556,220</u>

At June 30, 2018, the County had a legal debt margin of approximately \$509,713,000.

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018:

	Balance July 1, 2017, as Restated	Increases	Decreases	Balance June 30, 2018	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 185,000	\$ -	\$ 185,000	\$ -	\$ -
Installment purchases	35,603,701	1,940,415	3,943,714	33,600,402	3,753,019
Capitalized leases	748,686	-	249,562	499,124	249,562
Compensated absences	1,274,714	1,136,190	1,195,185	1,215,719	972,575
Total OPEB liability	3,033,734	310,201	192,802	3,151,133	-
Accrued post-closure care	286,629	5,159	67,525	224,263	-
Net pension liability (LGERS)	7,662,514	-	2,289,927	5,372,587	-
Total pension obligation (LEOSSA)	<u>1,391,989</u>	<u>154,233</u>	<u>-</u>	<u>1,546,222</u>	<u>-</u>
Total governmental activities	<u>\$ 50,186,967</u>	<u>\$ 3,546,198</u>	<u>\$ 8,123,715</u>	<u>\$ 45,609,450</u>	<u>\$ 4,975,156</u>
Business-Type Activities:					
Compensated absences	\$ 35,404	\$ 26,505	\$ 28,275	\$ 33,634	\$ 26,907
Total OPEB liability	61,913	2,396	-	64,309	-
Net pension liability (LGERS)	<u>156,378</u>	<u>-</u>	<u>46,733</u>	<u>109,645</u>	<u>-</u>
Total business-type activities	<u>\$ 253,695</u>	<u>\$ 28,901</u>	<u>\$ 75,008</u>	<u>\$ 207,588</u>	<u>\$ 26,907</u>

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

CALDWELL COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Net Investment in Capital Assets

Net investment in capital assets at June 30, 2018 is computed as follows:

Capital assets, net of accumulated depreciation	\$ 32,542,417
Less capital debt:	
Gross debt	34,099,526
Less:	
School & EDC debt related to assets to which the County does not hold title	(22,042,831)
Unexpended debt proceeds	<u>(529,073)</u>
Net capital debt	<u>11,527,622</u>
 Net investment in capital assets	 <u><u>\$ 21,014,795</u></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, 2018, there were no industrial revenue bonds outstanding.

C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2018, are summarized below.

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Capital Projects Fund	\$ 350,000	Funding for entrance road project at HHS building
General Fund	General Capital Projects Fund	499	Final portion of lease from Adhezion Biomedical for Building Reuse fund
General Capital Projects Fund	General Fund	648,000	Use of sales tax article 44*524 funds for education (current expense offset)
General Capital Projects Fund	General Fund	30,000	Use of sales tax article 44*524 funds for education (tuttle state forest)
General Capital Projects Fund	General Fund	100,000	Use of sales tax article 44*524 funds for economic development incentives
Sales Tax Reinvestment Fund	General Fund	350,000	Funding for new EMS base projects debt service
Sales Tax Reinvestment Fund	General Capital Projects Fund	<u>388,573</u>	Funding for building reuse fund
		<u><u>\$ 1,867,072</u></u>	

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, \$8,175,998 of debt issued for this purpose was still outstanding.

The County contributed \$3,518,619 for operating and capital purposes during the fiscal year ended June 30, 2018. In addition, the County made debt service payments of \$809,478 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 \$21,802 to the Council during the fiscal year ended June 30, 2018.

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

Blue Ridge Community Action, Inc. (the "BRCA") is a private, non-profit, tax-exempt organization, which operates various programs providing aid and services to economically disadvantaged, handicapped, and elderly persons. BRCA is supported primarily by federal and state grants and appropriations from local governments. It is governed by a Board of Directors

CALDWELL COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, 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, 2018, 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.

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.

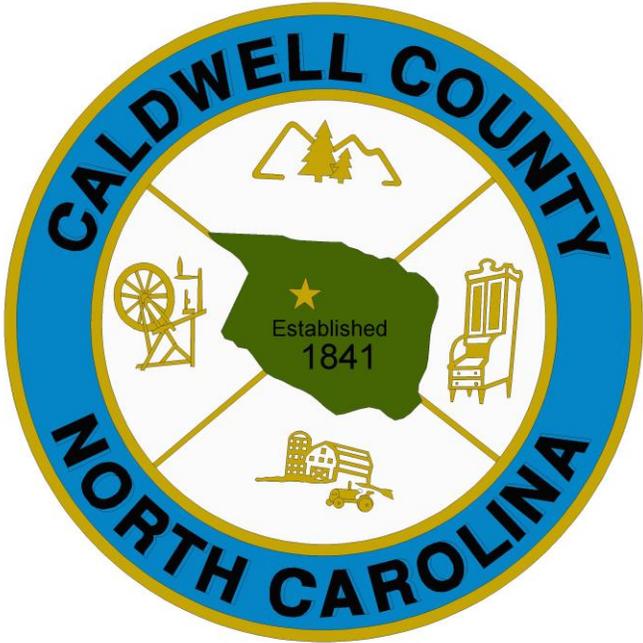
7. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for governmental activities decreased \$881,060 and \$61,913 for the business-type activities.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

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



CALDWELL COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018**

Other Post-Employment Benefits

	<u>2018</u>
Service cost	\$ 178,535
Interest	96,162
Differences between expected and actual experience	11,053
Changes of assumptions or other inputs	(165,955)
Benefit payments	<u>(196,737)</u>
Net change in total OPEB liability	(76,942)
Total OPEB liability - beginning	<u>3,292,384</u>
Total OPEB liability - ending	<u>\$ 3,215,442</u>
Covered payroll	\$ 19,582,380
Total OPEB liability as a percentage of covered payroll	16.42%

Notes to the Required Schedules:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

CALDWELL COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 1,391,989	\$ 1,338,948
Service cost	75,166	78,498
Interest on the total pension liability	52,578	47,113
Differences between expected and actual experience in the measurement of the total pension liability	(8,216)	-
Changes of assumptions or other inputs	94,447	(34,077)
Benefit payments	<u>(59,742)</u>	<u>(38,493)</u>
Ending balance of the total pension liability	<u>\$ 1,546,222</u>	<u>\$ 1,391,989</u>

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

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

CALDWELL COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
 LAST TWO FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,546,222	\$ 1,391,989
Covered payroll	3,020,106	2,924,773
Total pension liability as a percentage of covered payroll	51.20%	47.59%

Notes to the Schedules:

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

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

CALDWELL COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Caldwell County's proportion of the net pension liability (asset) (%)	0.35885%	0.36841%	0.35415%	0.34861%	0.34430%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ 5,482,232	\$ 7,818,892	\$ 1,589,402	\$ (2,055,915)	\$ 4,150,137
Caldwell County's covered-employee payroll	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605	\$ 17,879,977
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.70%	37.31%	7.93%	(10.64%)	23.21%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

CALDWELL COUNTY, NORTH CAROLINA**CALDWELL COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS****Local Governmental Employees' Retirement System**

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

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

CALDWELL COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Caldwell County's proportion of the net pension liability (asset) (%)	0.67060%	0.75778%	0.72118%	0.76574%	0.68111%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ (114,465)	\$ (141,675)	\$ (167,130)	\$ (173,562)	\$ (145,485)
Caldwell County's covered-employee payroll	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441	\$ 66,963
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-157.37%	-198.77%	-239.29%	-253.59%	-217.26%
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

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

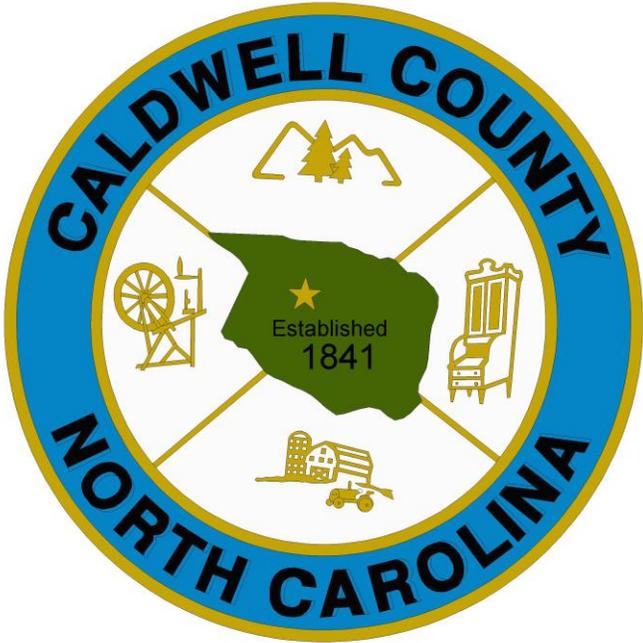
** This will be the same percentage for all participant employers in the ROD plan.

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

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

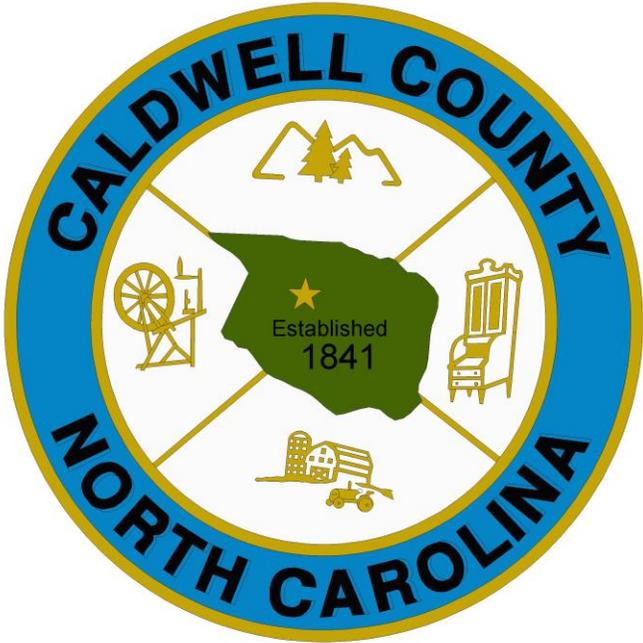
Register of Deeds' Supplemental Pension Fund					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,878	\$ 5,827	\$ 6,191	\$ 5,771	\$ 6,252
Contributions in relation to the contractually required contribution	<u>5,878</u>	<u>5,827</u>	<u>6,191</u>	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

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



THE GENERAL FUND

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



CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 41,071,180	\$ 42,710,260	\$ 1,639,080
Local Option Sales Tax:			
Article 39 one percent	2,850,000	3,067,141	217,141
Article 40 one-half of one percent	2,850,000	3,061,516	211,516
Article 42 one-half of one percent	300,000	354,561	54,561
Article 44 one-half of one percent	-	(600)	(600)
Total	<u>6,000,000</u>	<u>6,482,618</u>	<u>482,618</u>
Other Taxes and Licenses:			
Real estate transfer tax	165,000	220,146	55,146
Local occupancy tax	130,000	131,365	1,365
Scrap tire tax	112,000	110,225	(1,775)
White goods tax	53,000	52,967	(33)
Schedule B licenses	7,500	2,313	(5,187)
Gross receipts tax	3,000	3,940	940
Total	<u>470,500</u>	<u>520,956</u>	<u>50,456</u>
Unrestricted Intergovernmental:			
Payment in lieu of taxes	120,000	127,753	7,753
State hold-harmless reimbursement	-	61,920	61,920
Cable franchise tax	395,000	378,523	(16,477)
Soft cost reimbursement	38,451	39,678	1,227
EDC occupancy tax	12,000	32,479	20,479
Total	<u>565,451</u>	<u>640,353</u>	<u>74,902</u>
Restricted Intergovernmental:			
Federal and state aid - health	2,598,740	2,581,727	(17,013)
Federal and state aid - social services	13,142,985	8,729,212	(4,413,773)
Federal and state aid - law enforcement	551,390	497,585	(53,805)
Federal and state aid - library	144,014	143,184	(830)
Federal and state aid - miscellaneous	370,781	226,226	(144,555)

CALDWELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Over/Under
Federal and state aid - JCPC	211,117	211,117	-
Federal and state aid - ambulance	440,000	519,117	79,117
Federal and state shared - controlled substance	5,000	84,832	79,832
Court facility fees	135,000	129,769	(5,231)
ABC revenue	16,000	14,984	(1,016)
Total	<u>17,615,027</u>	<u>13,137,753</u>	<u>(4,477,274)</u>
Permits and Fees:			
Inspection department	250,000	279,943	29,943
Marriage license	12,000	11,634	(366)
Environmental fees	58,000	73,886	15,886
Civil fees	125,000	109,331	(15,669)
Weapons permits	139,000	137,385	(1,615)
Register of Deeds	330,000	313,897	(16,103)
Miscellaneous	3,000	53,498	50,498
Total	<u>917,000</u>	<u>979,574</u>	<u>62,574</u>
Sales and Services:			
Ambulance fees	2,750,000	2,607,660	(142,340)
Animal control	40,000	49,243	9,243
Jail fees	600,000	517,572	(82,428)
Jail commissary	50,000	92,253	42,253
Sheriff collection fees	1,000	435	(565)
Health Department fees	165,000	179,399	14,399
Household fees	675,000	695,622	20,622
Republic host fees	850,000	924,938	74,938
E911 services	73,000	61,917	(11,083)
Library fines and fees	30,000	19,911	(10,089)
Collection fees - special tax districts and towns	15,000	14,115	(885)
Miscellaneous	81,874	125,091	43,217
Total	<u>5,330,874</u>	<u>5,288,156</u>	<u>(42,718)</u>
Investment Earnings	<u>10,000</u>	<u>40,842</u>	<u>30,842</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Miscellaneous:			
Contributions	121,880	119,038	(2,842)
Other	<u>111,082</u>	<u>79,799</u>	<u>(31,283)</u>
Total	<u>232,962</u>	<u>198,837</u>	<u>(34,125)</u>
 Total revenues	 <u>72,212,994</u>	 <u>69,999,349</u>	 <u>(2,213,645)</u>
Expenditures:			
General Government:			
Administration:			
Salaries and benefits	374,214	367,900	
Operating expenditures	<u>180,116</u>	<u>170,852</u>	
Total	<u>554,330</u>	<u>538,752</u>	<u>15,578</u>
Board of Elections:			
Salaries and benefits	165,341	164,895	
Operating expenditures	207,496	164,382	
Capital outlay	<u>180,667</u>	<u>-</u>	
Total	<u>553,504</u>	<u>329,277</u>	<u>224,227</u>
Register of Deeds:			
Salaries and benefits	365,506	362,520	
Operating expenditures	<u>337,300</u>	<u>309,128</u>	
Total	<u>702,806</u>	<u>671,648</u>	<u>31,158</u>
Finance:			
Salaries and benefits	366,746	362,250	
Operating expenditures	<u>84,094</u>	<u>56,526</u>	
Total	<u>450,840</u>	<u>418,776</u>	<u>32,064</u>
Information Services:			
Salaries and benefits	467,495	435,614	
Operating expenditures	442,350	396,332	
Capital outlay	<u>326,191</u>	<u>196,017</u>	
Total	<u>1,236,036</u>	<u>1,027,963</u>	<u>208,073</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Scanning:			
Salaries and benefits	110,034	104,417	
Operating expenditures	<u>22,000</u>	<u>6,710</u>	
Total	<u>132,034</u>	<u>111,127</u>	<u>20,907</u>
Tax Administrator:			
Salaries and benefits	529,194	497,737	
Operating expenditures	<u>365,332</u>	<u>304,960</u>	
Total	<u>894,526</u>	<u>802,697</u>	<u>91,829</u>
Revaluation:			
Salaries and benefits	222,541	210,994	
Operating expenditures	<u>70,324</u>	<u>43,938</u>	
Total	<u>292,865</u>	<u>254,932</u>	<u>37,933</u>
Public Information:			
Salaries and benefits	104,907	103,954	
Operating expenditures	<u>45,856</u>	<u>11,622</u>	
Total	<u>150,763</u>	<u>115,576</u>	<u>35,187</u>
Building Maintenance:			
Salaries and benefits	312,481	276,002	
Operating expenditures	588,265	406,151	
Capital outlay	<u>15,925</u>	<u>15,925</u>	
Total	<u>916,671</u>	<u>698,078</u>	<u>218,593</u>
Land Records:			
Salaries and benefits	121,535	120,902	
Operating expenditures	<u>40,100</u>	<u>37,449</u>	
Total	<u>161,635</u>	<u>158,351</u>	<u>3,284</u>
Human Resources:			
Salaries and benefits	232,367	231,227	
Operating expenditures	<u>86,780</u>	<u>47,336</u>	
Total	<u>319,147</u>	<u>278,563</u>	<u>40,584</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Veterans Administration:			
Salaries and benefits	117,073	102,334	
Operating expenditures	12,655	8,912	
Total	<u>129,728</u>	<u>111,246</u>	18,482
Special Services:			
Law Library - courthouse	5,000	-	5,000
Institute of Government	8,602	8,602	-
Western Piedmont Council of Governments	21,803	21,803	-
Unemployment compensation	69,214	19,567	49,647
Insurance - building and equipment	344,404	344,404	-
Insurance reserve	800,000	749,058	50,942
Retiree health insurance	250,000	242,391	7,609
Administrative expenses	(128,908)	(257,816)	128,908
Community Service Program	6,000	3,328	2,672
Customer service training	20,000	7,083	12,917
Taxes, other	6,585	6,584	1
Total	<u>1,402,700</u>	<u>1,145,004</u>	257,696
Total general government	<u>7,897,585</u>	<u>6,661,990</u>	1,235,595
Public Safety:			
Animal Control:			
Salaries and benefits	395,482	329,309	
Operating expenditures	173,912	134,492	
Total	<u>569,394</u>	<u>463,801</u>	105,593
Sheriff's Department:			
Salaries and benefits	351,481	332,908	
Operating expenditures	407,112	315,927	
Capital outlay	47,688	44,500	
Total	<u>806,281</u>	<u>693,335</u>	112,946

CALDWELL COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Patrol Division:			
Salaries and benefits	1,864,782	1,783,638	
Operating expenditures	<u>365,855</u>	<u>269,815</u>	
Total	<u>2,230,637</u>	<u>2,053,453</u>	<u>177,184</u>
Investigative Division:			
Salaries and benefits	1,037,470	984,031	
Operating expenditures	159,371	141,520	
Capital outlay	<u>100,000</u>	<u>99,913</u>	
Total	<u>1,296,841</u>	<u>1,225,464</u>	<u>71,377</u>
Support Division:			
Salaries and benefits	605,383	588,520	
Operating expenditures	150,632	129,051	
Capital outlay	<u>517,600</u>	<u>483,590</u>	
Total	<u>1,273,615</u>	<u>1,201,161</u>	<u>72,454</u>
Reserve Division:			
Salaries and benefits	36,919	32,621	
Operating expenditures	<u>3,000</u>	<u>2,241</u>	
Total	<u>39,919</u>	<u>34,862</u>	<u>5,057</u>
County Jail and Building:			
Salaries and benefits	2,318,866	2,054,210	
Operating expenditures	1,357,998	1,178,506	
Capital outlay	<u>132,952</u>	<u>131,231</u>	
Total	<u>3,809,816</u>	<u>3,363,947</u>	<u>445,869</u>
School Resource Officer:			
Salaries and benefits	416,799	412,157	
Operating expenditures	<u>30,180</u>	<u>19,926</u>	
Total	<u>446,979</u>	<u>432,083</u>	<u>14,896</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Emergency Medical Services:			
Salaries and benefits	4,017,296	3,998,665	
Operating expenditures	836,968	847,806	
Capital outlay	364,094	364,064	
Total	<u>5,218,358</u>	<u>5,210,535</u>	<u>7,823</u>
Emergency Management:			
Salaries and benefits	100,103	99,283	
Operating expenditures	224,150	104,691	
Capital outlay	266,400	265,743	
Total	<u>590,653</u>	<u>469,717</u>	<u>120,936</u>
Fire Marshal:			
Salaries and benefits	181,301	179,729	
Operating expenditures	87,150	76,792	
Capital outlay	57,972	57,009	
Total	<u>326,423</u>	<u>313,530</u>	<u>12,893</u>
Communications Center:			
Salaries and benefits	1,009,533	990,795	
Operating expenditures	479,920	464,899	
Total	<u>1,489,453</u>	<u>1,455,694</u>	<u>33,759</u>
Special Services:			
Appreciation event	10,000	3,997	6,003
Court reform expense	3,907	3,902	5
Crime Stoppers	3,600	3,600	-
COOP Plan	2,800	2,800	-
PILT sharing	37,471	37,470	1
Forest contract - NC State	93,091	83,467	9,624
Total	<u>150,869</u>	<u>135,236</u>	<u>15,633</u>
Total public safety	<u>18,249,238</u>	<u>17,052,818</u>	<u>1,196,420</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental Protection:			
Convenience Center:			
Salaries and benefits	211,653	197,967	
Operating expenditures	398,000	332,587	
Capital outlay	<u>70,000</u>	<u>36,720</u>	
Total	<u>679,653</u>	<u>567,274</u>	<u>112,379</u>
Total environmental protection	<u>679,653</u>	<u>567,274</u>	<u>112,379</u>
Economic and Physical Development:			
Planning and Development:			
Salaries and benefits	139,620	132,755	
Operating expenditures	<u>29,765</u>	<u>25,193</u>	
Total	<u>169,385</u>	<u>157,948</u>	<u>11,437</u>
Building Inspection:			
Salaries and benefits	343,961	299,254	
Operating expenditures	53,150	38,928	
Capital outlay	<u>24,447</u>	<u>24,447</u>	
Total	<u>421,558</u>	<u>362,629</u>	<u>58,929</u>
Cooperative Extension:			
Salaries and benefits	17,245	16,256	
Operating expenditures	<u>188,610</u>	<u>186,967</u>	
Total	<u>205,855</u>	<u>203,223</u>	<u>2,632</u>
Soil and Water Conservation:			
Salaries and benefits	102,697	89,314	
Operating expenditures	<u>26,783</u>	<u>24,170</u>	
Total	<u>129,480</u>	<u>113,484</u>	<u>15,996</u>
Economic Development:			
Salaries and benefits	156,949	152,813	
Operating expenditures	<u>228,900</u>	<u>200,907</u>	
Total	<u>385,849</u>	<u>353,720</u>	<u>32,129</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Economic development incentives	5,150,000	5,146,754	
Occupancy tax expenditures	130,000	129,394	
Caldwell Railroad Commission	3,754	3,754	
Foothills Regional Airport Authority	73,237	49,294	
Total	<u>5,356,991</u>	<u>5,329,196</u>	27,795
Total economic and physical development	<u>6,669,118</u>	<u>6,520,200</u>	148,918
Human Services:			
Human Services Building:			
Salaries and benefits	86,532	78,577	
Operating expenditures	194,200	156,009	
Total	<u>280,732</u>	<u>234,586</u>	46,146
Health:			
Health Support:			
Salaries and benefits	485,686	467,212	
Operating expenditures	173,857	123,796	
Total	<u>659,543</u>	<u>591,008</u>	68,535
Environmental Health:			
Salaries and benefits	323,514	316,318	
Operating expenditures	66,256	35,741	
Total	<u>389,770</u>	<u>352,059</u>	37,711
Women's Health:			
Salaries and benefits	431,167	428,396	
Operating expenditures	40,356	36,405	
Total	<u>471,523</u>	<u>464,801</u>	6,722
Child Health:			
Salaries and benefits	749,471	731,455	
Operating expenditures	25,170	17,627	
Total	<u>774,641</u>	<u>749,082</u>	25,559

CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Dental Health:			
Salaries and benefits	256,805	256,060	
Operating expenditures	<u>47,035</u>	<u>47,023</u>	
Total	<u>303,840</u>	<u>303,083</u>	<u>757</u>
Clinic:			
Salaries and benefits	1,409,459	1,370,174	
Operating expenditures	<u>361,359</u>	<u>366,084</u>	
Total	<u>1,770,818</u>	<u>1,736,258</u>	<u>34,560</u>
Women, Infants, and Children:			
Salaries and benefits	333,767	322,034	
Operating expenditures	<u>20,976</u>	<u>18,605</u>	
Total	<u>354,743</u>	<u>340,639</u>	<u>14,104</u>
Total health	<u>4,724,878</u>	<u>4,536,930</u>	<u>187,948</u>
Social Services:			
Administration:			
Salaries and benefits	8,248,847	8,040,115	
Operating expenditures	628,100	531,078	
Capital outlay	<u>36,080</u>	<u>35,990</u>	
Total	<u>8,913,027</u>	<u>8,607,183</u>	<u>305,844</u>
Public Assistance:			
Adult resources	896,090	724,574	
Child resources	6,536,275	2,671,454	
Temporary resources	725,298	695,677	
Medicaid	<u>775,000</u>	<u>15,931</u>	
Total	<u>8,932,663</u>	<u>4,107,636</u>	<u>4,825,027</u>
Total social services	<u>17,845,690</u>	<u>12,714,819</u>	<u>5,130,871</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Special Services:			
Medical examiner	80,000	68,450	11,550
Mental health	120,138	119,416	722
Sheltered home	8,500	8,500	-
Council on Adolescent Health	12,000	12,000	-
Food for the Elderly	13,473	13,473	-
Senior Center	5,000	5,000	-
Adolescent Substance Abuse	27,319	27,319	-
Psychological services	21,416	21,416	-
Youthful Sex Offender Services	39,000	39,000	-
Peace Pipeline	23,187	23,187	-
Juvenile Justice Intervention	756	756	-
Parents and Adolescents	15,338	15,338	-
Miscellaneous CBA expenditures	12,259	12,064	195
Caldwell House	6,000	6,000	-
Project Challenge	65,098	65,098	-
Integrated Human Services	500	500	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	21,798	21,797	1
Rural Planning Organization	30,000	30,000	-
Western Piedmont Regional Transit Authority	51,228	51,228	-
Robin's Nest	10,000	10,000	-
Caldwell Friends	7,500	7,500	-
Total	<u>578,010</u>	<u>565,542</u>	<u>12,468</u>
 Total human services	 <u>23,429,310</u>	 <u>18,051,877</u>	 <u>5,377,433</u>
Cultural and Recreational:			
Library:			
Salaries and benefits	957,496	909,665	
Operating expenditures	427,643	395,202	
Total	<u>1,385,139</u>	<u>1,304,867</u>	<u>80,272</u>
Library Buildings:			
Operating expenditures	30,900	24,961	
Total	<u>30,900</u>	<u>24,961</u>	<u>5,939</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
County Parks and Recreation:			
Wilson's Creek Center	49,377	36,193	
Total	<u>49,377</u>	<u>36,193</u>	<u>13,184</u>
Special Services:			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
Baton Ruritan Park	8,000	8,000	-
Dudley Shoals Park	4,000	4,000	-
Oak Hill Park	9,628	9,628	-
Collettsville Park	18,114	18,114	-
Tuttle State Forest	30,000	30,000	-
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>96,742</u>	<u>96,742</u>	<u>-</u>
Total cultural and recreational	<u>1,562,158</u>	<u>1,462,763</u>	<u>99,395</u>
Education:			
Public Schools:			
Current expense	14,890,000	14,809,121	
Capital outlay	39,225	39,225	
Total	<u>14,929,225</u>	<u>14,848,346</u>	<u>80,879</u>
Community College:			
Current expense	3,373,619	3,365,650	
Capital outlay	180,000	180,000	
Total	<u>3,553,619</u>	<u>3,545,650</u>	<u>7,969</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>18,527,364</u>	<u>18,438,516</u>	<u>88,848</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Debt Service:			
Principal retirement	2,821,567	2,800,452	21,115
Interest and fees	514,658	522,608	(7,950)
Total debt service	<u>3,336,225</u>	<u>3,323,060</u>	<u>13,165</u>
Contingency	<u>184,635</u>	-	<u>184,635</u>
Total expenditures	<u>80,535,286</u>	<u>72,078,498</u>	<u>8,456,788</u>
Revenues over (under) expenditures	<u>(8,322,292)</u>	<u>(2,079,149)</u>	<u>6,243,143</u>
Other Financing Sources (Uses):			
Long-term debt issued	1,264,000	1,264,000	-
Transfers:			
From special revenue funds	350,000	350,000	-
From capital project funds	778,000	778,000	-
To capital project funds	(363,371)	(350,499)	12,872
Proceeds from sale of capital assets	38,000	34,732	(3,268)
Appropriated fund balance	6,255,663	-	(6,255,663)
Total other financing sources (uses)	<u>8,322,292</u>	<u>2,076,233</u>	<u>(6,246,059)</u>
Net change in fund balance	<u>\$ -</u>	(2,916)	<u>\$ (2,916)</u>
Fund Balance:			
Beginning of year - July 1		<u>13,893,750</u>	
End of year - June 30		<u>\$ 13,890,834</u>	



PUBLIC SCHOOLS CAPITAL PROJECT FUND

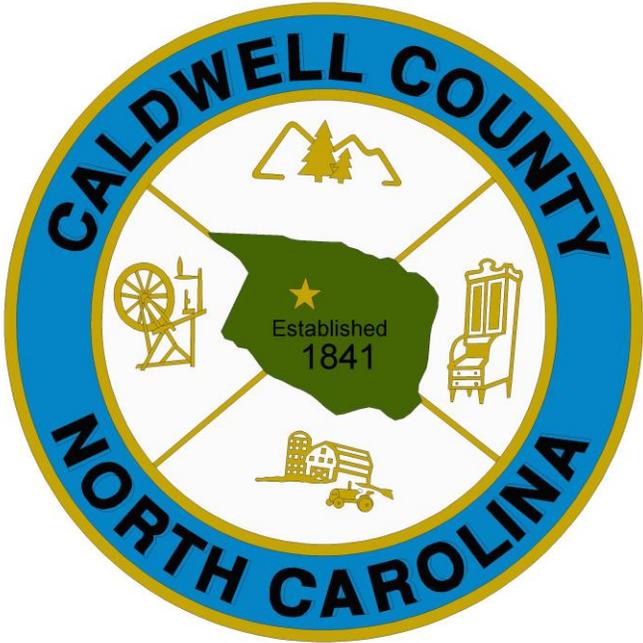
This fund is used to track the costs associated with the renovations of existing schools.



CALDWELL COUNTY, NORTH CAROLINA

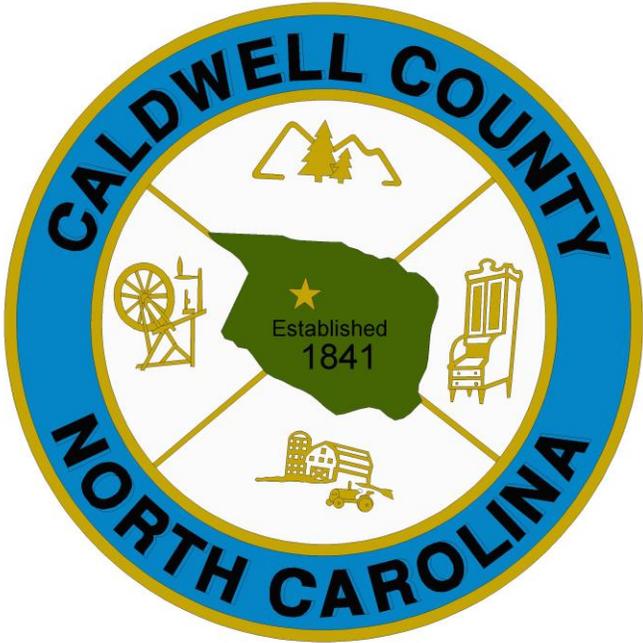
PUBLIC SCHOOLS CAPITAL PROJECT FUND - MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental:				
ADM funds	\$ 267,691	\$ 156,053	\$ 78,387	\$ 234,440
Public school lottery funds	5,137,925	2,260,648	2,131,024	4,391,672
Investment earnings	1,799	6,209	869	7,078
Total revenues	<u>5,407,415</u>	<u>2,422,910</u>	<u>2,210,280</u>	<u>4,633,190</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	184,379	14,415,512
School improvements - ADM	267,691	156,053	78,387	234,440
School improvements - lottery	5,137,925	2,260,648	2,131,024	4,391,672
Debt service:				
Interest and fees	100,000	75,575	-	75,575
Total expenditures	<u>20,258,477</u>	<u>16,723,409</u>	<u>2,393,790</u>	<u>19,117,199</u>
Revenues over (under) expenditures	<u>(14,851,062)</u>	<u>(14,300,499)</u>	<u>(183,510)</u>	<u>(14,484,009)</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	300,000	300,000	-	300,000
Total other financing sources (uses)	<u>14,851,062</u>	<u>14,846,908</u>	<u>-</u>	<u>14,846,908</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 546,409</u>	<u>\$ (183,510)</u>	<u>\$ 362,899</u>



SALES TAX REINVESTMENT FUND

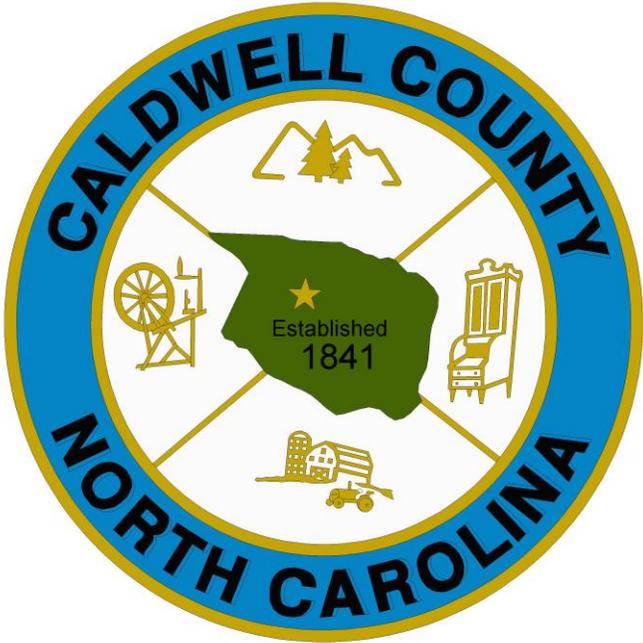
This fund accounts for contributions of a portion of sales tax revenues from five municipalities to be used for the common good of the County and its citizens, primarily for economic development purposes.



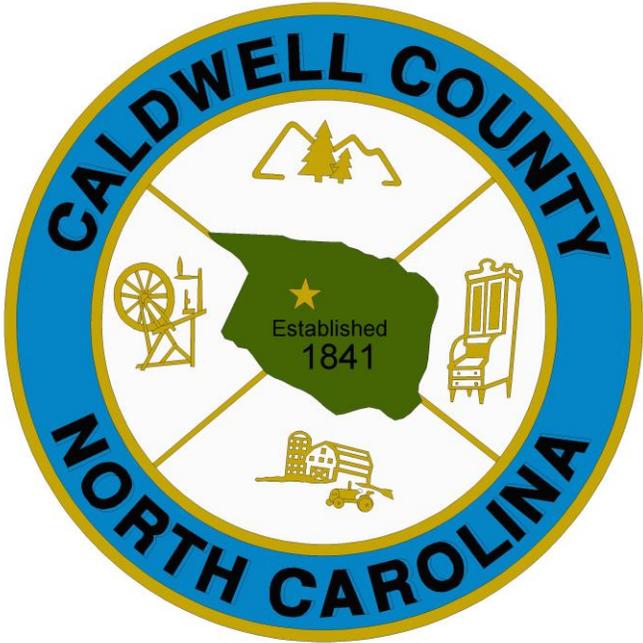
CALDWELL COUNTY, NORTH CAROLINA

**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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental:			
Local municipalities	\$ 600,000	\$ 600,000	\$ -
Other unrestricted revenue	-	10,000	10,000
Restricted intergovernmental	-	210,716	210,716
Investment earnings	-	10,116	10,116
Total revenues	<u>600,000</u>	<u>830,832</u>	<u>230,832</u>
Expenditures:			
Economic development:			
Economic development incentive	1,750,000	226,394	1,523,606
Grant expenditures	<u>500,000</u>	<u>210,715</u>	<u>289,285</u>
Total expenditures	<u>2,250,000</u>	<u>437,109</u>	<u>1,812,891</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>393,723</u>	<u>2,043,723</u>
Other Financing Sources (Uses):			
Transfers:			
To General Fund	(350,000)	(350,000)	-
To General Capital Projects Fund	(388,573)	(388,573)	-
Appropriated fund balance	<u>2,388,573</u>	<u>-</u>	<u>(2,388,573)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>(738,573)</u>	<u>(2,388,573)</u>
Net change in fund balance	<u>\$ -</u>	<u>(344,850)</u>	<u>\$ (344,850)</u>
Fund Balance:			
Beginning of year - July 1		<u>4,783,399</u>	
End of year - June 30		<u>\$ 4,438,549</u>	



COMBINING STATEMENTS FOR NONMAJOR FUNDS



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Fund (Schedule D-1)	Capital Project Fund (Schedule E-1)	Total Nonmajor Governmental Funds (Exhibit C)
Assets:			
Cash and cash equivalents	\$ 413,492	\$ 1,829,946	\$ 2,243,438
Taxes receivable - net	268,677	-	268,677
Accounts receivable	33,794	1,083,471	1,117,265
Due from other governments	11,632	-	11,632
Total assets	<u>\$ 727,595</u>	<u>\$ 2,913,417</u>	<u>\$ 3,641,012</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 30,336	\$ 51,698	\$ 82,034
Total liabilities	<u>30,336</u>	<u>51,698</u>	<u>82,034</u>
Deferred Inflows of Resources:			
Property taxes receivable	268,677	-	268,677
Total deferred inflows of resources	<u>268,677</u>	<u>-</u>	<u>268,677</u>
Fund Balances:			
Restricted:			
Stabilization for state statute	45,426	1,083,471	1,128,897
Restricted, all other	383,575	22,626	406,201
Committed	-	1,755,622	1,755,622
Unassigned	(419)	-	(419)
Total fund balances	<u>428,582</u>	<u>2,861,719</u>	<u>3,290,301</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 727,595</u>	<u>\$ 2,913,417</u>	<u>\$ 3,641,012</u>

CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Fund (Schedule D-2)	Capital Project Fund (Schedule E-2)	Total Nonmajor Governmental Funds (Exhibit D)
Revenues:			
Ad valorem taxes	\$ 3,865,013	\$ -	\$ 3,865,013
Local option sales tax	-	4,351,497	4,351,497
Restricted intergovernmental	405,522	416,947	822,469
Investment earnings	1,141	2,973	4,114
Total revenues	<u>4,271,676</u>	<u>4,771,417</u>	<u>9,043,093</u>
Expenditures:			
Current:			
Public safety	4,169,465	240,922	4,410,387
Environmental protection	-	67,525	67,525
Economic and physical development	-	69,256	69,256
Education	-	1,779,335	1,779,335
Human services	-	25,278	25,278
Debt service:			
Principal retirement	-	1,577,824	1,577,824
Interest and fees	-	296,054	296,054
Total expenditures	<u>4,169,465</u>	<u>4,056,194</u>	<u>8,225,659</u>
Revenues over (under) expenditures	<u>102,211</u>	<u>715,223</u>	<u>817,434</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	-	676,415	676,415
Transfers:			
From (to) General Fund	-	(427,501)	(427,501)
From (to) special revenue funds	-	388,573	388,573
Total other financing sources (uses)	<u>-</u>	<u>637,487</u>	<u>637,487</u>
Net change in fund balances	102,211	1,352,710	1,454,921
Fund Balances:			
Beginning of the year - July 1	<u>326,371</u>	<u>1,509,009</u>	<u>1,835,380</u>
End of year - June 30	<u>\$ 428,582</u>	<u>\$ 2,861,719</u>	<u>\$ 3,290,301</u>

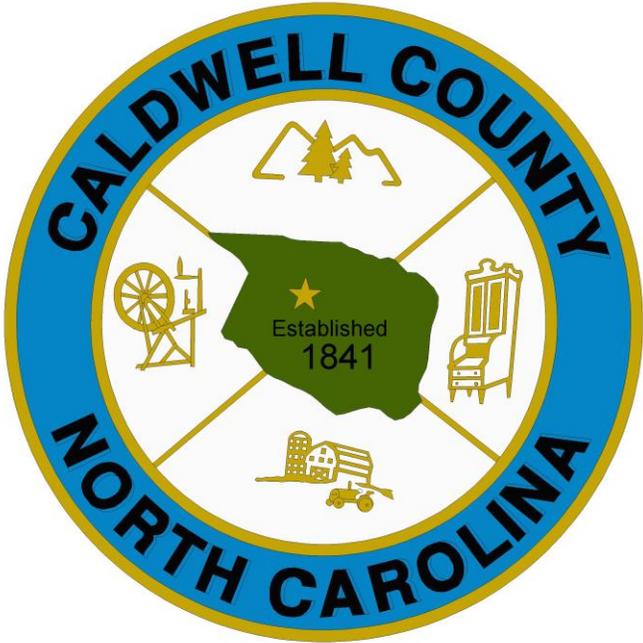
NONMAJOR SPECIAL REVENUE FUNDS

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, 2018

	Fire Districts Fund	Rescue Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 18,140	\$ 84,528	\$ 310,824	\$ 413,492
Taxes receivable - net	254,546	14,131	-	268,677
Accounts receivable	-	-	33,794	33,794
Due from other governments	-	-	11,632	11,632
Total assets	<u>\$ 272,686</u>	<u>\$ 98,659</u>	<u>\$ 356,250</u>	<u>\$ 727,595</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 18,559	\$ -	\$ 11,777	\$ 30,336
Total liabilities	<u>18,559</u>	<u>-</u>	<u>11,777</u>	<u>30,336</u>
Deferred Inflows of Resources:				
Property taxes receivable	254,546	14,131	-	268,677
Total deferred inflows of resources	<u>254,546</u>	<u>14,131</u>	<u>-</u>	<u>268,677</u>
Fund Balances:				
Restricted:				
Stabilization for state statute	-	-	45,426	45,426
Restricted, all other	-	84,528	299,047	383,575
Unassigned	(419)	-	-	(419)
Total fund balances	<u>(419)</u>	<u>84,528</u>	<u>344,473</u>	<u>428,582</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 272,686</u>	<u>\$ 98,659</u>	<u>\$ 356,250</u>	<u>\$ 727,595</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, 2018**

	Fire Districts Fund	Rescue Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ 3,824,022	\$ 40,991	\$ -	\$ 3,865,013
Restricted intergovernmental	-	-	405,522	405,522
Investment earnings	418	166	557	1,141
Total revenues	<u>3,824,440</u>	<u>41,157</u>	<u>406,079</u>	<u>4,271,676</u>
Expenditures:				
Public safety	3,824,800	722	343,943	4,169,465
Total expenditures	<u>3,824,800</u>	<u>722</u>	<u>343,943</u>	<u>4,169,465</u>
Net change in fund balances	(360)	40,435	62,136	102,211
Fund Balances:				
Beginning of year - July 1	<u>(59)</u>	<u>44,093</u>	<u>282,337</u>	<u>326,371</u>
End of year - June 30	<u>\$ (419)</u>	<u>\$ 84,528</u>	<u>\$ 344,473</u>	<u>\$ 428,582</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 3,862,628	\$ 3,824,022	\$ (38,606)
Investment earnings	520	418	(102)
Total revenues	<u>3,863,148</u>	<u>3,824,440</u>	<u>(38,708)</u>
Expenditures:			
Public safety:			
Bethlehem Fire District	12,467	8,624	3,843
Blowing Rock Fire District	116,239	110,291	5,948
Collettsville Fire District	259,896	259,999	(103)
Gamewell Fire District	383,444	382,303	1,141
Grace Chapel Fire District	390,831	388,304	2,527
Granite Falls Fire District	106,433	98,078	8,355
Gunpowder Fire District	558,829	558,650	179
Kings Creek Fire District	186,859	183,740	3,119
Little River Fire District	214,590	211,587	3,003
North Catawba Fire District	724,581	731,526	(6,945)
Patterson Fire District	234,915	230,857	4,058
Sawmills Fire District	390,528	389,614	914
Valmead Fire District	176,676	169,123	7,553
Yadkin Fire District	<u>106,860</u>	<u>102,104</u>	<u>4,756</u>
Total expenditures	<u>3,863,148</u>	<u>3,824,800</u>	<u>38,348</u>
Net change in fund balance	<u>\$ -</u>	(360)	<u>\$ (360)</u>
Fund Balance:			
Beginning of year - July 1		<u>(59)</u>	
End of year - June 30		<u>\$ (419)</u>	

CALDWELL COUNTY, NORTH CAROLINA

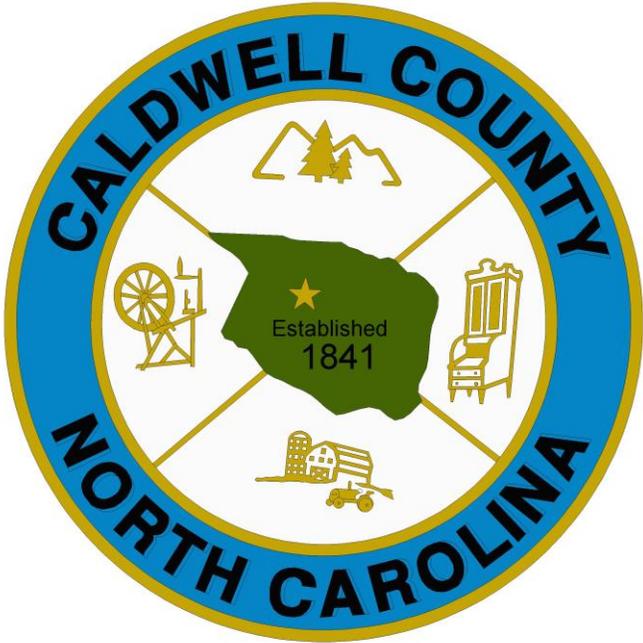
SPECIAL REVENUE FUND - RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ -	\$ 40,991	\$ 40,991
Investment earnings	-	166	166
Total revenues	<u>-</u>	<u>41,157</u>	<u>41,157</u>
Expenditures:			
Public safety	<u>16,000</u>	<u>722</u>	<u>15,278</u>
Revenues over (under) expenditures	<u>(16,000)</u>	<u>40,435</u>	<u>56,435</u>
Other Financing Sources (Uses):			
Transfers:			
To General Fund	(2,369)	-	2,369
Appropriated fund balance	<u>18,369</u>	<u>-</u>	<u>(18,369)</u>
Total other financing sources (uses)	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>40,435</u>	<u>\$ 40,435</u>
Fund Balance:			
Beginning of year - July 1		<u>44,093</u>	
End of year - June 30		<u>\$ 84,528</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
911 funds	\$ 405,552	\$ 405,522	\$ (30)
Investment earnings	-	557	557
Total revenues	<u>405,552</u>	<u>406,079</u>	<u>527</u>
Expenditures:			
Public safety:			
Implemental functions	10,000	553	9,447
Telephone	110,000	90,181	19,819
Software maintenance	25,000	12,500	12,500
Hardware maintenance	225,000	214,893	10,107
Training	8,000	5,431	2,569
Capital outlay	17,552	11,416	6,136
S.L. 2010-158 expenditures	<u>10,000</u>	<u>8,969</u>	<u>1,031</u>
Total expenditures	<u>405,552</u>	<u>343,943</u>	<u>61,609</u>
Net change in fund balance	<u>\$ -</u>	62,136	<u>\$ 62,136</u>
Fund Balance:			
Beginning of year - July 1		<u>282,337</u>	
End of year - June 30		<u>\$ 344,473</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 somewhere on the northern side of Lenoir. The county received bids for this project but rejected them as they came in much higher than originally anticipated. The county is now looking at an alternate site for one of the bases and plans to re-bid both of them.

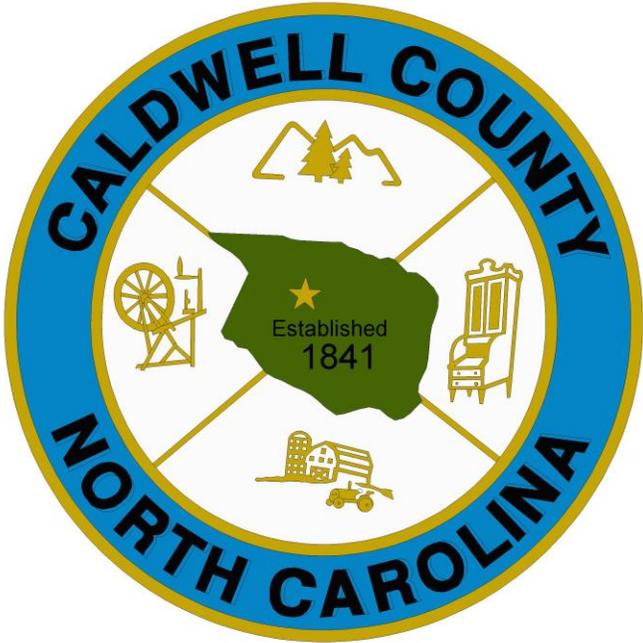
The HHS Building Road Project - This project will provide a new entrance road to the government campus on Morganton Boulevard. This new road will service both the human services building and the sheriff's office. It will also help take some traffic away from the mental health facility. Grading and construction for this project is now mostly complete. Paving is anticipated to begin in the near future with work complete by the end of the calendar year.

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. This project is now completed and the expanded area is being used.

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. This project is now complete as both properties have been acquired and converted to green spaces.

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



CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2018

	Schools Capital Project Fund Sales Tax	General Capital Project Fund	Total
Assets:			
Cash and cash equivalents	\$ 22,626	\$ 1,807,320	\$ 1,829,946
Accounts receivable	818,739	264,732	1,083,471
Total assets	<u>\$ 841,365</u>	<u>\$ 2,072,052</u>	<u>\$ 2,913,417</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 51,698	\$ 51,698
Total liabilities	<u>-</u>	<u>51,698</u>	<u>51,698</u>
Fund Balances:			
Restricted:			
Stabilization for state statute	818,739	264,732	1,083,471
Restricted, all other	22,626	-	22,626
Committed	-	1,755,622	1,755,622
Total fund balances	<u>841,365</u>	<u>2,020,354</u>	<u>2,861,719</u>
Total liabilities and fund balances	<u>\$ 841,365</u>	<u>\$ 2,072,052</u>	<u>\$ 2,913,417</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, 2018

	Schools Capital Project Fund Sales Tax	General Capital Project Fund	Total
Revenues:			
Local option sales tax	\$ 3,286,622	\$ 1,064,875	\$ 4,351,497
Restricted intergovernmental	382,379	34,568	416,947
Investment earnings	-	2,973	2,973
Total revenues	<u>3,669,001</u>	<u>1,102,416</u>	<u>4,771,417</u>
Expenditures:			
Capital outlay:			
Education	1,779,335	-	1,779,335
Public safety	-	240,922	240,922
Human services	-	25,278	25,278
Economic and physical development	-	69,256	69,256
Environmental protection	-	67,525	67,525
Debt service:			
Principal retirement	1,577,824	-	1,577,824
Interest and fees	296,054	-	296,054
Total expenditures	<u>3,653,213</u>	<u>402,981</u>	<u>4,056,194</u>
Revenues over (under) expenditures	<u>15,788</u>	<u>699,435</u>	<u>715,223</u>
Other Financing Sources (Uses):			
Installment purchase financing issued	-	676,415	676,415
Transfers:			
From (to) General Fund	-	(427,501)	(427,501)
From (to) special revenue funds	-	388,573	388,573
Total other financing sources (uses)	<u>-</u>	<u>637,487</u>	<u>637,487</u>
Net change in fund balances	15,788	1,336,922	1,352,710
Fund Balances:			
Beginning of year - July 1	<u>825,577</u>	<u>683,432</u>	<u>1,509,009</u>
End of year - June 30	<u>\$ 841,365</u>	<u>\$ 2,020,354</u>	<u>\$ 2,861,719</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Local option sales tax	\$ 3,475,000	\$ 3,286,622	\$ (188,378)
Restricted intergovernmental revenues:			
Public school lottery	<u>382,380</u>	<u>382,379</u>	<u>(1)</u>
Total revenues	<u>3,857,380</u>	<u>3,669,001</u>	<u>(188,379)</u>
Expenditures:			
Capital outlay:			
Education:			
School improvements - sales tax	1,926,679	1,779,335	147,344
Debt service:			
Principal retirement	1,632,991	1,577,824	55,167
Interest and fees	<u>297,710</u>	<u>296,054</u>	<u>1,656</u>
Total expenditures	<u>3,857,380</u>	<u>3,653,213</u>	<u>204,167</u>
Net change in fund balance	<u>\$ -</u>	15,788	<u>\$ 15,788</u>
Fund Balance:			
Beginning of year - July 1		<u>825,577</u>	
End of year - June 30		<u>\$ 841,365</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, 2018

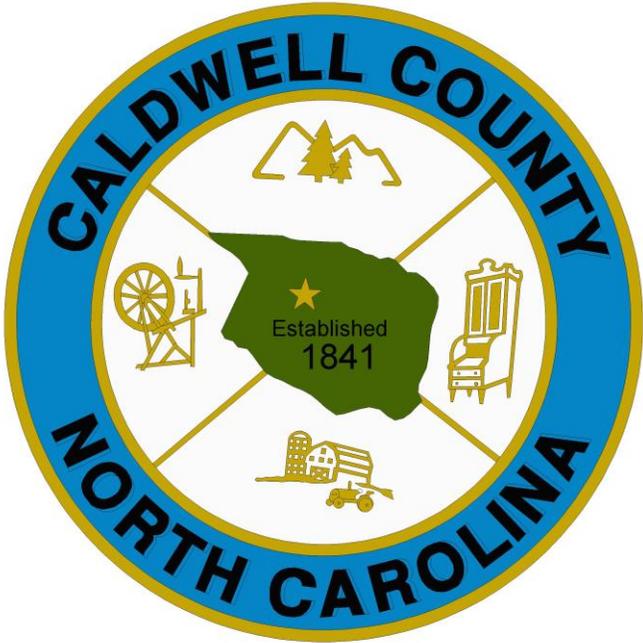
	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenues:				
Restricted intergovernmental - Mental Health Project	\$ 780,000	\$ 780,000	\$ -	\$ 780,000
Restricted intergovernmental - Flood Prone Area Grant	219,932	135,791	34,568	170,359
Local option sales tax	100,000	768,433	1,064,875	1,833,308
Investment earnings	-	1,615	2,973	4,588
Miscellaneous revenue	-	18,502	-	18,502
Total revenues	<u>1,099,932</u>	<u>1,704,341</u>	<u>1,102,416</u>	<u>2,806,757</u>
Expenditures:				
Capital outlay:				
Public safety:				
EMS base renovations	2,239,544	7,688	240,922	248,610
Human services:				
HHS Building Road Project	536,835	128,644	17,541	146,185
Mental Health Expansion Project	1,462,001	1,409,216	7,737	1,416,953
Environmental protection:				
Groundwater monitoring	259,945	88,705	67,525	156,230
Economic and physical development:				
Flood Prone Area Grant Project	219,932	160,990	9,999	170,989
Capital accumulation	988,450	200,531	59,257	259,788
Total expenditures	<u>5,706,707</u>	<u>1,995,774</u>	<u>402,981</u>	<u>2,398,755</u>
Revenues over (under) expenditures	<u>(4,606,775)</u>	<u>(291,433)</u>	<u>699,435</u>	<u>408,002</u>
Other Financing Sources (Uses) :				
Installment purchase financing issued	2,921,544	-	676,415	676,415
Appropriated fund balance	2,700,502	-	-	-
Transfer from special revenue funds	388,573	-	388,573	388,573
Transfer to General Fund	(684,507)	(684,507)	-	(684,507)
Transfer to General Fund	(2,028,645)	(1,250,645)	(778,000)	(2,028,645)
Transfers from General Fund	1,309,308	109,011	350,499	459,510
Total other financing sources (uses)	<u>4,606,775</u>	<u>(1,826,141)</u>	<u>637,487</u>	<u>(1,188,654)</u>
Special item - sale of home health agency	-	2,801,006	-	2,801,006
Net change in fund balance	<u>\$ -</u>	<u>\$ 683,432</u>	<u>\$ 1,336,922</u>	<u>\$ 2,020,354</u>

ENTERPRISE FUND

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

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

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



CALDWELL COUNTY, NORTH CAROLINA

WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,584,500	\$ 3,553,929	\$ (30,571)
Reconnection fees	25,000	12,047	(12,953)
Water taps	40,000	57,571	17,571
Other operating revenues	4,999	7,417	2,418
Total operating revenues	<u>3,654,499</u>	<u>3,630,964</u>	<u>(23,535)</u>
Non-operating revenues:			
Investment earnings	3,000	14,220	11,220
Total non-operating revenues	<u>3,000</u>	<u>14,220</u>	<u>11,220</u>
Total revenues	<u>3,657,499</u>	<u>3,645,184</u>	<u>(12,315)</u>
Expenditures:			
Operating expenses:			
Water purchases		1,322,065	
Salaries		448,107	
Employee benefits		143,661	
Travel and training		1,445	
Contractual services		40,129	
Repairs and maintenance		28,941	
Other operating expenditures		721,710	
Capital outlay		265,111	
Total operating expenses	<u>3,717,499</u>	<u>2,971,169</u>	<u>746,330</u>
Total expenditures	<u>3,717,499</u>	<u>2,971,169</u>	<u>746,330</u>
Revenues over (under) expenditures	<u>(60,000)</u>	<u>674,015</u>	<u>734,015</u>

CALDWELL COUNTY, NORTH CAROLINA

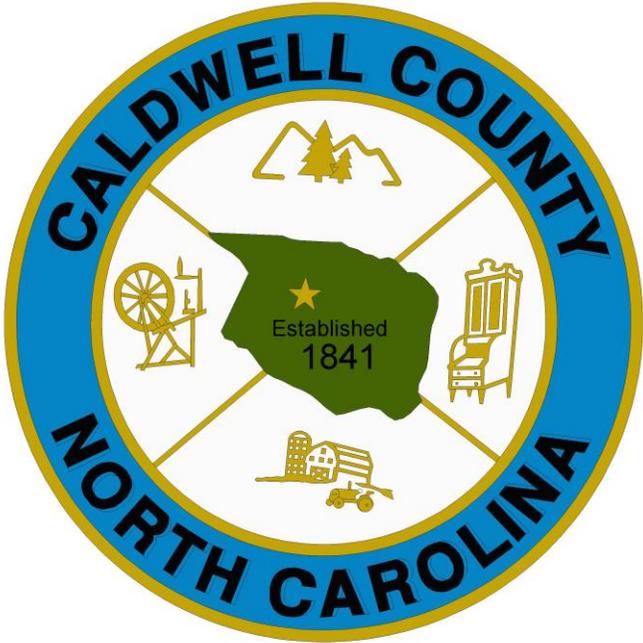
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Appropriated fund balance	60,000	-	(60,000)
Total other financing sources (uses)	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	674,015	<u>\$ 674,015</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(367,460)	
Change in net pension asset		(3,017)	
Change in net pension liability		49,750	
Change in deferred outflows of resources - pension		(49,750)	
Change in deferred inflows of resources - pension		(255)	
Change in deferred outflows of resources - OPEB		199	
Change in deferred inflows of resources - OPEB		(2,989)	
Change in OPEB liability		(2,396)	
Change in compensated absences		1,770	
Non-cash transfer of assets		(15,725)	
Capital outlay		265,111	
Water Capital Project Fund activities:			
Capital project expenditures (total)		(127,535)	
Capital project items capitalized to capital assets		127,535	
Investment earnings		<u>2,400</u>	
Change in net position		<u>\$ 551,653</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, 2018

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Investment earnings	\$ -	\$ 1,188	\$ 2,400	\$ 3,588
Total revenues	<u>-</u>	<u>1,188</u>	<u>2,400</u>	<u>3,588</u>
Expenditures:				
Water projects:				
Construction	1,212,000	75,822	127,535	203,357
Maintenance supplies	<u>410,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total expenditures	<u>1,622,000</u>	<u>475,822</u>	<u>127,535</u>	<u>603,357</u>
Revenues over (under) expenditures	(1,622,000)	(474,634)	(125,135)	(599,769)
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>\$ 1,147,366</u>	<u>\$ (125,135)</u>	<u>\$ 1,022,231</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:

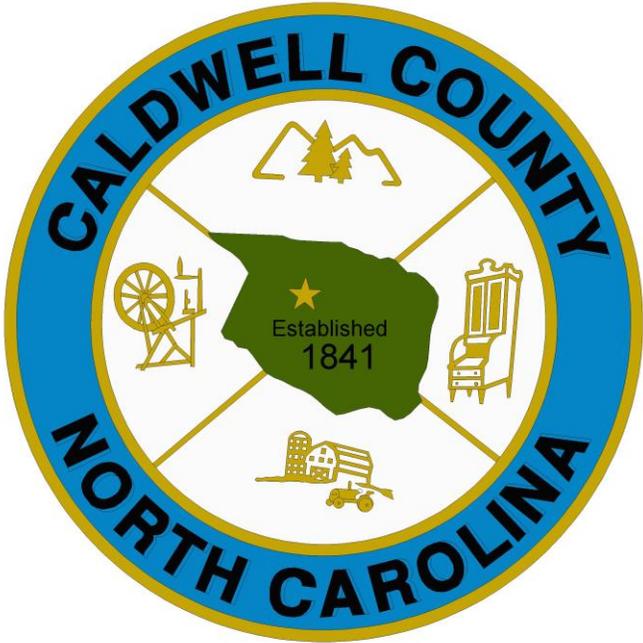
Social Services Fund – accounts for monies held by the Social Services department for the benefit of certain individuals in the County.

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

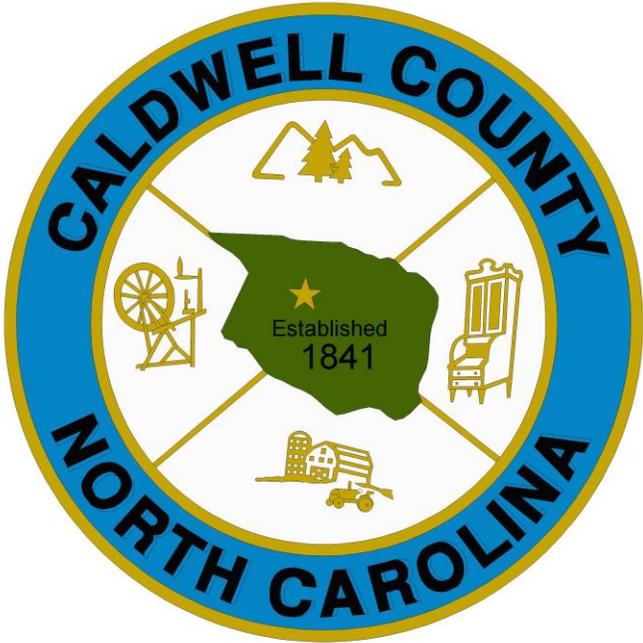
Deed of Trust Fund – accounts for the \$5 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.



CALDWELL COUNTY, NORTH CAROLINA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

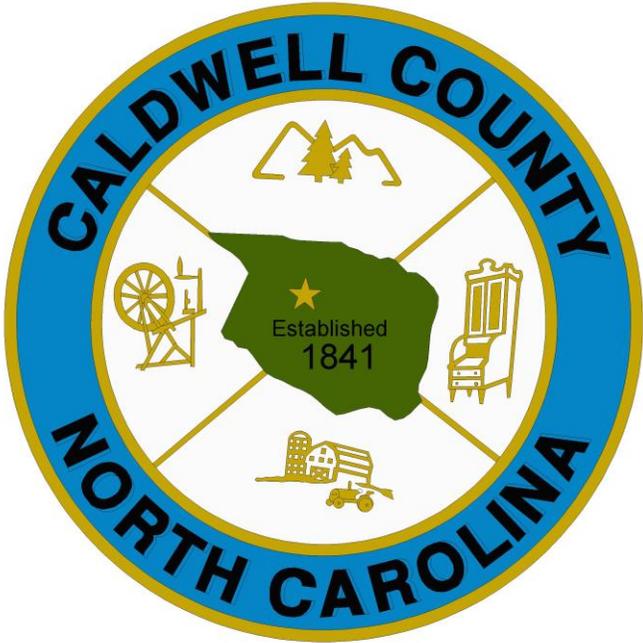
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 42,619	\$ 118,153	\$ 117,307	\$ 43,465
Liabilities:				
Miscellaneous liabilities	\$ 42,619	\$ 118,153	\$ 117,307	\$ 43,465
Tax Collector Fund:				
Assets:				
Cash and cash equivalents	\$ 2,502	\$ 1,719,030	\$ 1,718,077	\$ 3,455
Accounts receivable	4,835	5,691	4,835	5,691
Total assets	<u>\$ 7,337</u>	<u>\$ 1,724,721</u>	<u>\$ 1,722,912</u>	<u>\$ 9,146</u>
Liabilities:				
Intergovernmental payable	<u>\$ 7,337</u>	<u>\$ 1,724,721</u>	<u>\$ 1,722,912</u>	<u>\$ 9,146</u>
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 46,728	\$ 311,777	\$ 316,279	\$ 42,226
Liabilities:				
Intergovernmental payable	<u>\$ 46,728</u>	<u>\$ 311,777</u>	<u>\$ 316,279</u>	<u>\$ 42,226</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 204,547	\$ 204,547	\$ -
Accounts receivable	17,438	26,198	17,438	26,198
Total assets	<u>\$ 17,438</u>	<u>\$ 230,745</u>	<u>\$ 221,985</u>	<u>\$ 26,198</u>
Liabilities:				
Intergovernmental payable - State of NC	\$ -	\$ 204,547	\$ 204,547	\$ -
Intergovernmental payable	17,438	26,198	17,438	26,198
Total liabilities	<u>\$ 17,438</u>	<u>\$ 230,745</u>	<u>\$ 221,985</u>	<u>\$ 26,198</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 277</u>	<u>\$ 320,666</u>	<u>\$ 320,943</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable - State of NC	<u>\$ 277</u>	<u>\$ 320,666</u>	<u>\$ 320,943</u>	<u>\$ -</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 92,126	\$ 2,674,173	\$ 2,677,153	\$ 89,146
Accounts receivable	22,273	31,889	22,273	31,889
Total assets	<u>\$ 114,399</u>	<u>\$ 2,706,062</u>	<u>\$ 2,699,426</u>	<u>\$ 121,035</u>
Liabilities:				
Miscellaneous liabilities	\$ 42,619	\$ 118,153	\$ 117,307	\$ 43,465
Intergovernmental payables	71,780	2,587,909	2,582,119	77,570
Total liabilities	<u>\$ 114,399</u>	<u>\$ 2,706,062</u>	<u>\$ 2,699,426</u>	<u>\$ 121,035</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, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 42,839,522	\$ 41,194,901	\$ 1,644,621
2016-2017	1,580,571	-	504,371	1,076,200
2015-2016	1,082,296	-	277,021	805,275
2014-2015	759,033	-	173,947	585,086
2013-2014	690,703	-	119,740	570,963
2012-2013	685,675	-	237,800	447,875
2011-2012	579,976	-	213,287	366,689
2010-2011	374,252	-	69,942	304,310
2009-2010	302,696	-	65,678	237,018
2008-2009	238,603	-	59,531	179,072
2007-2008	160,285	-	160,285	-
Total	<u>\$ 6,454,090</u>	<u>\$ 42,839,522</u>	<u>\$ 43,076,503</u>	6,217,109
Allowance for doubtful receivables				<u>(3,762,641)</u>
Ad valorem taxes receivable - net				<u>\$ 2,454,468</u>
Reconciliation with Revenues:				
Ad valorem taxes				\$ 42,710,260
Reconciling items:				
Interest collected				(519,666)
Discounts and adjustments allowed				409,066
Releases				38,764
Miscellaneous adjustments				148,130
Amount written off for tax year 2007-2008, per Statute of Limitations				160,285
Amount written off for tax year 2011-2012, per Statute of Limitations (vehicles)				<u>129,664</u>
Total collections and credits				<u>\$ 43,076,503</u>

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 6,658,654,560	\$ 0.6300	\$ 41,964,374	\$ 38,009,225	\$ 3,955,149
Total	<u>6,658,654,560</u>		<u>41,964,374</u>	<u>38,009,225</u>	<u>3,955,149</u>
Discoveries:					
Current year taxes	221,416,132		1,394,922	1,394,922	-
Prior year taxes	<u>4,931,460</u>		<u>30,523</u>	<u>30,523</u>	-
Total	<u>226,347,592</u>		<u>1,425,445</u>	<u>1,425,445</u>	-
Abatements	<u>(87,348,658)</u>		<u>(550,297)</u>	<u>(550,297)</u>	-
Total property valuation	<u>\$ 6,797,653,494</u>				
Net Levy			42,839,522	38,884,373	3,955,149
Uncollected tax at June 30, 2018			<u>1,644,621</u>	<u>1,644,621</u>	-
Current Year's Taxes Collected			<u>\$ 41,194,901</u>	<u>\$ 37,239,752</u>	<u>\$ 3,955,149</u>
Current Levy Collection Percentage			<u>96.16%</u>	<u>95.77%</u>	<u>100.00%</u>

CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2018

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio (1)	<u>100%</u>
Real property	\$ 4,848,717,200
Personal property	1,733,348,971
Public service companies	<u>215,587,323</u>
Total assessed valuation	<u>\$ 6,797,653,494</u>
Tax rate per \$100 (2)	<u>\$ 0.6300</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 42,839,522</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>-</u>
Total	<u>\$ 3,416,683</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.

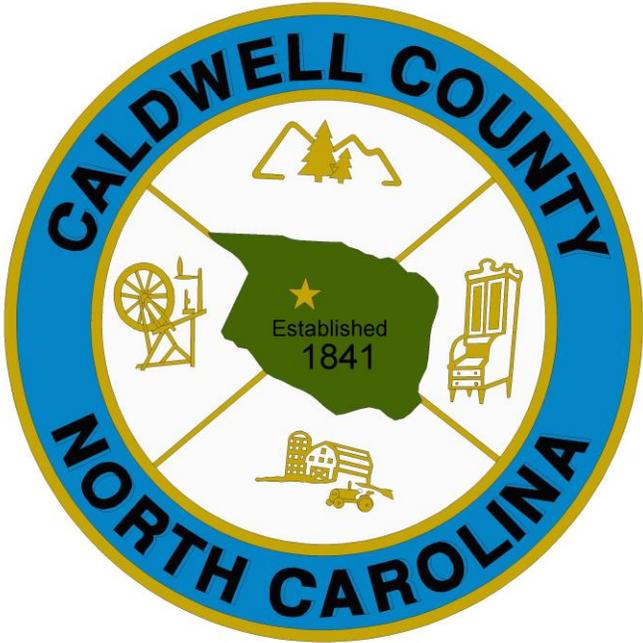
CALDWELL COUNTY, NORTH CAROLINA**EMERGENCY TELEPHONE SYSTEM FUND UNSPENT BALANCE****PSAP RECONCILIATION****JUNE 30, 2018**

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)	\$ 344,473
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>211</u>
Ending balance, PSAP Revenue-Expenditure report	<u><u>\$ 344,684</u></u>

STATISTICAL SECTION
(unaudited)

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



STATISTICAL SECTION

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

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

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

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

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

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

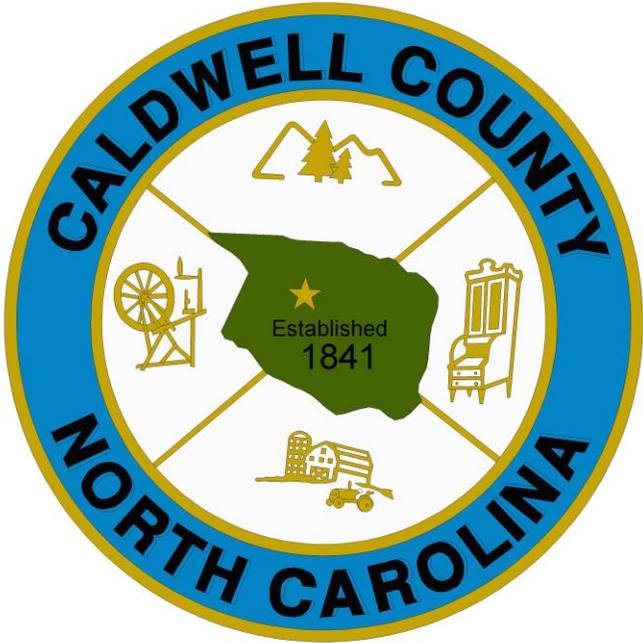
- Ratios of Outstanding Debt by Type – *table 9*
- Ratios of General Bonded Debt Outstanding – *table 10*
- Direct and Overlapping Governmental Activities Debt – *table 11*
- Legal Debt Margin Information – *table 12*

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

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

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

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



CALDWELL COUNTY, NORTH CAROLINA

Net Position by Component
For the Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 21,014,795
Restricted	168,227	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616
Unrestricted	(8,504,943)	(6,696,269)	(8,145,952)	(3,643,043)	2,972,940	(13,203,563)	(15,528,468)	(15,970,780)	(13,606,813)	(11,598,214)
Total governmental activities net position	\$ 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	\$ 15,695,197
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 5,406,248
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	7,726,382
Total business-type activities net position	\$ 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	\$ 13,132,630
Primary Government										
Net investment in capital assets	\$ 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	\$ 26,421,043
Restricted	168,227	214,374	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616
Unrestricted	(5,560,925)	(2,991,403)	(3,552,144)	1,049,250	8,364,837	(7,332,901)	(9,044,373)	(9,264,660)	(6,360,710)	(3,871,832)
Total primary government net position	\$ 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	\$ 28,827,827

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 6,514,507
Public Safety	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	21,793,763
Environmental Protection	546,111	439,077	571,484	474,617	468,991	330,695	368,373	509,242	550,780	578,401
Economic and Physical Development	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	7,030,709
Human Services	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	18,548,252
Cultural and Recreational	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	1,550,598
Education	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	22,611,641
Interest	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	813,953
Total governmental activities expenses	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	79,441,824
Business-Type Activities:										
Water	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	3,080,206
Total business-type activities expenses	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	3,080,206
Total Primary Government Expenses	\$ 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	\$ 82,522,030
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 2,004,610
Public Safety	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	3,397,084
Environmental Protection	870,426	883,503	881,014	853,585	858,482	926,598	964,897	883,338	1,049,356	1,098,694
Economic and Physical Development	13,500	18,000	9,000	17,000	18,829	24,809	30,287	63,890	23,050	32,479
Human Services	2,342,048	2,536,232	2,200,069	1,505,761	715,138	198,949	158,856	189,690	204,388	179,399
Cultural and Recreational	35,224	38,255	37,251	34,829	29,951	29,777	28,804	26,813	18,464	19,911
Other Grants and Contributions:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	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	1,862,926
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Human Services	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	11,310,939
Cultural and Recreational	316,309	268,837	265,019	257,945	280,495	252,531	248,640	234,056	274,389	262,222
Education	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General Government	-	154,641	-	-	-	-	-	-	-	-
Public Safety	-	15,060	-	-	-	-	395,275	-	-	-
Education	2,880	791,670	4,497,261	1,122,112	998,602	1,453,620	144,191	396,930	1,005,124	2,591,790
Economic and Physical Development	214,955	83,413	200,048	430,414	(99,395)	95,594	-	1,014,715	135,791	34,568
Cultural and Recreational	-	36,300	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	22,794,622

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-Type Activities:										
Charges for Services:										
Water	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	3,630,964
Other Grants and Contributions	27,464	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	3,630,964
Total Primary Government Program Revenues	\$ 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	\$ 26,425,586
Net (Expense)/Revenue										
Governmental activities	(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)	(56,647,202)
Business-type activities	610,386	780,234	666,067	568,348	662,825	68,941	460,163	(78,280)	298,749	550,758
Total primary government net expense	(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)	(56,096,444)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	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	46,573,903
Local Option Sales Tax	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	11,444,115
Other Taxes and License	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	1,089,152
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941
Miscellaneous	344,186	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-	2,801,006	-	-	-	-	-
Transfers	164,583	173,757	172,170	134,699	134,700	-	-	-	-	15,725
Total Governmental Activities	52,387,698	48,299,084	48,664,213	49,568,207	52,230,120	52,093,866	53,617,954	54,972,151	58,756,587	59,178,836
Business-Type Activities:										
Investment Earnings	24,392	6,872	11,561	7,697	6,671	2,874	2,003	3,357	6,845	16,620
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	(2,601,072)	-	-	-	-	-	-
Transfers	(164,583)	(173,757)	(172,170)	(134,699)	(134,700)	-	-	-	-	(15,725)
Total Business-Type Activities	(140,191)	(166,885)	(160,609)	(2,728,074)	(128,029)	2,874	2,003	3,357	6,845	895
Total Primary Government General Revenues and Other Change in Net Position	\$ 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	\$ 59,179,731
Change in Net Position										
Governmental activities	840,315	3,854,536	8,817,201	2,327,343	4,550,054	(1,054,034)	(11,164,273)	752,742	4,023,347	2,531,634
Business-type activities	470,195	613,349	505,458	(2,159,726)	534,796	71,815	462,166	(74,923)	305,594	551,653
Total Primary Government, June 30	\$ 1,310,510	\$ 4,467,885	\$ 9,322,659	\$ 167,617	\$ 5,084,850	\$ (982,219)	\$ (10,702,107)	\$ 677,819	\$ 4,328,941	\$ 3,083,287

CALDWELL COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 4,638,637	\$ 4,398,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	2,197,421	2,010,967	-	-	-	-	-	-	-	-
Undesignated	8,836,621	9,776,196	-	-	-	-	-	-	-	-
Non-spendable	-	-	57,415	65,931	51,253	59,193	78,107	64,293	116,396	65,935
Restricted	-	-	3,865,044	4,767,310	4,597,110	4,437,430	4,934,175	4,571,255	5,035,904	5,110,904
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	891,066	3,170,924	4,832,465	6,719,990	7,554,536	5,293,708	5,349,474	5,221,742
Unassigned	-	-	11,217,875	9,066,420	6,946,418	5,403,379	3,021,352	3,498,350	3,391,976	3,492,253
Total General Fund	\$ 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	\$ 13,890,834
All Other Governmental Funds										
Reserved	\$ 690,101	\$ 613,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	2,427,389	3,182,408	-	-	-	-	-	-	-	-
Special Revenue Funds	1,424,811	2,086,224	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Restricted in Special Revenue Fund	-	-	1,058,304	659,752	1,365,272	703,132	488,292	661,631	326,430	429,001
Restricted in Capital Project Fund	-	-	3,329,171	1,441,024	223	13,840,506	3,563,177	946,236	1,092,443	1,106,097
Committed in Capital Project Fund	-	-	1,387,486	1,387,543	3,767,538	3,102,875	1,902,498	965,658	962,975	2,118,551
Committed in Special Revenue Fund	-	-	-	-	2,677,056	-	-	-	-	-
Assigned Special Revenue Fund	-	-	1,557,064	1,911,739	33,666	3,117,800	3,527,221	3,958,397	4,783,399	4,438,549
Unassigned in Capital Project Fund	-	-	-	(260,947)	-	-	(828,751)	-	-	-
Unassigned in Special Revenue Fund	-	-	(8,838)	-	(15)	(17,528)	(11,933)	(92)	(59)	(419)
Total all other governmental funds	\$ 4,542,301	\$ 5,882,120	\$ 7,323,187	\$ 5,139,111	\$ 7,843,740	\$ 20,746,785	\$ 8,640,504	\$ 6,531,830	\$ 7,165,188	\$ 8,091,779

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

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

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

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

CALDWELL COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad Valorem Taxes	\$ 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	\$ 46,575,273
Local Options Sales Taxes	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	10,834,115
Other Taxes	368,792	348,168	333,579	336,917	368,196	406,041	428,432	448,698	442,271	520,956
Inter-governmental	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	17,630,702
Permits & Fees	925,263	827,023	783,483	853,603	892,712	979,459	931,087	988,384	909,252	979,574
Sales and Services	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	5,288,156
Investment Earnings	344,186	144,102	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941
Miscellaneous	1,760,745	326,142	275,395	231,880	322,125	325,850	201,836	295,520	503,351	198,837
Total Revenues	\$ 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	\$ 82,083,554
Expenditures										
General Government	\$ 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	6,393,389
Public Safety	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	19,717,941
Environmental Protection	550,449	486,076	670,461	492,800	484,047	344,473	402,536	537,042	569,454	634,799
Economic & Physical Development	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	7,026,565
Human Services	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	18,033,429
Cultural & Recreational	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	1,462,763
Education	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	22,611,641
Capital Projects	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	2,229,692	2,916,456	1,842,524
Debt Service										
Principal	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	4,378,276
Interest	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	818,662
Total Expenditures	\$ 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	\$ 83,135,056
Excess of revenues over (under) expenditures	\$ (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)	\$ (1,051,502)
Other Financing Sources (Uses)										
Bond Proceeds	-	8,725,000	-	-	-	-	-	-	-	-
Payment to Bond Holders (refinancing)	-	(8,625,000)	-	-	-	-	-	-	-	-
Bond Premium	-	154,641	-	-	-	-	-	-	-	-
Installment purchase financing issued	1,152,920	2,971,361	2,438,507	231,080	-	14,500,000	1,247,810	-	12,639,000	1,940,415
Payment on Installment purchases (refinancing)	-	-	-	-	-	-	-	-	(12,428,000)	-
Sales of Capital Assets	164,583	21,355	3,481	15,236	2,824,007	46,225	45,173	67,737	66,203	34,732
Transfers in	67,518	657,546	1,270,780	446,352	384,430	-	632,893	1,278,468	313,371	1,516,573
Transfers out	-	(483,789)	(1,106,196)	(311,653)	(249,640)	-	(632,893)	(1,278,468)	(313,371)	(1,516,573)
Total other financing sources (uses)	1,385,021	3,421,114	2,606,572	381,015	2,958,797	14,546,225	1,292,983	67,737	277,203	1,975,147
Net change in fund balances	\$ (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)	\$ 923,645
Debt Service as a percentage of governmental expenditures	8.87%	9.54%	14.15%	7.98%	6.88%	6.02%	5.09%	6.43%	6.68%	6.41%

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			
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	3,687,722,501	1,155,096,002	193,828,780	1,644,220,879	6,680,868,162	0.6300
2018	3,702,907,198	1,145,810,002	215,587,323	1,733,348,971	6,797,653,494	0.6300

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,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
COUNTY DIRECT RATE										
County-Wide Rate *	\$ 0.6300	\$ 0.6300	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6299	\$ 0.6599	\$ 0.6599	\$ 0.6599	\$ 0.6599
CITY										
City of Lenoir	0.58	0.58	0.58	0.58	0.56	0.56	0.54	0.5400	0.5400	0.5400
City of Hickory	0.57	0.57	0.57	0.57	0.50	0.50	0.50	0.5000	0.5000	0.5000
SPECIAL DISTRICTS										
Lenoir Special District	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.2500	0.2500	0.2500
TOWNS										
Hudson	0.43	0.43	0.39	0.39	0.39	0.37	0.37	0.3700	0.3700	0.3500
Granite Falls	0.45	0.45	0.44	0.44	0.44	0.44	0.42	0.4200	0.4200	0.4200
Rhodhiss	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.5500	0.5500	0.5500
Blowing Rock	0.37	0.37	0.33	0.31	0.28	0.28	0.28	0.2800	0.2800	0.2800
Sawmills	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.2000	0.2000	0.1500
VILLAGES										
Cedar Rock	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.1500	0.1500	0.1500
RESCUE SERVICES	-	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085
FIRE DISTRICTS	0.3950	0.3950	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310
	0.1385	0.1385	to 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, 2018			Fiscal Year Ended June 30, 2009		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Google	\$ 511,421,258	1		\$ 118,199,030	1	2.14%
Tapaha Dynamics LLC	355,607,300	2		53,889,600	4	0.98%
MDI/Merchant Distributors	135,421,608	3		116,033,065	2	2.10%
Duke Energy	81,702,289	4		60,526,364	3	1.10%
Blue Ridge Electric Membership	68,709,252	5		47,409,862	5	0.86%
Walmart	36,142,892	6		19,875,703	9	0.36%
Bernhardt Industries	29,417,818	7		27,307,718	7	0.50%
Heritage Home Group LLC/HHG Real Property llc	22,399,552	8				
Greer Labs	19,717,157	9				
Sealed Air Corporation	19,516,103	10				
Broyhill Industries, Inc.				28,577,192	6	0.52%
Neptco				19,782,983	10	36.00%
BellSouth				22,831,759	8	4.10%
Kincaid Furniture						
Bemis						
Shuford Mills						

* Source: Caldwell County Tax Records

CALDWELL COUNTY, NORTH CAROLINA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2018	\$ 42,839,522	\$ 41,194,901	96.16%	\$ -	\$ 41,194,901	96.16%
2017	42,109,895	40,529,324	96.25%	504,371.05	41,033,696	97.44%
2016	39,744,478	38,217,503	96.16%	444,680	38,662,183	97.28%
2015	38,611,973	37,065,023	95.99%	787,917	37,852,940	98.03%
2014	37,906,403	35,909,696	94.73%	1,306,005	37,215,701	98.18%
2013	35,746,118	34,386,100	96.20%	674,344	35,060,443	98.08%
2012	36,566,382	35,461,834	96.98%	524,571	35,986,405	98.41%
2011	35,009,037	34,160,132	93.79%	474,653	34,634,785	95.10%
2010	35,997,030	35,325,921	96.99%	368,412	35,694,334	98.00%
2009	36,421,115	35,866,112	98.48%	316,400	36,182,512	99.34%

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			
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	-	35,788,397	748,686	-	-	-	-	36,722,083	2.13%	441.81
2018	-	-	33,600,402	499,124	-	-	-	-	34,099,526	1.29%	410.26

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**

<u>Fiscal Year Ended June 30</u>	<u>General Bonded Debt Outstanding</u> <u>General Obligation Bonds</u>	<u>Percentage of Personal Income</u>	<u>Percentage of Actual Value of Taxable Property</u>	<u>Per Capita</u>	<u>Population</u>
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
2018	-	n/a	n/a	n/a	81,623

CALDWELL COUNTY, NORTH CAROLINA

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
Caldwell County	\$ <u>33,574,347</u>	100.00%	\$ <u>33,574,347</u>
Total Direct Debt	\$ <u>33,574,347</u>		\$ <u>33,574,347</u>
Underlying			
City of Lenoir	\$ 1,138,974	100.00%	\$ 1,138,974
Overlapping			
City of Hickory	<u>32,420,573</u>	1.93%	<u>625,717</u>
Total Underlying and Overlapping Debt	\$ <u>33,559,547</u>		\$ <u>1,764,691</u>
Grand Total	\$ <u>67,133,894</u>		\$ <u>35,339,038</u>

CALDWELL COUNTY, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value of Property	\$ 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	\$ 6,797,653,494
Debt Limit 8% of Assessed Value (statutory limitation)	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	543,812,280
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	<u>54,763,025</u>	<u>52,634,496</u>	<u>45,689,498</u>	<u>39,909,568</u>	<u>35,780,074</u>	<u>47,200,967</u>	<u>44,596,174</u>	<u>40,735,195</u>	<u>36,537,387</u>	<u>34,099,526</u>
Legal Debt Margin	<u>\$ 386,466,511</u>	<u>\$ 377,586,794</u>	<u>\$ 385,472,831</u>	<u>\$ 407,464,516</u>	<u>\$ 407,386,989</u>	<u>\$ 457,411,462</u>	<u>\$ 470,086,527</u>	<u>\$ 489,020,226</u>	<u>\$ 497,932,066</u>	<u>\$ 509,712,754</u>
Total net debt applicable to the limit as a percentage of debt limit	12.41%	12.23%	10.60%	8.07%	10.26%	9.35%	8.66%	7.69%	6.84%	6.27%

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
2009	77,386	\$ 2,107,994,640	\$ 27,240	n/a	12,741	400	15.60%
2010	80,020	1,656,654,060	20,703	40	12,888	400	12.70%
2011	83,209	1,711,957,296	21,217	42	12,452	400	13.30%
2012	83,117	1,609,311,354	19,362	42	12,555	400	13.20%
2013	83,117	1,549,300,880	18,640	42	12,333	400	10.00%
2014	82,590	1,587,544,980	19,222	42	12,072	421	7.40%
2015	82,321	1,609,540,192	19,552	44	12,060	400	7.10%
2016	82,445	1,611,964,640	19,552	43	11,918	400	6.30%
2017	82,292	1,725,827,824	20,972	43	11,569	400	4.20%
2018	81,623	2,653,400,484	32,508	44	12,187	205	4.00%

** Source: North Carolina Economic Development Commission

CALDWELL COUNTY, NORTH CAROLINA

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

Employer	2018			2009	
	Employees	Rank	Total County Employment	Employees	Rank
Caldwell County Schools	1000+	1	35,457	1000+	1
Bernhardt Furniture Co Inc	1000+	2	35,457	500-999	4
Merchants Distributors Inc	1000+	3	35,457	1000+	2
Heritage Home Group, LLC	500-999	4	35,457		
Caldwell Memorial Hospital Inc	500-999	5	35,457	500-999	3
Caldwell County	500-999	6	35,457	500-999	8
Wal-Mart Associates Inc	500-999	7	35,457	500-999	7
Caldwell Community Coll & Tech Inst	500-999	8	35,457	500-999	5
Fairfield Chair Company	250-499	9	35,457		
Sealed Air	250-499	10	35,457		
Skill Creations, Inc.					
Broyhill Furniture Industries Inc				500-999	6
Thomasville Furniture Ind Inc				250-499	10
Universal Mental Health Services				250-499	9
Paxar Americas Inc					

** Source: North Carolina Economic Development Commission

CALDWELL COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function

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

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

*** Data prior to 2010 is not available

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public Safety										
Average Daily Population at Jail	168	172	197	247	246	198	195	189	188	166
Number of Arrests by Sheriff Department	3,316	3,440	2,867	3,514	3,508	3,473	3,207	3,499	3,457	3,883
Responses by Sheriff Department	44,145	43,507	44,507	42,950	41,244	41,384	34,293	37,062	61,584	56,709
Health and Human Services										
<u>Department of Social Services</u>										
Adult Medicaid applications completed	1,470	1,381	1,470	1,683	2,490	2,430	2,608	2,278	2,212	1,498
Family Medicaid applications completed	3,484	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	2,952	4,053	4,342	5,365	5,599	6,003
Special Assistance applications completed	78	95	78	48	117	146	178	167	127	147
Food Stamps applications taken	5,059	4,800	5,059	5,478	4,061	4,900	5,582	5,656	5,826	5,915
Food Stamps applications approved	5,123	4,614	5,123	5,296	4,976	3,832	4,171	4,033	4,033	4,060
Food Stamps applications denied	647	761	647	1,513	990	1,009	1,047	984	1,491	1,538
Child Support orders	376	304	376	304	417	404	499	549	621	566
Medicaid Transportation requests	18,903	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	703	763	703	674	712	740	766	850	856	867
Emergency Assistance applications taken	3,562	3,349	3,562	3,504	3,841	4,832	5,017	3,773	3,544	3,534
Emergency Assistance applications approved	3,530	3,286	3,530	3,452	3,803	4,754	4,957	3,745	3,485	3,358
Work First applications completed	39	42	39	28	39	83	162	170	222	260
Average monthly enrollment in Adolescent Parenting Program		-	-	-	-	-	-	17	18	14
Adult Protective Services referrals	717	744	717	592	630	707	652	512	421	380
Reported cases of Physical or Sexual Abuse to Children	39	27	39	70	58	50	58	64	36	33
New cases of children placed in Foster Care	84	81	84	92	124	136	108	141	103	66
Finalized Adoptions	64	50	64	46	57	39	28	42	48	49
Clients seen at reception desk	32,786	30,647	32,786	41,760	49,303	49,787	35,303	34,878	33,852	30,935
Telephone calls received by switch board	90,565	52,916	90,565	73,723	89,011	100,547	107,194	99,229	103,617	109,372
Total Number of CPS Reports Investigated	1,057	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	109,814,040	116,437,663	109,814,040	n/a	107,070,682	106,270,617	101,671,025	97,187,390	94,971,287	92,623,710
Food Stamps	20,987,778	17,088,842	20,987,778	21,289,069	20,793,667	21,117,486	24,787,284	23,495,280	21,734,319	16,035,745
Work First	163,094	155,580	163,094	123,334	144,606	209,246	172,302	147,626	147,626	196,659
Rest Home	1,111,753	1,087,510	1,111,753	1,187,968	1,289,393	1,418,374	1,344,695	1,352,486	1,307,034	1,363,514
Energy & Crisis	723,218	752,264	723,218	797,677	706,333	809,228	896,386	1,054,851	1,160,671	622,660
Foster Care and Adoption	5,590,066	5,792,063	5,590,066	5,827,764	5,305,442	5,136,449	4,870,092	4,529,359	4,226,791	3,639,776
Child Daycare	2,996,704	3,329,635	2,996,704	2,850,529	2,925,670	2,987,568	3,187,595	3,606,396	2,492,378	3,402,818
Child Support	5,165,874	5,646,128	5,165,874	5,796,790	5,831,040	6,191,419	6,417,807	6,561,065	6,524,085	6,577,867
Total	\$ 146,552,527	\$ 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	\$ 1,283	\$ 1,290	\$ 1,199	\$ 1,350	\$ 923	\$ 832	\$ 893	\$ 1,442	\$ 1,448	\$ 1,382
Animals adopted out from the animal shelter	326	246	240	285	227	215	178	226	211	260
Dollars paid out by the WIC program	1,350,455	1,283,237	1,299,752	1,518,926	1,641,404	1,681,599	1,662,408	1,558,068	1,619,081	1,760,973
Home visits made by home health agency	n/a	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%	87%	88%	90%	94%	89%	76%	79%	74%	90%
Number of children seen by dentist	2,580	1,673	2,120	2,506	2,377	2,414	1,416	3,196	3,291	2,896

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Adult and child immunizations	n/a	n/a	n/a	n/a	2,762	1,465	1,188	n/a	n/a	5,326
Primary clinic visits	2,974	9,107	9,279	9,195	8,647	9,125	1,800	2,120	n/a	7,871
Nutrition contacts for WIC	17,123	7,851	8,045	8,124	8,215	8,576	9,243	n/a	n/a	10,593
Inspections carried out by Environmental Health	2,784	2,728	1,873	1,722	1,377	1,144	1,158	1,650	n/a	1,453
Maternity care encounters	1,768	1,936	2,040	2,254	2,465	2,306	2,415	3,240	n/a	3,539
Local TV programs for health education	18	27	14	12	14	12	14	25	21	15
Environmental Protection										
Solid Waste Investigations	139	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	88	54	90	77	65	76	65	73	59	55
Non-residential additions	113	71	90	61	60	88	78	52	54	70
New residential permits	115	99	90	117	98	74	63	87	119	147
Residential additions	169	152	150	155	138	145	174	194	145	164
Total Issued	485	376	420	410	361	383	380	406	377	436
Economic Development Incentive Payments	\$ 5,373,148	\$ 4,273,959	\$ 5,437,696	\$ 5,437,696	\$ 3,932,145	\$ 2,495,915	\$ 1,238,559	\$ 1,249,713	\$ 1,284,854	\$ 580,066
<u>Major Subdivisions Approved</u>										
Preliminary	-	2	1	1	-	-	-	-	1	3
Final	3	-	1	-	-	-	-	-	1	4
Cell Tower colocator requests approved	1	-	-	-	-	-	-	-	-	3
Rezoning requests	1	2	-	-	3	1	-	1	3	3
Variance requests	-	-	9	1	-	-	-	1	1	1
Planning violation investigations	209	n/a	n/a	18	17	21	17	13	8	-
Planning violation complaints	209	n/a	n/a	18	17	21	17	13	8	3
Street signs installed (E911)	44	54	84	55	65	91	105	69	288	358
Cultural and Recreational										
Library branches	3	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	19.86
Total number of print items	122,931	131,818	125,744	128,154	142,376	133,987	140,854	138,102	136,848	122,408
Total number of electronic materials	84,342	118,265	n/a	n/a						
Total number of non-print items	n/a	n/a	18,031	16,687	19,891	16,288	24,475	23,776	21,977	18,384
Registered Borrowers	32,905	30,907	40,082	37,911	39,537	36,917	64,383	61,747	59	55,875
Total circulation	274,273	277,787	265,294	287,732	318,608	331,252	357,792	363,323	384,377	359,890
Number of visits to libraries	316,532	307,405	297,928	206,366	226,191	283,828	314,742	294,231	275,595	269,448
Reference questions answered	62,456	59,956	50,856	53,820	29,146	50,038	42,392	47,946	43,763	41,809
Number of uses of public computers	49,322	41,243	43,223	50,586	55,250	59,341	67,780	71,569	70,832	58,855
Meeting rooms attendance	n/a	15,484	22,730	19,006	18,669	26,857	27,642	38,024	34,687	29,472
Library programs hosted	546	570	n/a	n/a						
Library program attendance	16,962	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
Last Ten Fiscal Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Jail capacity	185	185	185	185	185	185	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600
Number of ambulances	13	13	13	13	13	14	14	15	13	11
Number of squad cars	99	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	45,660
Square footage available to DSS	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736	70,736
Environmental Protection										
Number of convenience sites in County	9	9	9	9	9	9	9	9	9	9
General Government										
Square footage in County office building	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550
Cultural and Recreational										
Number of libraries in County	3	3	3	3	3	3	3	3	3	3
Square footage used by libraries	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741
Number of parks in County	4	4	4	4	4	4	4	4	4	4

* Data prior to 2009 is not available.

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

CALDWELL COUNTY, NORTH CAROLINA

Miscellaneous Information June 30, 2018

Date of Incorporation	1,841
Form of Government	Commission - Manager
Number of Employees	
Full-Time Permanent	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	10,721
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	122,931
Number of Electronic Materials	84,342
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.