

**COUNTY OF CALDWELL  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**





**CALDWELL COUNTY, NORTH CAROLINA**

**Comprehensive Annual Financial Report**

**For the Year Ended  
June 30, 2020**

**Prepared by  
Finance Department**



# CALDWELL COUNTY, NORTH CAROLINA

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## **INTRODUCTORY SECTION**





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

**LETTER OF TRANSMITTAL**

November 6, 2020

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, 2020.

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, 2020, 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, 2020, 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 still in relatively good shape. The economic shut downs related to the Covid-19 pandemic have negatively affected the local economy but it has not yet been severe. The county's sales tax collections are running ahead of last year's pace. Property tax collections so far this fiscal year have been strong and are ahead of last year's pace. The local housing market is doing very well and average home prices seem to have risen significantly over the past two years. Many local employers are advertising open positions.

## **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, 2020, have been reported as reservations of fund balance.

## **Financial Policies**

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

## **Long Term Financial Planning**

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

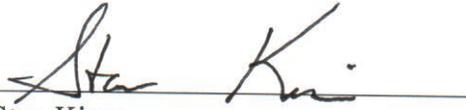
## **Other Information**

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

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

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

Respectfully submitted,

Handwritten signature of Stan Kiser in black ink, written over a horizontal line.

Stan Kiser  
County Manager

Handwritten signature of Anthony Helton in black ink, written over a horizontal line.

Anthony Helton  
Finance Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Caldwell  
North Carolina**

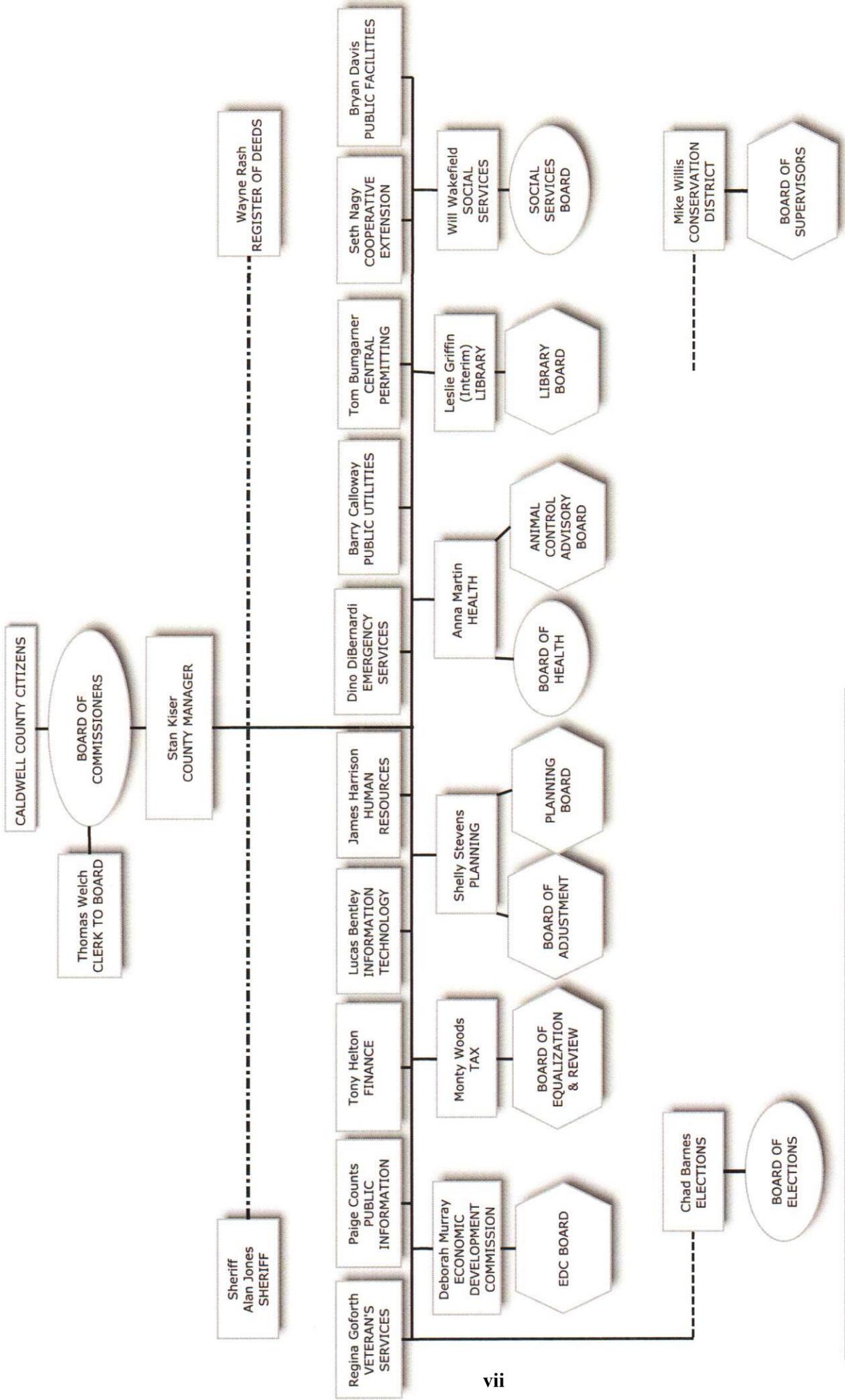
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# CALDWELL COUNTY GOVERNMENT ORGANIZATIONAL CHART



**LEGEND :**

- BUDGETARY CONTROL AND ADMINISTRATIVE COORDINATION ---
- ADMINISTRATIVE AND BUDGETARY CONTROL \_\_\_\_\_
- POLICY MAKING BOARDS (Oval)
- REG. CO. OPERATING DEPTS. OR STAFF UNITS (Hexagon)
- ADVISORY BOARDS (Hexagon)

# CALDWELL COUNTY, NORTH CAROLINA

## Principal Officials

June 30, 2020

### **Board of Commissioners**

Randy T. Church, Chairman

Mike LaBrose, Vice-Chairman

Jeff Branch, Commissioner

Donnie Potter, Commissioner

Robbie Wilkie, Commissioner

### **Other County Officials**

Stan Kiser, County Manager

Thomas Welch, Clerk to the Board

Alan C. Jones, Sheriff

Wayne Rash, Register of Deeds

Will Wakefield, DSS Director

Anna Martin, Health Director

Monty Woods, Tax Administrator

Jimmy Harrison, Human Resources Director

Leslie Griffin, Interim Library Director

Tony Helton, Finance Officer

Chad Barnes, Director of Elections

Barry Calloway, Public Utilities Supervisor

Bryan Davis, Facilities Supervisor

Tom Bumgarner, Central Permitting Supervisor

Shelley Stevens, Planning Director

Regina Goforth, Veterans Services Director

Dino Dibernardi, Emergency Services Director

Kevin Brown, Fire Marshal

Vic Misenheimer, Emergency Management Director

Lucas Bentley, Information Technology Director

Seth Nagy, Cooperative Extension Director

## **FINANCIAL SECTION**



# MARTIN STARNES

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## & 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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Sales Tax Reinvestment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We 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 6, 2020 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 6, 2020



## 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, 2020. 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 \$23,684,825 (net position).
- The government's total net position decreased by \$4,252,972, due to decreased net position in the governmental activities.
- As of the close of the current fiscal year, Caldwell County's governmental funds reported combined ending fund balances of \$28,702,591.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$0.
- The total fund balance in the General Fund decreased by \$893,947 as a result of activities that took place during the fiscal year ended June 30, 2020.
- The General Fund expenditures concluded the year within budget.
- The County successfully complied with all state and federal service mandates as prescribed by law.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 72 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 73-79 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 80-106 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Caldwell County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,684,825 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
<b>Assets:</b>						
Current and other assets	\$ 34,388,829	\$ 41,566,553	\$ 7,712,698	\$ 7,772,656	\$ 42,101,527	\$ 49,339,209
Capital assets	33,720,069	32,294,235	6,120,914	5,830,768	39,840,983	38,125,003
Total assets	<u>68,108,898</u>	<u>73,860,788</u>	<u>13,833,612</u>	<u>13,603,424</u>	<u>81,942,510</u>	<u>87,464,212</u>
<b>Deferred Outflows of Resources</b>	<u>6,128,651</u>	<u>6,916,713</u>	<u>119,031</u>	<u>136,154</u>	<u>6,247,682</u>	<u>7,052,867</u>
<b>Liabilities:</b>						
Current liabilities	10,195,658	9,482,843	323,317	329,014	10,518,975	9,811,857
Long-term liabilities	52,907,985	55,644,273	253,593	232,262	53,161,578	55,876,535
Total liabilities	<u>63,103,643</u>	<u>65,127,116</u>	<u>576,910</u>	<u>561,276</u>	<u>63,680,553</u>	<u>65,688,392</u>
<b>Deferred Inflows of Resources</b>	<u>810,374</u>	<u>875,431</u>	<u>14,440</u>	<u>15,459</u>	<u>824,814</u>	<u>890,890</u>
<b>Net Position:</b>						
Net investment in capital assets	20,519,489	17,318,673	6,120,914	5,830,768	26,640,403	23,149,441
Restricted net position	6,301,202	6,665,914	-	-	6,301,202	6,665,914
Unrestricted net position	<u>(16,497,159)</u>	<u>(9,209,633)</u>	<u>7,240,379</u>	<u>7,332,075</u>	<u>(9,256,780)</u>	<u>(1,877,558)</u>
Total net position	<u>\$ 10,323,532</u>	<u>\$ 14,774,954</u>	<u>\$ 13,361,293</u>	<u>\$ 13,162,843</u>	<u>\$ 23,684,825</u>	<u>\$ 27,937,797</u>

The government's net position decreased by \$4,252,972 during the current fiscal year. This is primarily a result of the County spending on construction of a new Granite Falls Middle School. Under North Carolina law counties carry the debt for school construction while the asset is held by the school system.

**Table 2**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,776,571	\$ 7,155,653	\$ 3,765,637	\$ 3,672,609	\$ 10,542,208	\$ 10,828,262
Operating grants and contributions	13,059,772	13,693,278	-	-	13,059,772	13,693,278
Capital grants and contributions	4,990,460	815,486	-	-	4,990,460	815,486
General revenues:						
Property taxes	53,117,812	48,916,444	-	-	53,117,812	48,916,444
Local option sales tax	13,088,515	12,197,179	-	-	13,088,515	12,197,179
Other taxes and licenses	1,665,238	1,335,621	-	-	1,665,238	1,335,621
Investment earnings	542,721	370,471	104,062	91,773	646,783	462,244
Total revenues	<u>93,241,089</u>	<u>84,484,132</u>	<u>3,869,699</u>	<u>3,764,382</u>	<u>97,110,788</u>	<u>88,248,514</u>
<b>Expenses:</b>						
Governmental activities:						
General government	7,831,317	7,506,731	-	-	7,831,317	7,506,731
Public safety	27,510,078	24,761,507	-	-	27,510,078	24,761,507
Environmental protection	598,699	523,614	-	-	598,699	523,614
Economic and physical development	11,056,030	7,455,800	-	-	11,056,030	7,455,800
Human services	20,177,661	18,787,491	-	-	20,177,661	18,787,491
Cultural and recreational	1,516,791	1,228,472	-	-	1,516,791	1,228,472
Education	27,823,687	24,345,296	-	-	27,823,687	24,345,296
Interest	1,178,248	895,464	-	-	1,178,248	895,464
Business-type activities:						
Water Fund	-	-	3,671,249	3,634,169	3,671,249	3,634,169
Total expenses	<u>97,692,511</u>	<u>85,504,375</u>	<u>3,671,249</u>	<u>3,634,169</u>	<u>101,363,760</u>	<u>89,138,544</u>
Change in net position						
before transfers	(4,451,422)	(1,020,243)	198,450	130,213	(4,252,972)	(890,030)
Transfers in (out)	-	100,000	-	(100,000)	-	-
Change in net position	(4,451,422)	(920,243)	198,450	30,213	(4,252,972)	(890,030)
<b>Net Position:</b>						
Beginning net position	<u>14,774,954</u>	<u>15,695,197</u>	<u>13,162,843</u>	<u>13,132,630</u>	<u>27,937,797</u>	<u>28,827,827</u>
Ending net position	<u>\$ 10,323,532</u>	<u>\$ 14,774,954</u>	<u>\$ 13,361,293</u>	<u>\$ 13,162,843</u>	<u>\$ 23,684,825</u>	<u>\$ 27,937,797</u>

**Governmental Activities.** Governmental activities decreased Caldwell County's net position by \$4,451,422. This is primarily due to the County spending on the construction of a new Granite Falls Middle School.

**Business-Type Activities.** Business-type activities increased Caldwell County's net position by \$198,450. 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 \$28,702,591, a decrease of \$6,400,067 in comparison with the prior year. The largest reason for this decrease is the County's continued spending on two capital projects. The first is the new and renovated Granite Falls Middle School, and the second is the construction of two new EMS bases to serve the area in and around the City of Lenoir.

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 \$0 while total fund balance reached \$13,198,506. The County's fund balance available, using the calculation method suggested by the Local Government Commission of North Carolina, equaled \$9,263,510, or 11.55%, of expenditures.

The total fund balance of Caldwell County's General Fund decreased by \$893,947 during the current fiscal year. Some of the County's normal revenues were delayed and were not able to be counted in the fiscal year ending June 30, 2020. Included among these was the Medicaid Maximization revenues, which account for a large portion of this decrease.

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

The County's Public Schools Capital Project Fund is a major capital project fund. This fund includes the project to renovate / rebuild Granite Falls Middle School. The County borrowed \$12.3 million for this purpose. The County also received a \$15 million grant from the Needs Based school grant program.

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

**Proprietary Funds.** Caldwell County’s propriety funds provide the same type of information found in government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$7,240,379. The total increase in net position for the Water Fund was \$198,450. Other factors concerning the finances of this fund have already been addressed in the discussion of Caldwell County’s business-type activities.

## **General Fund Budgetary Highlights**

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

- The County increased its capital outlay spending during the year by roughly \$1.3 million. This was primarily financed with a 59 month capital outlay loan.
- The County also decided to purchase a building to house the southern branch of the library for roughly \$250k.

## **Other Major Funds’ Highlights**

The Sales Tax Reinvestment Fund’s primary function is to support economic development within Caldwell County. This fund used a little more than it took in this year but still retains a healthy fund balance.

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

The General Capital Projects Fund contains various fund set aside for various future needs. It also includes the EMS bases project. This project will construct two new EMS bases to service the Lenoir area. The county borrowed a little over \$3 million for this project. When completed the two new bases will provide better coverage and response time than the existing single base located in downtown Lenoir. Construction is expected to be completed by the end of 2020.

## **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, 2020 amounts to \$39,840,983. This investment in capital assets includes land, buildings and systems, improvements, machinery, and equipment.

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

- The County was awarded a state grant of \$15 million for the construction of a new Granite Falls Middle School. The county also borrowed \$12.3 million for this project. The project when completed will replace portions of the school that are over 100 years old and provide a much more modern and effective learning environment.
- The County’s tax rate remained unchanged for fiscal year 2019-2020 at 63 cents.
- Two new EMS bases are nearing completion that will improve the performance of the ambulance service in the Lenoir area.

**Table 3**  
**Capital Assets, Net of Depreciation**  
**As of June 30, 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 8,018,100	\$ 7,944,969	\$ 60,181	\$ 60,181	\$ 8,078,281	\$ 8,005,150
Construction in progress	2,748,459	255,623	1,310,489	882,830	4,058,948	1,138,453
Buildings	17,665,263	18,109,418	137,976	143,833	17,803,239	18,253,251
Equipment, furniture, and vehicles	5,288,247	5,984,225	-	-	5,288,247	5,984,225
Water system	-	-	4,612,268	4,743,924	4,612,268	4,743,924
Total capital assets, net of depreciation, where applicable	<u>\$ 33,720,069</u>	<u>\$ 32,294,235</u>	<u>\$ 6,120,914</u>	<u>\$ 5,830,768</u>	<u>\$ 39,840,983</u>	<u>\$ 38,125,003</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.

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 \$568,289,000, which is significantly in excess of Caldwell County’s outstanding general obligation debt.

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

### **Impact of Coronavirus on the County**

Caldwell County has been impacted by the Coronavirus much like the rest of the world. Certain businesses have been forced to close or operate a much less than peak efficiency. So far, the County has avoided a significant negative financial impact. The County’s sales tax receipts have actually increased a bit when compared to the prior year. Many people have focused their spending on essential items and have forgone luxury items. This may have benefited the County’s sales tax collections as most retail establishments inside the County limits sell of essentials. There are several grocery stores and other places to purchase essentials but not a lot of high-end retail. Many people have also done more online shopping and, since most online retailers now collect and remit sales tax, this has been beneficial.

Caldwell County has received a little over \$3 million dollars from the federal CAREs act to help combat the spread of Covid-19. The County has spent and plans to spend this money on a variety of qualified items such as equipment and supplies to disinfect, allow for more social distancing and allow people to work remotely. A portion of this money, approximately \$795k, has been set aside for use by the various municipalities inside the County in their efforts to combat the virus.

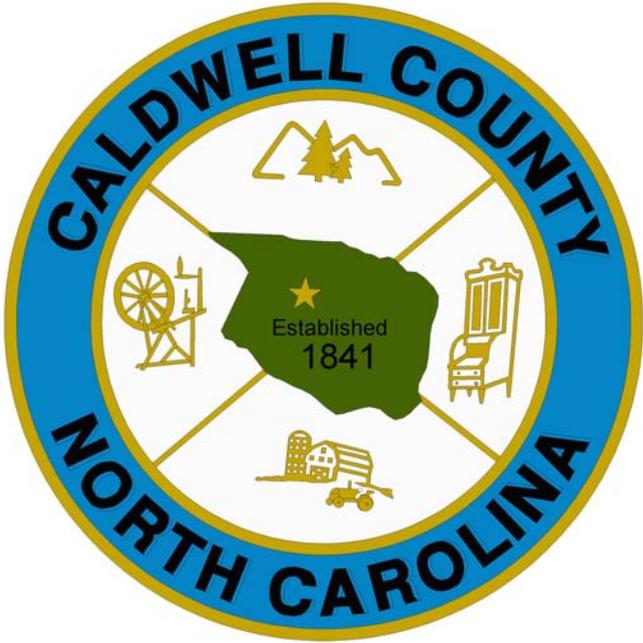
## **Economic Factors and Next Year's Budgets and Rates**

Caldwell County continues to maintain a sound financial condition. Caldwell County's fund balance percentage, as calculated by the Local Government Commission, is 11.55% as of June 30, 2020. This is well above the recommended minimum of 8%.

The budget for fiscal year 2019-2020 maintains the current tax rate of 63 cents per \$100 of tax value. The budget for fiscal year 2020-2021 includes a substantial fund balance appropriation in the General Fund, but we do not anticipate using much of it. The County typically budgets its expenditures at 100% but only spends at 95%. Lapsed salaries and other unspent funds typically generate substantial savings. The County also attempts to be conservative in its revenue estimates and often will collect more than the budget includes. The budget for fiscal year 2020-2021 is the final one before the county completes its revaluation process. This has not been done in eight years and the increase is anticipated to be significant.

### **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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 17,252,930	\$ 6,989,249	\$ 24,242,179
Taxes receivable, net	2,157,624	-	2,157,624
Accounts receivable, net	4,511,152	496,549	5,007,701
Due from other governments	729,889	75,502	805,391
Inventories	80,038	51,408	131,446
Restricted cash and cash equivalents	9,536,284	99,990	9,636,274
Total current assets	<u>34,267,917</u>	<u>7,712,698</u>	<u>41,980,615</u>
Non-current assets:			
Net pension asset	120,912	-	120,912
Non-depreciable capital assets	10,766,559	1,370,670	12,137,229
Depreciable capital assets, net	22,953,510	4,750,244	27,703,754
Total non-current assets	<u>33,840,981</u>	<u>6,120,914</u>	<u>39,961,895</u>
Total assets	<u>68,108,898</u>	<u>13,833,612</u>	<u>81,942,510</u>
<b>Deferred Outflows of Resources:</b>			
OPEB deferrals	296,768	6,057	302,825
Pension deferrals	5,831,883	112,974	5,944,857
Total deferred outflows of resources	<u>6,128,651</u>	<u>119,031</u>	<u>6,247,682</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued expenses	2,178,237	185,800	2,364,037
Accrued interest payable	393,345	-	393,345
Advance from grantor	910,341	-	910,341
Payable from restricted assets:			
Customer deposits	-	99,990	99,990
Current portion of long-term liabilities	6,713,735	37,527	6,751,262
Total current liabilities	<u>10,195,658</u>	<u>323,317</u>	<u>10,518,975</u>
Long-term liabilities:			
Net pension liability - LGERS	9,076,949	185,246	9,262,195
Total pension liability - LEOSSA	1,869,705	-	1,869,705
Total OPEB liability	2,889,297	58,965	2,948,262
Due in more than one year	39,072,034	9,382	39,081,416
Total long-term liabilities	<u>52,907,985</u>	<u>253,593</u>	<u>53,161,578</u>
Total liabilities	<u>63,103,643</u>	<u>576,910</u>	<u>63,680,553</u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	34,258	-	34,258
OPEB deferrals	487,330	9,946	497,276
Pension deferrals	288,786	4,494	293,280
Total deferred inflows of resources	<u>810,374</u>	<u>14,440</u>	<u>824,814</u>
<b>Net Position:</b>			
Net investment in capital assets	20,519,489	6,120,914	26,640,403
Restricted for:			
Stabilization by state statute	4,956,175	-	4,956,175
Register of Deeds pension plan	132,288	-	132,288
Human services	254,096	-	254,096
Public safety	895,736	-	895,736
Register of Deeds	42,060	-	42,060
Education	20,847	-	20,847
Unrestricted (deficit)	(16,497,159)	7,240,379	(9,256,780)
Total net position	<u>\$ 10,323,532</u>	<u>\$ 13,361,293</u>	<u>\$ 23,684,825</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, 2020

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 7,831,317	\$ 1,924,681	\$ -	\$ -
Public safety	27,510,078	3,346,058	2,006,307	-
Environmental protection	598,699	1,213,112	-	-
Economic and physical development	11,056,030	50,049	-	676,722
Human services	20,177,661	218,117	10,822,231	-
Cultural and recreational	1,516,791	24,554	231,234	-
Education	27,823,687	-	-	4,313,738
Interest	1,178,248	-	-	-
Total governmental activities	<u>97,692,511</u>	<u>6,776,571</u>	<u>13,059,772</u>	<u>4,990,460</u>
<b>Business-Type Activities:</b>				
Water Fund	<u>3,671,249</u>	<u>3,765,637</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 101,363,760</u>	<u>\$ 10,542,208</u>	<u>\$ 13,059,772</u>	<u>\$ 4,990,460</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, 2020**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (5,906,636)	\$ -	\$ (5,906,636)
Public safety	(22,157,713)	-	(22,157,713)
Environmental protection	614,413	-	614,413
Economic and physical development	(10,329,259)	-	(10,329,259)
Human services	(9,137,313)	-	(9,137,313)
Cultural and recreational	(1,261,003)	-	(1,261,003)
Education	(23,509,949)	-	(23,509,949)
Interest	(1,178,248)	-	(1,178,248)
Total governmental activities	(72,865,708)	-	(72,865,708)
<b>Business-Type Activities:</b>			
Water Fund	-	94,388	94,388
Total primary government	(72,865,708)	94,388	(72,771,320)
<b>General Revenues:</b>			
Taxes:			
Property taxes, levied for general purpose	53,117,812	-	53,117,812
Local option sales tax	13,088,515	-	13,088,515
Other taxes and licenses	1,665,238	-	1,665,238
Investment earnings	542,721	104,062	646,783
Total general revenues	68,414,286	104,062	68,518,348
Change in net position	(4,451,422)	198,450	(4,252,972)
<b>Net Position:</b>			
Beginning of year - July 1	14,774,954	13,162,843	27,937,797
End of year - June 30	\$ 10,323,532	\$ 13,361,293	\$ 23,684,825

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

## CALDWELL COUNTY, NORTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Major Funds					Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	General Capital Projects Fund	Other Governmental Funds	
<b>Assets:</b>						
Cash and cash equivalents	\$ 10,191,543	\$ 4,330,483	\$ 97,176	\$ 1,988,501	\$ 645,227	\$ 17,252,930
Taxes receivable (net)	1,951,028	-	-	-	206,596	2,157,624
Accounts receivable (net)	3,528,991	-	-	99,238	882,923	4,511,152
Due from other governments	610,833	-	49,119	50,247	19,690	729,889
Inventories	80,038	-	-	-	-	80,038
Restricted cash and cash equivalents	887,514	-	7,125,760	1,523,010	-	9,536,284
Total assets	<u>\$ 17,249,947</u>	<u>\$ 4,330,483</u>	<u>\$ 7,272,055</u>	<u>\$ 3,660,996</u>	<u>\$ 1,754,436</u>	<u>\$ 34,267,917</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 1,781,289	\$ -	\$ 390	\$ 343,004	\$ 53,554	\$ 2,178,237
Advance from grantor	-	-	-	910,341	-	910,341
Total liabilities	<u>1,781,289</u>	<u>-</u>	<u>390</u>	<u>1,253,345</u>	<u>53,554</u>	<u>3,088,578</u>
<b>Deferred Inflows of Resources:</b>						
Property taxes receivable	1,951,028	-	-	-	206,596	2,157,624
Prepaid taxes	34,258	-	-	-	-	34,258
Ambulance receivable	284,866	-	-	-	-	284,866
Total deferred inflows of resources	<u>2,270,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,596</u>	<u>2,476,748</u>
<b>Fund Balances:</b>						
Non-spendable:						
Inventories	80,038	-	-	-	-	80,038
Restricted:						
Stabilization by state statute	3,854,958	-	49,119	149,485	902,613	4,956,175
Restricted, all other	1,183,670	-	7,125,760	612,669	593,131	9,515,230
Committed	-	-	96,786	1,645,497	-	1,742,283
Assigned	8,079,840	4,330,483	-	-	-	12,410,323
Unassigned	-	-	-	-	(1,458)	(1,458)
Total fund balances	<u>13,198,506</u>	<u>4,330,483</u>	<u>7,271,665</u>	<u>2,407,651</u>	<u>1,494,286</u>	<u>28,702,591</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,249,947</u>	<u>\$ 4,330,483</u>	<u>\$ 7,272,055</u>	<u>\$ 3,660,996</u>	<u>\$ 1,754,436</u>	

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

Capital assets, net of accumulated depreciation, used in governmental activities, are not current financial resources and, therefore, are not reported in the funds.	33,720,069
Net pension asset	120,912
Net pension liability - LGERS	(9,076,949)
Total pension liability - LEOSSA	(1,869,705)
Total OPEB liability	(2,889,297)
Deferred outflows of resources related to pensions are not reported in the funds.	5,831,883
Deferred outflows of resources related to OPEB are not reported in the funds.	296,768
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	2,442,490
Deferred inflows of resources related to pensions are not reported in the funds.	(288,786)
Deferred inflows of resources related to OPEB are not reported in the funds.	(487,330)
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.	(46,179,114)
Net position of governmental activities, per Exhibit A	<u>\$ 10,323,532</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, 2020

	Major Funds					Total
	General Fund	Sales Tax Reinvestment Fund	Public Schools Capital Project Fund	General Capital Projects Fund	Other Governmental Funds	
<b>Revenues:</b>						
Ad valorem taxes	\$ 48,849,751	\$ -	\$ -	\$ -	\$ 4,548,987	\$ 53,398,738
Local option sales taxes	7,843,176	-	-	998,639	3,646,700	12,488,515
Other taxes and licenses	645,097	-	-	-	-	645,097
Unrestricted intergovernmental	1,114,123	600,000	-	-	-	1,714,123
Restricted intergovernmental	12,764,354	54,834	4,313,738	676,722	418,623	18,228,271
Permits and fees	1,129,771	-	-	-	-	1,129,771
Sales and services	5,094,698	-	-	-	-	5,094,698
Investment earnings	309,062	62,949	109,039	50,189	11,482	542,721
Miscellaneous	242,802	-	-	-	3,400	246,202
Total revenues	<u>77,992,834</u>	<u>717,783</u>	<u>4,422,777</u>	<u>1,725,550</u>	<u>8,629,192</u>	<u>93,488,136</u>
<b>Expenditures:</b>						
Current:						
General government	7,555,281	-	-	-	-	7,555,281
Public safety	20,069,658	-	-	3,231,427	4,978,954	28,280,039
Environmental protection	563,428	-	-	29,179	-	592,607
Economic and physical development	10,539,990	492,946	-	-	-	11,032,936
Human services	18,833,019	-	-	7,681	-	18,840,700
Cultural and recreational	1,627,550	-	-	-	-	1,627,550
Education	18,848,756	-	7,002,580	-	1,972,351	27,823,687
Debt service:						
Principal retirement	3,036,633	-	-	-	1,410,991	4,447,624
Interest and fees	545,204	-	-	-	664,817	1,210,021
Total expenditures	<u>81,619,519</u>	<u>492,946</u>	<u>7,002,580</u>	<u>3,268,287</u>	<u>9,027,113</u>	<u>101,410,445</u>
Revenues over (under) expenditures	<u>(3,626,685)</u>	<u>224,837</u>	<u>(2,579,803)</u>	<u>(1,542,737)</u>	<u>(397,921)</u>	<u>(7,922,309)</u>
<b>Other Financing Sources (Uses):</b>						
Long-term debt issued	1,470,000	-	-	-	-	1,470,000
Transfers from other funds	1,274,434	-	-	39,047	390,502	1,703,983
Transfers to other funds	(63,938)	(350,000)	-	(1,290,045)	-	(1,703,983)
Proceeds from sale of capital assets	52,242	-	-	-	-	52,242
Total other financing sources (uses)	<u>2,732,738</u>	<u>(350,000)</u>	<u>-</u>	<u>(1,250,998)</u>	<u>390,502</u>	<u>1,522,242</u>
Net change in fund balances	(893,947)	(125,163)	(2,579,803)	(2,793,735)	(7,419)	(6,400,067)
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>14,092,453</u>	<u>4,455,646</u>	<u>9,851,468</u>	<u>5,201,386</u>	<u>1,501,705</u>	<u>35,102,658</u>
End of year - June 30	<u>\$ 13,198,506</u>	<u>\$ 4,330,483</u>	<u>\$ 7,271,665</u>	<u>\$ 2,407,651</u>	<u>\$ 1,494,286</u>	<u>\$ 28,702,591</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, 2020

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)	\$ (6,400,067)
<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	(280,926)
Sales and services	(10,350)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(387,885)
Expenses related to landfill closure and post-closure costs that do not require current financial resources are not reported as expenditures.	26,227
Expenses related to interest expense that do not require current financial resources are not reported as expenditures.	31,773
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.	4,311,774
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.	(8,013)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,877,927)
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.	(1,470,000)
Pension expense - LEOSSA	(103,360)
Pension expense - LGERS	(1,708,235)
Pension expense - ROD	(10,103)
OPEB plan expense	(11,954)
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>4,447,624</u>
Change in net position of governmental activities, per Exhibit B	<u>\$ (4,451,422)</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, 2020

	General Fund			Variance with Final Budget Over/Under
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 47,968,125	\$ 47,968,128	\$ 48,849,751	\$ 881,623
Local option sales taxes	6,655,000	6,655,000	7,843,176	1,188,176
Other taxes and licenses	531,000	531,000	645,097	114,097
Unrestricted intergovernmental	670,754	670,754	1,114,123	443,369
Restricted intergovernmental	14,241,562	14,390,084	12,764,354	(1,625,730)
Permits and fees	916,000	916,000	1,129,771	213,771
Sales and services	5,259,527	5,259,527	5,094,698	(164,829)
Investment earnings	350,000	350,000	309,062	(40,938)
Miscellaneous	173,122	184,824	242,802	57,978
Total revenues	<u>76,765,090</u>	<u>76,925,317</u>	<u>77,992,834</u>	<u>1,067,517</u>
<b>Expenditures:</b>				
Current:				
General government	7,972,213	8,318,144	7,555,281	762,863
Public safety	21,076,458	21,776,399	20,069,658	1,706,741
Environmental protection	679,411	764,297	563,428	200,869
Economic and physical development	10,652,460	10,707,414	10,539,990	167,424
Human services	20,691,776	20,719,907	18,833,019	1,886,888
Cultural and recreational	1,543,431	1,815,145	1,627,550	187,595
Intergovernmental:				
Education	18,841,735	18,859,448	18,848,756	10,692
Contingency	170,000	145,171	-	145,171
Debt service:				
Principal retirement	2,894,899	3,048,418	3,036,633	11,785
Interest and fees	406,004	544,641	545,204	(563)
Total expenditures	<u>84,928,387</u>	<u>86,698,984</u>	<u>81,619,519</u>	<u>5,079,465</u>
Revenues over (under) expenditures	<u>(8,163,297)</u>	<u>(9,773,667)</u>	<u>(3,626,685)</u>	<u>6,146,982</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	710,930	1,472,000	1,470,000	(2,000)
Transfers from other funds	1,024,434	1,274,434	1,274,434	-
Transfers to other funds	-	(63,938)	(63,938)	-
Proceeds from sale of capital assets	25,000	54,069	52,242	(1,827)
Appropriated fund balance	6,402,933	7,037,102	-	(7,037,102)
Total other financing sources (uses)	<u>8,163,297</u>	<u>9,773,667</u>	<u>2,732,738</u>	<u>(7,040,929)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(893,947)</u>	<u>\$ (893,947)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>14,092,453</u>	
End of year - June 30			<u>\$ 13,198,506</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, 2020

	<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>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	600,000	600,000	600,000	-
Restricted intergovernmental	250,000	250,000	54,834	(195,166)
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	62,949	62,949
Miscellaneous	-	-	-	-
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>717,783</u>	<u>(132,217)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	2,500,000	2,500,000	492,946	2,007,054
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:	-	-	-	-
Education	-	-	-	-
Contingency	-	-	-	-
Debt service:	-	-	-	-
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>492,946</u>	<u>2,007,054</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>(1,650,000)</u>	<u>224,837</u>	<u>1,874,837</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(350,000)	(350,000)	(350,000)	-
Proceeds from sale of capital assets	-	-	-	-
Appropriated fund balance	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>(350,000)</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(125,163)</u>	<u>\$ (125,163)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>4,455,646</u>	
End of year - June 30			<u>\$ 4,330,483</u>	

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

## CALDWELL COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2020

	<u>Water Fund</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 6,989,249
Accounts receivable net	496,549
Due from other governments	75,502
Inventories	51,408
Restricted cash and cash equivalents	99,990
Total current assets	<u>7,712,698</u>
<b>Non-Current Assets:</b>	
Capital assets:	
Non-depreciable capital assets	1,370,670
Capital assets (net of depreciation)	4,750,244
Total capital assets	<u>6,120,914</u>
Total non-current assets	<u>6,120,914</u>
Total assets	<u>13,833,612</u>
<b>Deferred Outflows of Resources:</b>	
OPEB deferrals	6,057
Pension deferrals	112,974
Total deferred outflows of resources	<u>119,031</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable and accrued liabilities	185,800
Amounts payable from restricted assets:	
Customer deposits	99,990
Current portion of compensated absences payable	37,527
Total current liabilities	<u>323,317</u>
Non-current liabilities:	
Compensated absences payable	9,382
Net pension liability	185,246
Total OPEB liability	58,965
Total non-current liabilities	<u>253,593</u>
Total liabilities	<u>576,910</u>
<b>Deferred Inflows of Resources:</b>	
Pension deferrals	4,494
OPEB deferrals	9,946
Total deferred inflows of resources	<u>14,440</u>
<b>Net Position:</b>	
Net investment in capital assets	6,120,914
Unrestricted	7,240,379
Total net position	<u>\$ 13,361,293</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, 2020**

	<u>Water Fund</u>
<b>Operating Revenues:</b>	
Charges for services	\$ 3,667,439
Water taps	78,182
Other operating revenues	<u>20,016</u>
Total operating revenues	<u>3,765,637</u>
 <b>Operating Expenses:</b>	
Water operations	3,320,236
Depreciation	<u>351,013</u>
Total operating expenses	<u>3,671,249</u>
 Operating income (loss)	 <u>94,388</u>
 <b>Non-Operating Revenues (Expenses):</b>	
Investment earnings	<u>104,062</u>
Total non-operating revenues (expenses)	<u>104,062</u>
 Change in net position	 198,450
 <b>Net Position:</b>	
Beginning of year - July 1	<u>13,162,843</u>
 End of year - June 30	 <u>\$ 13,361,293</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, 2020

	<u>Water Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 3,730,655
Cash paid for goods and services	(2,592,593)
Cash paid to or on behalf of employees	(680,468)
Net cash provided (used) by operating activities	<u>457,594</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	<u>(641,160)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment earnings	<u>104,062</u>
Net increase (decrease) in cash and cash equivalents	(79,504)
<b>Cash and Cash Equivalents:</b>	
Beginning of year - July 1	<u>7,168,743</u>
End of year - June 30	<u>\$ 7,089,239</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	<u>\$ 94,388</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Depreciation	351,013
<b>Change in Assets and Liabilities:</b>	
(Increase) decrease in accounts receivable	(9,241)
(Increase) decrease in inventory and other current assets	15,437
(Increase) decrease in due from other governments	(25,741)
(Increase) decrease in deferred outflows of resources for pensions	18,219
(Increase) decrease in deferred outflows of resources for OPEB	(1,096)
Increase (decrease) in net pension liability	16,847
Increase (decrease) in OPEB	2,156
Increase (decrease) in deferred inflows of resources for pensions	(203)
Increase (decrease) in deferred inflows of resources for OPEB	(816)
Increase (decrease) in accounts payable and accrued liabilities	(17,035)
Increase (decrease) in customer deposits	2,026
Increase (decrease) in compensated absences payable	<u>11,640</u>
Total adjustments	<u>363,206</u>
Net cash provided (used) by operating activities	<u>\$ 457,594</u>

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

**CALDWELL COUNTY, NORTH CAROLINA**

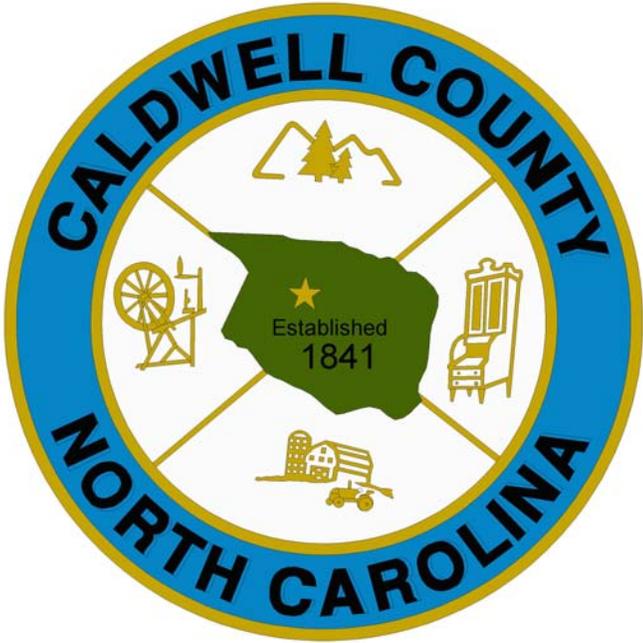
**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**JUNE 30, 2020**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 79,778
Accounts receivable	<u>10,196</u>
Total assets	<u>\$ 89,974</u>
<b>Liabilities:</b>	
Miscellaneous liabilities	\$ 36,695
Intergovernmental payable	<u>53,279</u>
Total liabilities	<u>\$ 89,974</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, 2020

### 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, 2020

### 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, 2020

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

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

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

The County reports the following major enterprise fund:

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

The County reports the following fiduciary fund types:

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

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

### C. Measurement Focus and Basis of Accounting

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

**Government-Wide, Proprietary, and Fiduciary Fund Financial Statements.** The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because, generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

### **D. Budgetary Data**

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

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

Their authority is subject to the following limitations:

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### **E. Estimates**

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

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

#### **Deposits and Investments**

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

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

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

#### **Cash and Cash Equivalents**

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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, Public Schools and General Capital Project Funds are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. CARES Act funds (advance from grantor) are classified as restricted cash because they must be expended in accordance with the guidance and section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act.

#### Governmental Activities:

##### General Fund:

Federal Asset Forfeiture funds	\$ 72,577
State Controlled Substance funds	250,875
Unexpended debt proceeds	<u>564,062</u>
Total General Fund	<u>887,514</u>

##### Public Schools Capital Project Fund:

Unexpended debt proceeds	<u>7,125,760</u>
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##### General Capital Projects Fund:

Advance from grantor	910,341
Unexpended debt proceeds	<u>612,669</u>
Total General Capital Projects Fund	<u>1,523,010</u>

Total governmental activities	9,536,284
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#### Business-Type Activities:

##### Water Fund:

Customer deposits	<u>99,990</u>
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Total restricted cash	<u><u>\$ 9,636,274</u></u>
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### Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies and collects ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by state law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Allowance for Doubtful Accounts

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

### Inventories

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

### Capital Assets

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

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### **Deferred Outflows and Inflows of Resources**

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

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

### **Long-Term Obligations**

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

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

### **Compensated Absences**

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Net Position/Fund Balances

#### Net Position

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

#### Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

*Restricted for Stabilization by State Statute* – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute." Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

*Restricted for General Government* – portion of fund balance restricted by revenue source to be used for general government purposes.

Restricted fund balance at June 30, 2020 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Public Schools Capital Project Fund</u>	<u>General Capital Projects Fund</u>	<u>Other Governmental Funds</u>
<b>Restricted, All Other:</b>				
Register of Deeds	\$ 42,060	\$ -	\$ -	\$ -
Human Services (Adoption)	254,096	-	-	-
General Government (debt)	564,062	-	-	-
Public Safety	323,452	-	612,669	572,284
Education	-	7,125,760	-	20,847
Total	<u>\$ 1,183,670</u>	<u>\$ 7,125,760</u>	<u>\$ 612,669</u>	<u>\$ 593,131</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 \$132,288 and unspent debt proceeds of \$8,302,491 for a net difference of \$8,170,203 at June 30, 2020.

**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.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Committed fund balance at June 30, 2020 is as follows:

<b>Purpose</b>	<b>Public Schools Capital Project Fund</b>	<b>General Capital Project Fund</b>
Future capital projects	\$ 96,786	\$ 1,645,497

**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, 2020 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Subsequent year's expenditures	\$ 8,079,840	\$ 2,000,000
Economic development	-	2,330,483
Total	\$ 8,079,840	\$ 4,330,483

**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, 2020

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	\$ 13,198,506
<b>Less:</b>	
Inventories	(80,038)
Stabilization by state statute	<u>(3,854,958)</u>
Fund balance available for appropriation	<u>\$ 9,263,510</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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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, 2020, the County's deposits had a carrying amount of \$23,309,646 and a bank balance of \$25,126,567. Of the bank balance, \$250,000 was covered by federal depository insurance and \$24,876,567 was covered by collateral held under the Pooling Method.

At June 30, 2020, the County had \$29,059 cash on hand.

### Investments

As of June 30, 2020, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 9,546,676	N/A	N/A	N/A	AAAm
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	1,072,850	1,072,850	-	0.15 years	Unrated
Total investments		<u>\$ 10,619,526</u>	<u>\$ 1,072,850</u>	<u>\$ -</u>		

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

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

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

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

*Credit Risk.* The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020.

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

### Property Tax – Use-Value Assessment on Certain Lands

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

<u>Year</u> <u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,531,579	\$ 229,737	\$ 1,761,316
2018	1,552,243	155,224	1,707,467
2019	1,613,685	80,684	1,694,369
2020	<u>1,645,139</u>	<u>-</u>	<u>1,645,139</u>
Total	<u>\$ 6,342,646</u>	<u>\$ 465,645</u>	<u>\$ 6,808,291</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Receivables

Receivables at the government-wide level at June 30, 2020 were as follows:

	<u>Accounts</u>	<u>Property Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General property taxes	\$ -	\$ 4,983,993	\$ -	\$ 4,983,993
Allowance for doubtful accounts	-	(3,032,965)	-	(3,032,965)
Fire district taxes	-	258,039	-	258,039
Allowance for doubtful accounts	-	(54,575)	-	(54,575)
Rescue squad taxes	-	29,690	-	29,690
Allowance for doubtful accounts	-	(26,558)	-	(26,558)
Total	<u>-</u>	<u>2,157,624</u>	<u>-</u>	<u>2,157,624</u>
Ambulance receivables	9,709,399	-	-	9,709,399
Allowance for doubtful accounts	(9,138,945)	-	-	(9,138,945)
Sales tax receivable	2,956,922	-	-	2,956,922
DSS 1571 receivable	582,045	-	-	582,045
Other receivables	401,731	-	359,176	760,907
Sales tax refund	-	-	370,713	370,713
Total governmental activities	<u>\$ 4,511,152</u>	<u>\$ 2,157,624</u>	<u>\$ 729,889</u>	<u>\$ 7,398,665</u>
<b>Business-Type Activities:</b>				
Water	\$ 865,341	\$ -	\$ -	\$ 865,341
Allowance for doubtful accounts	(368,792)	-	-	(368,792)
Sales tax refund	-	-	75,502	75,502
Total business-type activities	<u>\$ 496,549</u>	<u>\$ -</u>	<u>\$ 75,502</u>	<u>\$ 572,051</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Transfers</u>		<u>Balance</u>
	<u>July 1, 2019</u>								<u>June 30, 2020</u>
<b>Governmental Activities:</b>									
<b>Non-Depreciable Capital Assets:</b>									
Land	\$ 7,944,969	\$ 73,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,018,100
Construction in progress	255,623	2,492,836	-	-	-	-	-	-	2,748,459
Total non-depreciable capital assets	<u>8,200,592</u>	<u>2,565,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,766,559</u>
<b>Depreciable Capital Assets:</b>									
Buildings	32,421,410	263,058	-	-	-	-	-	-	32,684,468
Equipment and furniture	14,306,337	478,480	-	-	-	-	-	-	14,784,817
Vehicles	7,495,577	1,004,269	(249,970)	(57,757)	-	-	(57,757)	-	8,192,119
Total depreciable capital assets	<u>54,223,324</u>	<u>1,745,807</u>	<u>(249,970)</u>	<u>(57,757)</u>	<u>-</u>	<u>-</u>	<u>(57,757)</u>	<u>-</u>	<u>55,661,404</u>
<b>Less Accumulated Depreciation:</b>									
Buildings	14,311,992	707,213	-	-	-	-	-	-	15,019,205
Equipment and furniture	10,595,828	1,226,507	-	-	-	-	-	-	11,822,335
Vehicles	5,221,861	944,207	(241,957)	(57,757)	-	-	(57,757)	-	5,866,354
Total accumulated depreciation	<u>30,129,681</u>	<u>\$ 2,877,927</u>	<u>\$ (241,957)</u>	<u>\$ (57,757)</u>	<u>-</u>	<u>-</u>	<u>(57,757)</u>	<u>-</u>	<u>32,707,894</u>
Total depreciable capital assets, net	<u>24,093,643</u>								<u>22,953,510</u>
Governmental activities capital assets, net	<u>\$ 32,294,235</u>								<u>\$ 33,720,069</u>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 301,690
Public safety	2,034,162
Economic and physical development	4,208
Environmental protection	13,433
Human services	446,822
Cultural and recreational	<u>77,612</u>
Total	<u>\$ 2,877,927</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<b>Balance</b> <b>July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance</b> <b>June 30, 2020</b>
<b>Business-Type Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 60,181	\$ -	\$ -	\$ -	\$ 60,181
Construction in progress	882,831	427,658	-	-	1,310,489
Total non-depreciable capital assets	943,012	427,658	-	-	1,370,670
<b>Depreciable Capital Assets:</b>					
Buildings	173,863	-	-	-	173,863
Water lines	15,662,184	-	-	-	15,662,184
Water valves	254,907	-	-	-	254,907
Fire hydrants	485,698	-	-	-	485,698
Water meters	423,896	-	-	-	423,896
Other system components	2,772,367	8,292	-	-	2,780,659
Equipment and vehicles	1,466,596	205,210	-	57,757	1,729,563
Total depreciable capital assets	21,239,511	213,502	-	57,757	21,510,770
<b>Less Accumulated Depreciation:</b>					
Buildings	30,030	5,857	-	-	35,887
Water lines	12,567,411	144,676	-	-	12,712,087
Water valves	237,981	3,623	-	-	241,604
Fire hydrants	365,293	9,715	-	-	375,008
Water meters	380,768	6,180	-	-	386,948
Other system components	1,618,017	43,468	-	-	1,661,485
Equipment and vehicles	1,152,256	137,494	-	57,757	1,347,507
Total accumulated depreciation	16,351,756	\$ 351,013	\$ -	\$ 57,757	16,760,526
Total depreciable capital assets, net	4,887,755				4,750,244
Business-type activities capital assets, net	\$ 5,830,767				\$ 6,120,914

### Construction Commitments

The County has active construction projects as of June 30, 2020. At year-end, the County's commitments with contractors are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Granite Falls Middle School	\$ 9,286,677	\$ 18,313,323
EMS Bases	2,740,241	654,759

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### B. Liabilities

#### Payables

Payables at the government-wide level at June 30, 2020 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade payables	\$ 1,136,508	\$ 185,800	\$ 1,322,308
Hospitalization reserve	1,041,729	-	1,041,729
Total	<u>\$ 2,178,237</u>	<u>\$ 185,800</u>	<u>\$ 2,364,037</u>

#### Pension Plan Obligations

##### Local Governmental Employees' Retirement System

**Plan Description.** The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer, defined, benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://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, 2020

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, 2020 was 9.70% of compensation for law enforcement officers and 9.01% 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 \$2,327,296 for the year ended June 30, 2020.

*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, 2020, the County reported a liability of \$9,262,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan,

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.33916% (measured as of June 30, 2019), which was a decrease of 0.01576% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$4,070,390. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,585,922	\$ -
Changes of assumptions	1,509,584	-
Net difference between projected and actual earnings on pension plan investments	225,917	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	224,703
County contributions subsequent to the measurement date	2,327,296	-
Total	<u>\$ 5,648,719</u>	<u>\$ 224,703</u>

\$2,327,296 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Total</b>
2021	\$ 1,574,937
2022	434,103
2023	853,863
2024	233,817
2025	-
Thereafter	-
Total	<u>\$ 3,096,720</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

**Actuarial Assumptions.** The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of 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, 2020

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, 2019 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 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 21,184,334</u>	<u>\$ 9,262,195</u>	<u>\$ (647,517)</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

**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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Terminated plan member entitled to, but not yet receiving, benefits	-
Active plan members	<u>75</u>
Total	<u><u>80</u></u>

### **Summary of Significant Accounting Policies**

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 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	3.26 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 \$72,469 as benefits came due for the reporting period.

**CALDWELL COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

At June 30, 2020, the County reported a total pension liability of \$1,869,705. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$187,238.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 134,150	\$ 4,208
Changes of assumptions	95,968	57,366
Benefit payments and plan administrative expense made subsequent to the measurement date	47,641	-
Total	<b>\$ 277,759</b>	<b>\$ 61,574</b>

\$47,641 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Total</b>
2021	\$ 38,225
2022	38,225
2023	40,401
2024	31,488
2025	19,264
Thereafter	941
Total	<b>\$ 168,544</b>

## CALDWELL COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

*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 3.26%, 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 (2.26%) or one percentage point higher (4.26%) than the current rate:

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total pension liability	\$ 2,030,502	\$ 1,869,705	\$ 1,724,262

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

	<b>2020</b>
Beginning balance	\$ 1,679,198
Service cost	89,209
Interest on the total pension liability	59,804
Differences between expected and actual experience in the measurement of the total pension liability	56,947
Changes of assumptions or other inputs	57,016
Benefit payments	(72,469)
Net changes	190,507
Ending balance of the total pension liability	\$ 1,869,705

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.64% at December 31, 2018 (measurement date) to 3.26% at December 31, 2019 (measurement date).

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### **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, 2020, were \$231,271, which consisted of \$183,211 from the County and \$48,060 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](http://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, 2020

**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 \$6,336 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$120,912 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County’s proportion was 0.61246% (measured as of June 30, 2019), which was a decrease of 0.07438% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$16,436. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,831
Net difference between projected and actual earnings on pension plan investments	1,237	-
Changes in proportion and differences between County contributions and proportionate share of contributions	10,806	1,172
County contributions subsequent to the measurement date	6,336	-
Total	<b>\$ 18,379</b>	<b>\$ 7,003</b>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$6,336 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, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2021	\$ 78
2022	4,796
2023	2,554
2024	(2,388)
2025	-
Thereafter	-
Total	<u>\$ 5,040</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2018 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, 2018 valuation were based on the results of an actuarial experience study as of 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, 2020

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, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 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)	\$ 99,947	\$ 120,912	\$ 138,636

**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, 2020

### **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 June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. 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:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 9,262,195	NA	\$ (120,912)	\$ 9,141,283
Proportion of the net pension liability (asset)	0.33916%	NA	-0.61246%	
Total pension liability	-	\$ 1,869,705	-	\$ 1,869,705
Pension expense	\$ 4,070,390	\$ 187,238	\$ 16,436	\$ 4,274,064

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 1,585,922	\$ 134,150	\$ -	\$ 1,720,072
Changes of assumptions	1,509,584	95,968	-	1,605,552
Net difference between projected and actual earnings on pension plan investments	225,917	-	1,237	227,154
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	10,806	10,806
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,327,296</u>	<u>47,641</u>	<u>6,336</u>	<u>2,381,273</u>
Total	<u>\$ 5,648,719</u>	<u>\$ 277,759</u>	<u>\$ 18,379</u>	<u>\$ 5,944,857</u>

<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 4,208	\$ 5,831	\$ 10,039
Changes of assumptions	-	57,366	-	57,366
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>224,703</u>	<u>-</u>	<u>1,172</u>	<u>225,875</u>
Total	<u>\$ 224,703</u>	<u>\$ 61,574</u>	<u>\$ 7,003</u>	<u>\$ 293,280</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, 2020

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

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

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

### **Total OPEB Liability**

The County's total OPEB liability of \$2,948,262 was measured as of June 30, 2019 and was determined by an actuarial valuation as June 30, 2018.

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2019</b>	<b>\$ 2,840,433</b>
<b>Changes for the year:</b>	
Service cost	126,343
Interest	106,468
Differences between expected and actual experience	(23,156)
Changes of assumptions or other inputs	107,120
Benefit payments	<u>(208,946)</u>
<b>Net changes</b>	<b>107,829</b>
<b>Balance at June 30, 2020</b>	<b><u>\$ 2,948,262</u></b>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.89% to 3.50%.

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

**CALDWELL COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

*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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<b>1% Decrease (2.50%)</b>	<b>Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Total OPEB liability	<u>\$ 3,247,869</u>	<u>\$ 2,948,262</u>	<u>\$ 2,683,821</u>

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 2,602,298</u>	<u>\$ 2,948,262</u>	<u>\$ 3,368,928</u>

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$184,037. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 7,756	\$ 380,812
Changes of assumptions	123,230	116,464
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>171,839</u>	<u>-</u>
Total	<u>\$ 302,825</u>	<u>\$ 497,276</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$171,839 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Total</b>
2021	\$ (48,774)
2022	(48,774)
2023	(48,774)
2024	(48,774)
2025	(48,774)
Thereafter	(122,420)
Total	<u>\$ (366,290)</u>

### Other Employment Benefits

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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 \$147,420 reported as landfill closure and post-closure care liability at June 30, 2020 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the old landfill that is subject to these regulations. These amounts are based on what it would cost to perform all closure and post-closure care in 1998. The County closed the landfill on April 1, 1998. Actual closure and post-closure costs may be higher due to inflation, changes in technology, or changes in regulations. As actual cost of closure and post-closure are incurred, they will be recognized as expenditures and reductions of the accrued liability.

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

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

### Deferred Outflows and Inflows of Resources

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 5,944,857
OPEB deferrals	302,825
Total	<u>\$ 6,247,682</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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)	\$ 2,157,624
Prepaid taxes	34,258
Ambulance receivables, net (General Fund)	284,866
OPEB deferrals	497,276
Pension deferrals	293,280
Total	<u>\$ 3,267,304</u>

### **Risk Management**

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

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

The County does not carry flood insurance.

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### Contingent Liabilities

At June 30, 2020, 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, 2020, lease expenditures totaled \$268,953. 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>
2021	\$ 152,217
2022	90,714
2023	59,772
2024	<u>53,338</u>
Total minimum payments required	<u>\$ 356,041</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, 2020

Installment purchase contracts at June 30, 2020 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	\$	627,522
\$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		2,773,426
\$16,300,000 contract for the Early College facility on the campus of CCC&TI, upgrade to emergency communications system to include new towers, new equipment, renovations to the Courthouse and the County offices building, financed for 20 years at 3.075% interest, due in semi-annual installments (one installment is interest only, the other is principal and interest)		6,005,263
\$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)		4,605,263
\$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		990,454
\$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		899,400
\$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		97,917

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$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	770,000
\$1,457,000 59 month financing to purchase capital outlay consisting of ambulances and other emergency response vehicles. Financed at an interest rate of 2.79% through September of 2023	1,180,000
\$12,300,000 borrowing to renovate and build additions to Granite Falls Middle School. Financed at an interest rate of 3.04% through April 2034	12,300,000
\$3,045,000 borrowing to construct two EMS bases in the city of Lenoir. Financed at an interest rate of 2.83% through June 2034	2,842,000
\$1,470,000 59 month financing to purchase capital outlay consisting of various vehicles and equipment. Financed at an interest rate of 1.6787% through June 2025	1,470,000
\$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>9,409,000</u>
Total serviced by the General Fund	<u>\$ 43,970,245</u>

The County's outstanding note from direct placements related to governmental activities of \$627,522 is secured by a deed of trust on the mental health facility located on Morganton Boulevard. Upon the failure to pay or make timely payments, the outstanding principal is due and all leases and rents of residential units are assigned to NCHFA. Upon default, interest on the loan increases to 10% and the lender can enforce its security interest in the mortgaged property, including initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$2,773,426 is secured by a deed of trust on the building on the campus of the community college referred to as the ASU center. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$6,005,263 is secured by a deed of trust on the County's court house building and by the facility on the campus of Caldwell Community College and Technical Institute referred to as the Early College. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged properties, which includes initiating foreclosure proceedings.

## CALDWELL COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County's outstanding note from direct placements related to governmental activities of \$4,605,263 is secured by a deed of trust on the county owned building referred to as the Health and Human Services Building located off Morganton Boulevard in Lenoir, NC. Upon the failure to pay or make timely payments or the failure to budget / appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$990,454 is secured by a deed of trust on Sawmills Elementary School. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$899,400 is secured by a deed of trust on Gamewell Middle School. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and accrued interest are due. The lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County's outstanding note from direct placements related to governmental activities of \$97,917 is secured by a deed of trust on the Whisenant property (vacant land located near Highway 321 off of New Farm Road).

The County's outstanding note from direct placements related to governmental activities of \$770,000 is secured by a security interest in various vehicles and equipment. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service, failure to perform any term, condition or covenant for a period of 30 days after written notice, or an attachment, levy or execution is levied on or against any of the vehicles or equipment, the outstanding principal is due. Upon default, interest on the loan increases by 4.00% and the lender can sell, lease or sublease the vehicles and equipment.

The County's outstanding note from direct placements related to governmental activities of \$1,180,000 is secured by a security interest in various vehicles and equipment. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and interest are due. Upon default, the lender will take possession of the vehicles and equipment securing the loan and the County will relinquish all rights to the vehicles and equipment.

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County’s outstanding note from direct placements related to governmental activities of \$2,842,000 is secured by a deed of trust on two emergency medical services buildings. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service or the removal of the appropriation from the budget, the outstanding principal and accrued interest are due. Upon default, interest on the loan increases by 4.00% and the lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

The County’s outstanding note from direct placements related to governmental activities of \$1,470,000 is secured by a security interest in various vehicles and equipment. Upon the failure to pay or make timely payments or the failure to budget/appropriate for the debt service, the outstanding principal and interest are due. Upon default, the lender will take possession of the vehicles and equipment securing the loan and the County will relinquish all rights to the vehicles and equipment.

The County’s outstanding note from direct placements related to governmental activities of \$9,409,000 is secured by a deed of trust on William Lenoir Middle School. Upon the failure to pay or make timely payments, the failure to budget/appropriate for the debt service or the removal of the appropriation from the budget, the outstanding principal and accrued interest are due. Upon default, interest on the loan increases by 4.00% and the lender can enforce its security interest in the mortgaged property, which includes initiating foreclosure proceedings.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 5,379,252	\$ 1,073,043
2022	5,302,925	944,345
2023	5,324,725	818,069
2024	5,080,740	691,322
2025	4,806,975	568,103
2026-2030	13,324,147	1,425,844
2031-2035	4,427,180	324,361
2036-2040	115,822	-
2041-2045	115,822	-
2046-2049	92,657	-
Total	\$ 43,970,245	\$ 5,845,087

At June 30, 2020, the County had a legal debt margin of approximately \$568,289,000.

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2020:

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Portion of</u>
					<u>Balance</u>
<b>Governmental Activities:</b>					
Notes from direct placements	\$ 46,698,307	\$ 1,470,000	\$ 4,198,062	\$ 43,970,245	\$ 5,379,252
Capitalized leases	249,562	-	249,562	-	-
Compensated absences	1,280,219	1,602,885	1,215,000	1,668,104	1,334,483
Total OPEB liability	2,783,624	105,673	-	2,889,297	-
Accrued post-closure care	173,647	2,952	29,179	147,420	-
Net pension liability (LGERS)	8,251,515	825,434	-	9,076,949	-
Total pension obligation (LEOSSA)	<u>1,679,198</u>	<u>262,976</u>	<u>72,469</u>	<u>1,869,705</u>	<u>-</u>
Total governmental activities	<u>\$ 61,116,072</u>	<u>\$ 4,269,920</u>	<u>\$ 5,764,272</u>	<u>\$ 59,621,720</u>	<u>\$ 6,713,735</u>
<b>Business-Type Activities:</b>					
Compensated absences	\$ 35,269	\$ 40,830	\$ 29,190	\$ 46,909	\$ 37,527
Total OPEB liability	56,809	2,156	-	58,965	-
Net pension liability (LGERS)	<u>168,399</u>	<u>16,847</u>	<u>-</u>	<u>185,246</u>	<u>-</u>
Total business-type activities	<u>\$ 260,477</u>	<u>\$ 59,833</u>	<u>\$ 29,190</u>	<u>\$ 291,120</u>	<u>\$ 37,527</u>

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

### Net Investment in Capital Assets

Net investment in capital assets at June 30, 2020 is computed as follows:

Capital assets, net of accumulated depreciation	<u>\$ 33,720,069</u>
Less capital debt:	
Gross debt	43,970,245
<b>Less:</b>	
School & EDC debt related to assets to which the County does not hold title	(29,592,934)
Unexpended debt proceeds related to assets to which the County holds title	<u>(1,176,731)</u>
Net capital debt	<u>13,200,580</u>
 Net investment in capital assets	 <u>\$ 20,519,489</u>

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2020, there were no industrial revenue bonds outstanding.

### C. Interfund Balances and Activity

Transfers in (out) for the year ended June 30, 2020, are summarized below.

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Rescue Fund (SRF)	\$ 24,891	For EMS base project
General Fund	General Capital Projects Fund	39,047	Animal shelter project architect fees
General Capital Projects Fund	General Fund	323,734	Use of 524 sales tax funds for additional SRO's at County schools
General Capital Projects Fund	General Fund	350,700	Use of 524 sales tax funds to provide one time boost in funding for public schools
General Capital Projects Fund	General Fund	250,000	Use of 524 sales tax to supplant education funding and purchase a new building for the Granite Falls Branch of the public library
General Capital Projects Fund	Schools Capital Project Fund - Sales Tax	365,611	Use of 524 sales tax for debt service on loan for new Granite Falls Middle School
Sales Tax Reinvestment Fund	General Fund	<u>350,000</u>	Transfer to help fund two new EMS bases (debt service)
Total		<u>\$ 1,703,983</u>	

### 3. Joint Ventures

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, \$5,915,380 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, 2020. In addition, the County made debt service payments of \$1,028,485 during the fiscal year on installment purchase debt issued for community college capital facilities.

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

Vaya Health is the MH/DD/SAS area program for the following 23 counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes, and Yancey. The County Commissioners are responsible for appointing two of the 46 members of the Board of Directors of Vaya Health for MH/DD/SAS. The County Commissioners also appoint one at-large member to the Vaya Health Board, but this member has no voting power. The County's accountability for this organization does not extend beyond making these appointments.

#### **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 \$30,904 to the Council during the fiscal year ended June 30, 2020.

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

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

# CALDWELL COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the County provided \$13,473 to support the home delivered meals program.

Foothills Regional Airport Authority was established by Caldwell County in conjunction with one other county and two municipalities. Each participating government appoints two members to the authority's governing board. Each government funds the authority in equal amounts. For the fiscal year ended June 30, 2020, Caldwell County contributed \$47,137.

### **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.

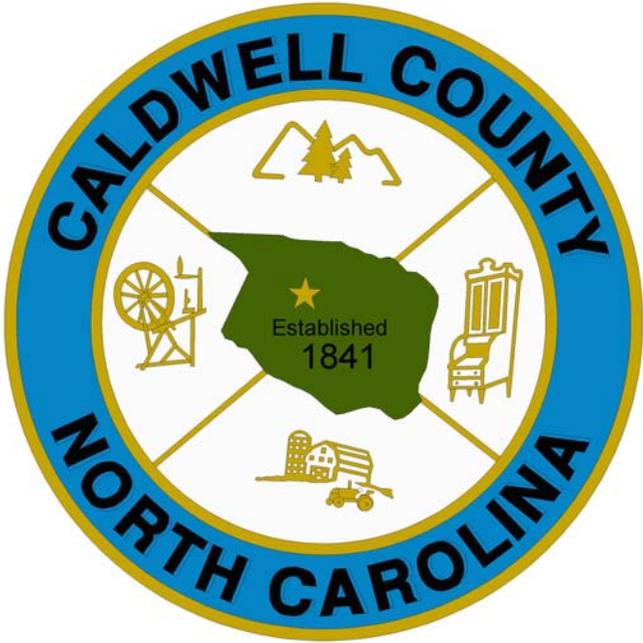
### **7. Subsequent Events**

In March, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

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



## CALDWELL COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 LAST THREE FISCAL YEARS**

**Other Post-Employment Benefits**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 126,343	\$ 163,077	\$ 178,535
Interest	106,468	110,381	96,162
Differences between expected and actual experience	(23,156)	(450,313)	11,053
Changes of assumptions or other inputs	107,120	33,594	(165,955)
Benefit payments	<u>(208,946)</u>	<u>(231,748)</u>	<u>(196,737)</u>
Net change in total OPEB liability	107,829	(375,009)	(76,942)
Total OPEB liability - beginning	<u>2,840,433</u>	<u>3,215,442</u>	<u>3,292,384</u>
Total OPEB liability - ending	<u>\$ 2,948,262</u>	<u>\$ 2,840,433</u>	<u>\$ 3,215,442</u>
Covered payroll	\$ 19,511,954	\$ 19,511,954	\$ 19,582,380
Total OPEB liability as a percentage of covered payroll	15.11%	14.56%	16.42%

**Notes to the Required Schedules:**

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

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
2019	3.89%
2018	3.56%

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

## CALDWELL COUNTY, NORTH CAROLINA

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

<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 1,679,198	\$ 1,546,222	\$ 1,391,989	\$ 1,338,948
Service cost	89,209	91,339	75,166	78,498
Interest on the total pension liability	59,804	47,757	52,578	47,113
Differences between expected and actual experience in the measurement of the total pension liability	56,947	129,494	(8,216)	-
Changes of assumptions or other inputs	57,016	(65,791)	94,447	(34,077)
Benefit payments	<u>(72,469)</u>	<u>(69,823)</u>	<u>(59,742)</u>	<u>(38,493)</u>
Ending balance of the total pension liability	<u>\$ 1,869,705</u>	<u>\$ 1,679,198</u>	<u>\$ 1,546,222</u>	<u>\$ 1,391,989</u>

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

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

**CALDWELL COUNTY, NORTH CAROLINA**

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

**Law Enforcement Officers' Special Separation Allowance**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,869,705	\$ 1,679,198	\$ 1,546,222	\$ 1,391,989
Covered payroll	3,359,068	3,226,682	3,020,106	2,924,773
Total pension liability as a percentage of covered payroll	55.66%	52.04%	51.20%	47.59%

**Notes to the Schedules:**

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

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

**CALDWELL COUNTY, NORTH CAROLINA**

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

	<b>Local Governmental Employees' Retirement System</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Caldwell County's proportion of the net pension liability (asset) (%)	0.33916%	0.35492%	0.35885%	0.36841%	0.35415%	0.34861%	0.34430%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ 9,262,195	\$ 8,419,914	\$ 5,482,232	\$ 7,818,892	\$ 1,589,402	\$ (2,055,915)	\$ 4,150,137
Caldwell County's covered payroll	\$ 23,639,579	\$ 22,049,890	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605	\$ 17,879,977
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.18%	38.19%	25.70%	37.31%	7.93%	( 10.64%)	23.21%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

## CALDWELL COUNTY, NORTH CAROLINA

CALDWELL COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST SEVEN FISCAL YEARS

	<u>Local Governmental Employees' Retirement System</u>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,327,296	\$ 1,866,454	\$ 1,685,322	\$ 1,583,959	\$ 1,426,692	\$ 1,423,076	\$ 1,366,046
Contributions in relation to the contractually required contribution	<u>2,327,296</u>	<u>1,866,454</u>	<u>1,685,322</u>	<u>1,583,959</u>	<u>1,426,692</u>	<u>1,423,076</u>	<u>1,366,046</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Caldwell County's covered payroll	\$ 25,605,966	\$ 23,639,579	\$ 22,049,890	\$ 21,329,068	\$ 20,958,493	\$ 20,047,230	\$ 19,324,605
Contributions as a percentage of covered payroll	9.09%	7.90%	7.64%	7.43%	6.81%	7.10%	7.07%

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

**CALDWELL COUNTY, NORTH CAROLINA**

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

	<b>Register of Deeds' Supplemental Pension Fund</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Caldwell County's proportion of the net pension liability (asset) (%)	0.61246%	0.68684%	0.67060%	0.75778%	0.72118%	0.76574%	0.68111%
Caldwell County's proportion of the net pension liability (asset) (\$)	\$ (120,912)	\$ (113,761)	\$ (114,465)	\$ (141,675)	\$ (167,130)	\$ (173,562)	\$ (145,485)
Caldwell County's covered payroll	\$ 73,271	\$ 73,271	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441	\$ 66,963
Caldwell County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-165.02%	-155.26%	-157.37%	-198.77%	-239.29%	-253.59%	-217.26%
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

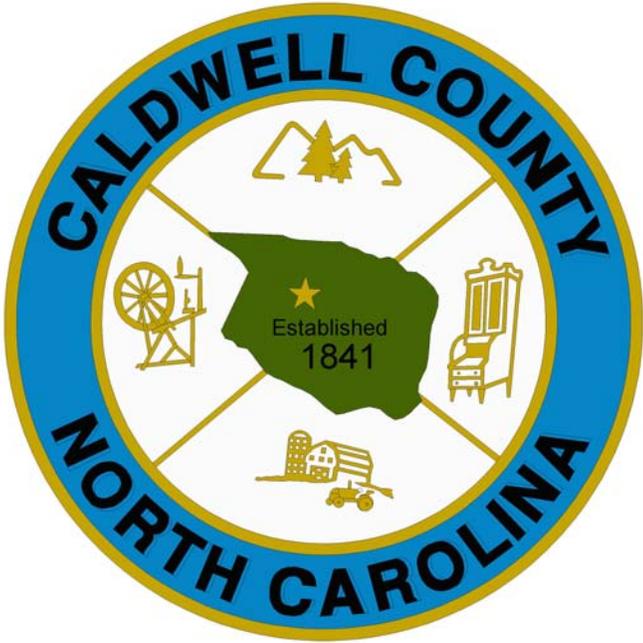
**CALDWELL COUNTY, NORTH CAROLINA**

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

**Register of Deeds' Supplemental Pension Fund**

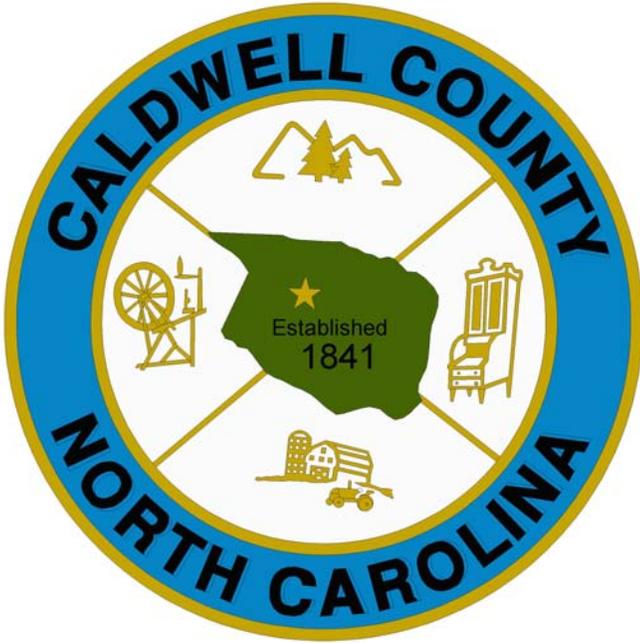
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,336	\$ 5,821	\$ 5,878	\$ 5,827	\$ 6,191	\$ 5,771	\$ 6,252
Contributions in relation to the contractually required contribution	<u>6,336</u>	<u>5,821</u>	<u>5,878</u>	<u>5,827</u>	<u>6,191</u>	<u>5,771</u>	<u>6,252</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Caldwell County's covered payroll	\$ 73,575	\$ 73,271	\$ 73,271	\$ 72,734	\$ 71,275	\$ 69,845	\$ 68,441
Contributions as a percentage of covered payroll	8.61%	7.94%	8.02%	8.01%	8.69%	8.26%	9.13%

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



## **THE GENERAL FUND**

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



CALDWELL COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 47,968,128	\$ 48,849,751	\$ 881,623
<b>Local Option Sales Tax:</b>			
Article 39 one percent	3,180,000	3,868,548	688,548
Article 40 one-half of one percent	3,100,000	3,393,973	293,973
Article 42 one-half of one percent	375,000	580,857	205,857
Article 44 one-half of one percent	-	(202)	(202)
Total	<u>6,655,000</u>	<u>7,843,176</u>	<u>1,188,176</u>
<b>Other Taxes and Licenses:</b>			
Real estate transfer tax	175,000	320,918	145,918
Local occupancy tax	150,000	162,834	12,834
Scrap tire tax	150,000	118,173	(31,827)
White goods tax	50,000	36,792	(13,208)
Schedule B licenses	3,000	2,348	(652)
Gross receipts tax	3,000	4,032	1,032
Total	<u>531,000</u>	<u>645,097</u>	<u>114,097</u>
<b>Unrestricted Intergovernmental:</b>			
Payment in lieu of taxes	120,000	136,659	16,659
State hold-harmless reimbursement	100,000	538,461	438,461
Cable franchise tax	395,000	345,021	(49,979)
Soft cost reimbursement	43,754	43,933	179
EDC occupancy tax	12,000	50,049	38,049
Total	<u>670,754</u>	<u>1,114,123</u>	<u>443,369</u>
<b>Restricted Intergovernmental:</b>			
Federal and state aid - health	2,771,941	2,196,579	(575,362)
Federal and state aid - social services	9,566,750	8,622,252	(944,498)
Federal and state aid - law enforcement	598,301	556,188	(42,113)
Federal and state aid - library	139,299	140,420	1,121
Federal and state aid - miscellaneous	663,755	217,419	(446,336)
Federal and state aid - JCPC	246,038	246,038	-
Federal and state aid - ambulance	256,000	586,887	330,887
Federal and state shared - controlled substance	5,000	72,757	67,757
Court facility fees	125,000	107,067	(17,933)
ABC revenue	18,000	18,747	747
Total	<u>14,390,084</u>	<u>12,764,354</u>	<u>(1,625,730)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Permits and Fees:</b>			
Inspection department	250,000	363,337	113,337
Marriage license	12,000	11,182	(818)
Environmental fees	68,000	97,393	29,393
Civil fees	115,000	92,210	(22,790)
Weapons permits	138,000	161,555	23,555
Register of Deeds	330,000	343,892	13,892
Miscellaneous	3,000	60,202	57,202
Total	<u>916,000</u>	<u>1,129,771</u>	<u>213,771</u>
<b>Sales and Services:</b>			
Ambulance fees	2,960,623	2,551,860	(408,763)
Animal control	42,000	26,771	(15,229)
Jail fees	300,900	425,758	124,858
Jail commissary	80,000	121,951	41,951
Sheriff collection fees	1,000	2,824	1,824
Health Department fees	165,000	218,117	53,117
Household fees	700,000	725,611	25,611
Republic host fees	850,000	864,992	14,992
E911 services	-	250	250
Library fines and fees	20,000	24,554	4,554
Collection fees - special tax districts and towns	15,000	15,029	29
Miscellaneous	125,004	116,981	(8,023)
Total	<u>5,259,527</u>	<u>5,094,698</u>	<u>(164,829)</u>
<b>Investment Earnings</b>	<u>350,000</u>	<u>309,062</u>	<u>(40,938)</u>
<b>Miscellaneous:</b>			
Contributions	120,550	90,814	(29,736)
Other	64,274	151,988	87,714
Total	<u>184,824</u>	<u>242,802</u>	<u>57,978</u>
Total revenues	<u>76,925,317</u>	<u>77,992,834</u>	<u>1,067,517</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Administration:</b>			
Salaries and benefits	388,389	356,745	
Operating expenditures	215,803	167,043	
Total	<u>604,192</u>	<u>523,788</u>	<u>80,404</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Board of Elections:</b>			
Salaries and benefits	216,373	212,991	
Operating expenditures	215,722	205,967	
Capital outlay	12,414	-	
Total	<u>444,509</u>	<u>418,958</u>	<u>25,551</u>
<b>Register of Deeds:</b>			
Salaries and benefits	371,283	365,546	
Operating expenditures	146,200	120,126	
Total	<u>517,483</u>	<u>485,672</u>	<u>31,811</u>
<b>Finance:</b>			
Salaries and benefits	448,959	448,222	
Operating expenditures	77,679	69,842	
Total	<u>526,638</u>	<u>518,064</u>	<u>8,574</u>
<b>Information Services:</b>			
Salaries and benefits	559,365	552,925	
Operating expenditures	495,250	419,528	
Capital outlay	140,169	66,018	
Total	<u>1,194,784</u>	<u>1,038,471</u>	<u>156,313</u>
<b>Scanning:</b>			
Salaries and benefits	121,082	118,527	
Operating expenditures	22,000	1,637	
Total	<u>143,082</u>	<u>120,164</u>	<u>22,918</u>
<b>Tax Administrator:</b>			
Salaries and benefits	633,444	630,340	
Operating expenditures	394,670	346,556	
Total	<u>1,028,114</u>	<u>976,896</u>	<u>51,218</u>
<b>Revaluation:</b>			
Salaries and benefits	264,490	262,961	
Operating expenditures	70,747	46,858	
Capital outlay	22,000	21,788	
Total	<u>357,237</u>	<u>331,607</u>	<u>25,630</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Public Information:</b>			
Salaries and benefits	141,211	136,661	
Operating expenditures	40,461	(13,932)	
Capital outlay	<u>15,395</u>	<u>15,505</u>	
Total	<u>197,067</u>	<u>138,234</u>	<u>58,833</u>
<b>Building Maintenance:</b>			
Salaries and benefits	419,407	400,922	
Operating expenditures	676,877	582,809	
Capital outlay	<u>131,410</u>	<u>101,552</u>	
Total	<u>1,227,694</u>	<u>1,085,283</u>	<u>142,411</u>
<b>Land Records:</b>			
Salaries and benefits	140,029	138,816	
Operating expenditures	<u>43,239</u>	<u>38,356</u>	
Total	<u>183,268</u>	<u>177,172</u>	<u>6,096</u>
<b>Human Resources:</b>			
Salaries and benefits	1,389,260	1,268,765	
Operating expenditures	<u>488,239</u>	<u>461,832</u>	
Total	<u>1,877,499</u>	<u>1,730,597</u>	<u>146,902</u>
<b>Veterans Administration:</b>			
Salaries and benefits	120,687	119,877	
Operating expenditures	<u>11,478</u>	<u>7,086</u>	
Total	<u>132,165</u>	<u>126,963</u>	<u>5,202</u>
<b>Special Services:</b>			
Institute of Government	8,824	8,824	-
Western Piedmont Council of Governments	30,904	30,904	-
Administrative expenses	(161,316)	(161,316)	-
Community Service Program	<u>6,000</u>	<u>5,000</u>	<u>1,000</u>
Total	<u>(115,588)</u>	<u>(116,588)</u>	<u>1,000</u>
Total general government	<u>8,318,144</u>	<u>7,555,281</u>	<u>762,863</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Public Safety:</b>			
<b>Animal Control:</b>			
Salaries and benefits	459,104	380,212	
Operating expenditures	149,984	116,141	
Capital outlay	19,600	18,816	
Total	<u>628,688</u>	<u>515,169</u>	<u>113,519</u>
<b>Sheriff's Department:</b>			
Salaries and benefits	786,703	744,438	
Operating expenditures	540,753	484,909	
Capital outlay	38,450	38,330	
Total	<u>1,365,906</u>	<u>1,267,677</u>	<u>98,229</u>
<b>Patrol Division:</b>			
Salaries and benefits	2,146,364	2,044,497	
Operating expenditures	343,252	307,855	
Capital outlay	87,294	74,486	
Total	<u>2,576,910</u>	<u>2,426,838</u>	<u>150,072</u>
<b>Investigative Division:</b>			
Salaries and benefits	831,906	806,087	
Operating expenditures	99,167	82,901	
Total	<u>931,073</u>	<u>888,988</u>	<u>42,085</u>
<b>Support Division:</b>			
Salaries and benefits	730,983	721,521	
Operating expenditures	193,602	157,487	
Capital outlay	263,006	239,600	
Total	<u>1,187,591</u>	<u>1,118,608</u>	<u>68,983</u>
<b>Reserve Division:</b>			
Salaries and benefits	52,015	24,372	
Operating expenditures	5,128	-	
Total	<u>57,143</u>	<u>24,372</u>	<u>32,771</u>
<b>County Jail and Building:</b>			
Salaries and benefits	2,763,731	2,514,121	
Operating expenditures	1,599,013	1,392,925	
Capital outlay	93,425	16,770	
Total	<u>4,456,169</u>	<u>3,923,816</u>	<u>532,353</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, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>School Resource Officer:</b>			
Salaries and benefits	871,590	827,848	
Operating expenditures	49,640	31,477	
Total	<u>921,230</u>	<u>859,325</u>	<u>61,905</u>
<b>Emergency Medical Services:</b>			
Salaries and benefits	5,281,212	5,265,471	
Operating expenditures	1,039,030	909,344	
Capital outlay	638,000	379,979	
Total	<u>6,958,242</u>	<u>6,554,794</u>	<u>403,448</u>
<b>Emergency Management:</b>			
Salaries and benefits	138,876	138,996	
Operating expenditures	225,076	191,265	
Capital outlay	105,000	103,983	
Total	<u>468,952</u>	<u>434,244</u>	<u>34,708</u>
<b>Fire Marshal:</b>			
Salaries and benefits	274,530	291,097	
Operating expenditures	85,438	46,952	
Capital outlay	59,500	58,534	
Total	<u>419,468</u>	<u>396,583</u>	<u>22,885</u>
<b>Communications Center:</b>			
Salaries and benefits	1,195,734	1,106,307	
Operating expenditures	477,275	426,060	
Total	<u>1,673,009</u>	<u>1,532,367</u>	<u>140,642</u>
<b>Special Services:</b>			
Court reform expense	4,200	3,908	292
Crime Stoppers	3,600	3,600	-
COOP Plan	2,800	2,800	-
PILT sharing	39,176	39,176	-
Forest contract - NC State	82,242	77,393	4,849
Total	<u>132,018</u>	<u>126,877</u>	<u>5,141</u>
Total public safety	<u>21,776,399</u>	<u>20,069,658</u>	<u>1,706,741</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Environmental Protection:</b>			
<b>Convenience Center:</b>			
Salaries and benefits	232,767	224,252	
Operating expenditures	377,644	312,494	
Capital outlay	<u>153,886</u>	<u>26,682</u>	
Total	<u>764,297</u>	<u>563,428</u>	<u>200,869</u>
Total environmental protection	<u>764,297</u>	<u>563,428</u>	<u>200,869</u>
<b>Economic and Physical Development:</b>			
<b>Planning and Development:</b>			
Salaries and benefits	176,039	155,839	
Operating expenditures	<u>93,315</u>	<u>55,055</u>	
Total	<u>269,354</u>	<u>210,894</u>	<u>58,460</u>
<b>Building Inspection:</b>			
Salaries and benefits	355,573	355,437	
Operating expenditures	<u>50,552</u>	<u>43,455</u>	
Total	<u>406,125</u>	<u>398,892</u>	<u>7,233</u>
<b>Cooperative Extension:</b>			
Salaries and benefits	16,486	16,402	
Operating expenditures	<u>209,319</u>	<u>176,830</u>	
Total	<u>225,805</u>	<u>193,232</u>	<u>32,573</u>
<b>Soil and Water Conservation:</b>			
Salaries and benefits	108,212	106,306	
Operating expenditures	<u>29,533</u>	<u>23,692</u>	
Total	<u>137,745</u>	<u>129,998</u>	<u>7,747</u>
<b>Economic Development:</b>			
Salaries and benefits	148,211	140,445	
Operating expenditures	<u>9,312,493</u>	<u>9,245,256</u>	
Total	<u>9,460,704</u>	<u>9,385,701</u>	<u>75,003</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Special Services:</b>			
Occupancy tax expenditures	149,417	163,009	
Foothills Regional Airport Authority	<u>58,264</u>	<u>58,264</u>	
Total	<u>207,681</u>	<u>221,273</u>	<u>(13,592)</u>
 Total economic and physical development	 <u>10,707,414</u>	 <u>10,539,990</u>	 <u>167,424</u>
<b>Human Services:</b>			
<b>Human Services Building:</b>			
Salaries and benefits	121,364	120,765	
Operating expenditures	207,500	176,054	
Capital outlay	<u>150,683</u>	<u>8,505</u>	
Total	<u>479,547</u>	<u>305,324</u>	<u>174,223</u>
<b>Health:</b>			
<b>Health Support:</b>			
Salaries and benefits	502,391	474,181	
Operating expenditures	<u>142,478</u>	<u>96,671</u>	
Total	<u>644,869</u>	<u>570,852</u>	<u>74,017</u>
<b>Environmental Health:</b>			
Salaries and benefits	335,990	325,179	
Operating expenditures	44,193	42,355	
Capital outlay	<u>22,000</u>	<u>21,788</u>	
Total	<u>402,183</u>	<u>389,322</u>	<u>12,861</u>
<b>Women's Health:</b>			
Salaries and benefits	476,241	473,110	
Operating expenditures	<u>38,786</u>	<u>37,796</u>	
Total	<u>515,027</u>	<u>510,906</u>	<u>4,121</u>
<b>Child Health:</b>			
Salaries and benefits	803,496	722,167	
Operating expenditures	<u>25,000</u>	<u>19,127</u>	
Total	<u>828,496</u>	<u>741,294</u>	<u>87,202</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Dental Health:</b>			
Salaries and benefits	274,120	262,373	
Operating expenditures	160,786	131,132	
Total	<u>434,906</u>	<u>393,505</u>	<u>41,401</u>
<b>Clinic:</b>			
Salaries and benefits	1,544,081	1,403,271	
Operating expenditures	462,859	413,836	
Capital outlay	13,794	13,794	
Total	<u>2,020,734</u>	<u>1,830,901</u>	<u>189,833</u>
<b>Women, Infants, and Children:</b>			
Salaries and benefits	362,014	344,457	
Operating expenditures	20,694	14,364	
Total	<u>382,708</u>	<u>358,821</u>	<u>23,887</u>
Total health	<u>5,228,923</u>	<u>4,795,601</u>	<u>433,322</u>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and benefits	8,818,589	8,701,381	
Operating expenditures	684,100	563,495	
Capital outlay	47,862	46,535	
Total	<u>9,550,551</u>	<u>9,311,411</u>	<u>239,140</u>
<b>Public Assistance:</b>			
Adult resources	711,215	596,483	
Child resources	3,262,000	2,483,510	
Temporary resources	844,619	766,606	
Medicaid	65,000	4,462	
Total	<u>4,882,834</u>	<u>3,851,061</u>	<u>1,031,773</u>
Total social services	<u>14,433,385</u>	<u>13,162,472</u>	<u>1,270,913</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Special Services:</b>			
Medical examiner	80,000	71,600	8,400
Mental health	122,138	122,895	(757)
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	-
Psychological services	21,701	21,701	-
Youthful Sex Offender Services	36,000	36,000	-
Peace Pipeline	34,162	34,162	-
Juvenile Justice Intervention	440	440	-
Parents and Adolescents	14,663	14,663	-
Miscellaneous CBA expenditures	12,006	11,220	786
Caldwell House	6,000	6,000	-
Project Challenge	65,313	65,313	-
Caldwell Opportunities	7,500	7,500	-
Western Piedmont Sister Cities	23,659	23,658	1
Rural Planning Organization	30,000	30,000	-
Western Piedmont Regional Transit Authority	63,913	63,913	-
Robin's Nest	10,000	10,000	-
Caldwell Friends	11,584	11,584	-
Total	<u>578,052</u>	<u>569,622</u>	<u>8,430</u>
 Total human services	 <u>20,719,907</u>	 <u>18,833,019</u>	 <u>1,886,888</u>
<b>Cultural and Recreational:</b>			
<b>Library:</b>			
Salaries and benefits	1,057,278	987,909	
Operating expenditures	301,272	273,217	
Capital outlay	306,515	235,600	
Total	<u>1,665,065</u>	<u>1,496,726</u>	<u>168,339</u>
<b>Library Buildings:</b>			
Operating expenditures	30,900	29,468	
Total	<u>30,900</u>	<u>29,468</u>	<u>1,432</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, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>County Parks and Recreation:</b>			
Wilson's Creek Center	48,938	31,114	
Total	<u>48,938</u>	<u>31,114</u>	17,824
<b>Special Services:</b>			
Caldwell Arts Council	1,500	1,500	-
Historical Society	2,500	2,500	-
Baton Ruritan Park	8,000	8,000	-
Dudley Shoals Park	5,000	5,000	-
Oak Hill Park	9,628	9,628	-
Collettsville Park	18,114	18,114	-
North Catawba Optimist Park	14,500	14,500	-
Kings Creek Community Athletic	1,500	1,500	-
Gamewell Optimist Club	3,500	3,500	-
Special Olympics	2,500	2,500	-
Fort Defiance	3,500	3,500	-
Total	<u>70,242</u>	<u>70,242</u>	-
Total cultural and recreational	<u>1,815,145</u>	<u>1,627,550</u>	187,595
<b>Education:</b>			
<b>Public Schools:</b>			
Current expense	15,210,700	15,207,701	
Total	<u>15,210,700</u>	<u>15,207,701</u>	2,999
<b>Community College:</b>			
Current expense	3,373,619	3,365,926	
Capital outlay	180,000	180,000	
Total	<u>3,553,619</u>	<u>3,545,926</u>	7,693
<b>Education Foundation</b>	<u>11,520</u>	<u>11,520</u>	-
<b>Kids at Work</b>	<u>50,609</u>	<u>50,609</u>	-
<b>Communities in Schools</b>	<u>33,000</u>	<u>33,000</u>	-
Total education	<u>18,859,448</u>	<u>18,848,756</u>	10,692

CALDWELL COUNTY, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Debt Service:</b>			
Principal retirement	3,048,418	3,036,633	11,785
Interest and fees	<u>544,641</u>	<u>545,204</u>	<u>(563)</u>
Total debt service	<u>3,593,059</u>	<u>3,581,837</u>	<u>11,222</u>
Contingency	<u>145,171</u>	<u>-</u>	<u>145,171</u>
Total expenditures	<u>86,698,984</u>	<u>81,619,519</u>	<u>5,079,465</u>
Revenues over (under) expenditures	<u>(9,773,667)</u>	<u>(3,626,685)</u>	<u>6,146,982</u>
<b>Other Financing Sources (Uses):</b>			
Installment purchase financing issued	1,472,000	1,470,000	(2,000)
Transfers:			
Transfers from other funds	1,274,434	1,274,434	-
Transfers to other funds	(63,938)	(63,938)	-
Proceeds from sale of capital assets	54,069	52,242	(1,827)
Appropriated fund balance	<u>7,037,102</u>	<u>-</u>	<u>(7,037,102)</u>
Total other financing sources (uses)	<u>9,773,667</u>	<u>2,732,738</u>	<u>(7,040,929)</u>
Net change in fund balance	<u>\$ -</u>	<u>(893,947)</u>	<u>\$ (893,947)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>14,092,453</u>	
End of year - June 30		<u>\$ 13,198,506</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, 2020**

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental:				
ADM funds	\$ 405,691	\$ 372,440	\$ -	\$ 372,440
Public school lottery funds	20,137,925	5,069,158	4,313,738	9,382,896
Investment earnings	-	73,165	109,039	182,204
Total revenues	<u>20,543,616</u>	<u>5,514,763</u>	<u>4,422,777</u>	<u>9,937,540</u>
<b>Expenditures:</b>				
Capital outlay:				
Education:				
Granite Falls Middle School:				
Construction and design	27,600,000	2,877,518	6,409,159	9,286,677
Lower Creek Elementary School:				
Land	610,000	10,000	593,421	603,421
School improvements - ADM	405,691	372,440	-	372,440
School improvements - lottery	5,137,925	5,069,158	-	5,069,158
Debt service:				
Interest and fees	-	75,575	-	75,575
Total expenditures	<u>33,753,616</u>	<u>8,404,691</u>	<u>7,002,580</u>	<u>15,407,271</u>
Revenues over (under) expenditures	<u>(13,210,000)</u>	<u>(2,889,928)</u>	<u>(2,579,803)</u>	<u>(5,469,731)</u>
<b>Other Financing Sources (Uses):</b>				
Installment purchase financing issued	12,300,000	12,431,396	-	12,431,396
Transfers:				
Transfers from other funds	910,000	310,000	-	310,000
Total other financing sources (uses)	<u>13,210,000</u>	<u>12,741,396</u>	<u>-</u>	<u>12,741,396</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,851,468</u>	<u>\$ (2,579,803)</u>	<u>\$ 7,271,665</u>



## GENERAL CAPITAL PROJECTS 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 behind Valmead School off of Highway 321 North.

***The Animal Shelter Project*** – The County began a capital project that would construct a new animal shelter to replace the current facility with a more modern and capable one. An architect has designed the new facility but the project was placed on hold due to the pandemic. The County hopes to re-start this project at the appropriate time.

***CARES Act Funding*** – The County has received funding from the federal CARES act to help combat the spread of the covid-19 virus. A portion of this money is being shared with the municipalities located within the County.

***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. Work on this project is substantially complete.

***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.

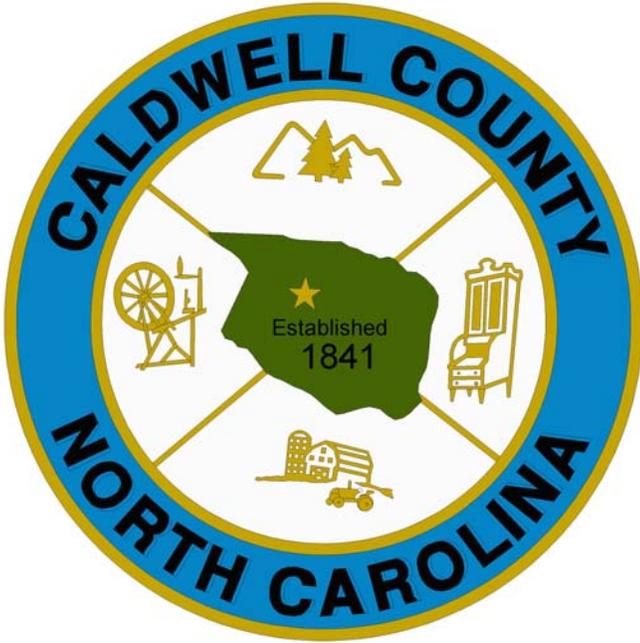
***Capital Accumulation*** – these are funds set aside to address future needs.



## CALDWELL COUNTY, NORTH CAROLINA

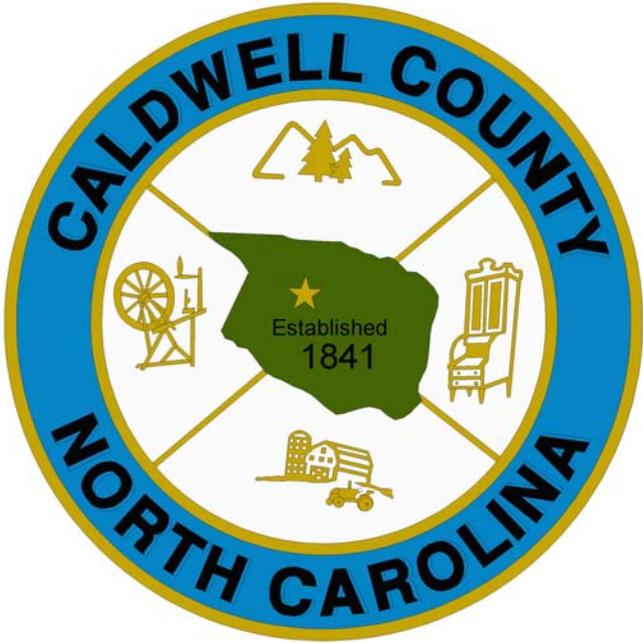
GENERAL CAPITAL PROJECT FUND - MAJOR FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Restricted intergovernmental	\$ 1,587,063	\$ -	\$ 676,722	\$ 676,722
Local option sales tax	3,697,321	2,950,803	998,639	3,949,442
Investment earnings	-	31,475	50,189	81,664
Miscellaneous revenue	-	20,925	-	20,925
Total revenues	<u>5,284,384</u>	<u>3,003,203</u>	<u>1,725,550</u>	<u>4,728,753</u>
<b>Expenditures:</b>				
Capital outlay:				
Public safety:				
Sheriff	101,200	30,884	68,000	98,884
EMS base renovations	3,394,999	371,856	2,368,385	2,740,241
Animal shelter	139,047	20,726	118,320	139,046
CARES Act funding	1,587,063	-	676,722	676,722
Human services:				
HHS Building Road Project	491,835	472,183	7,681	479,864
Environmental protection:				
Groundwater monitoring	359,945	211,780	29,179	240,959
Economic and physical development:				
Capital accumulation	<u>988,450</u>	<u>291,081</u>	<u>-</u>	<u>291,081</u>
Total expenditures	<u>7,062,539</u>	<u>1,398,510</u>	<u>3,268,287</u>	<u>4,666,797</u>
Revenues over (under) expenditures	<u>(1,778,155)</u>	<u>1,604,693</u>	<u>(1,542,737)</u>	<u>61,956</u>
<b>Other Financing Sources (Uses) :</b>				
Installment purchase financing issued	3,045,000	3,045,000	-	3,045,000
Appropriated fund balance	32,462	-	-	-
Transfers from other funds	1,620,016	1,230,969	39,047	1,270,016
Transfers to other funds	<u>(2,919,323)</u>	<u>(679,276)</u>	<u>(1,290,045)</u>	<u>(1,969,321)</u>
Total other financing sources (uses)	<u>1,778,155</u>	<u>3,596,693</u>	<u>(1,250,998)</u>	<u>2,345,695</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,201,386</u>	<u>\$ (2,793,735)</u>	<u>\$ 2,407,651</u>



## **SALES TAX REINVESTMENT FUND**

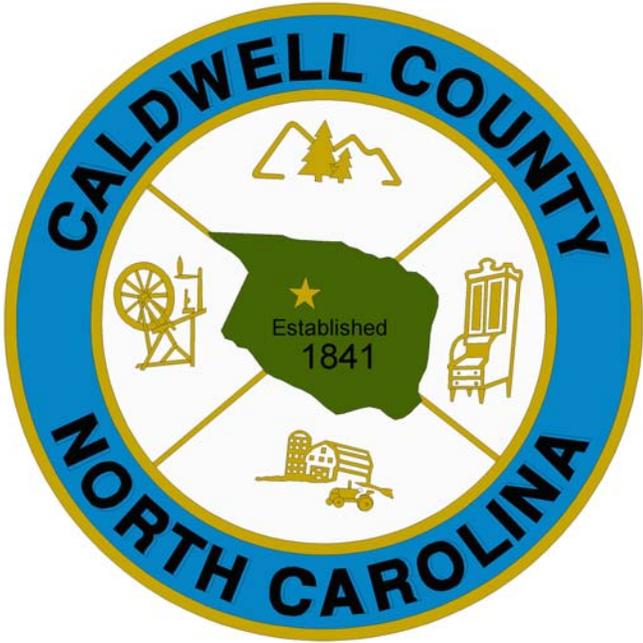
**This fund accounts for contributions of a portion of sales tax revenues from five municipalities to be used for the common good of the County and its citizens, primarily for economic development purposes.**



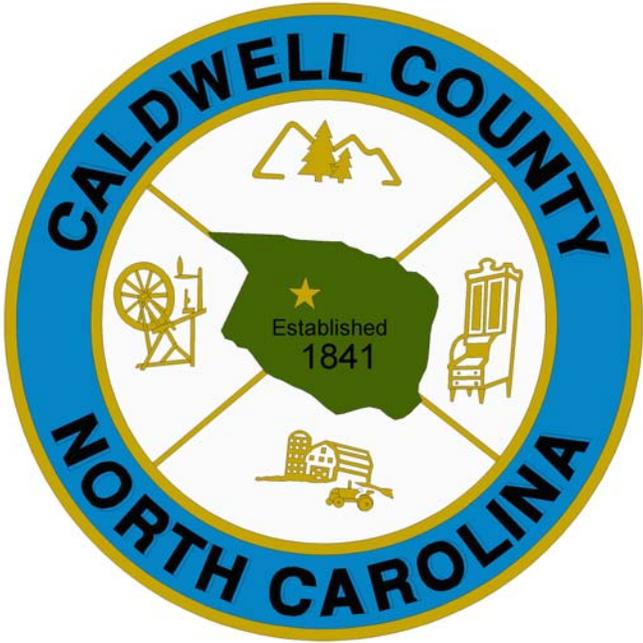
## CALDWELL COUNTY, NORTH CAROLINA

**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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Unrestricted intergovernmental:			
Local municipalities	\$ 600,000	\$ 600,000	\$ -
Restricted intergovernmental	250,000	54,834	(195,166)
Investment earnings	<u>-</u>	<u>62,949</u>	<u>62,949</u>
Total revenues	<u>850,000</u>	<u>717,783</u>	<u>(132,217)</u>
<b>Expenditures:</b>			
Economic development:			
Commercial retail development	36,000	-	36,000
Economic development incentive	2,214,000	441,062	1,772,938
Grant expenditures	<u>250,000</u>	<u>51,884</u>	<u>198,116</u>
Total	<u>2,500,000</u>	<u>492,946</u>	<u>2,007,054</u>
Total expenditures	<u>2,500,000</u>	<u>492,946</u>	<u>2,007,054</u>
Revenues over (under) expenditures	<u>(1,650,000)</u>	<u>224,837</u>	<u>1,874,837</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
Transfers to other funds	(350,000)	(350,000)	-
Appropriated fund balance	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>1,650,000</u>	<u>(350,000)</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(125,163)</u>	<u>\$ (125,163)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>4,455,646</u>	
End of year - June 30		<u>\$ 4,330,483</u>	



## **COMBINING STATEMENTS FOR NONMAJOR FUNDS**



## CALDWELL COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds (Schedule D-1)	Capital Project Fund	Total Nonmajor Governmental Funds (Exhibit C)
<b>Assets:</b>			
Cash and cash equivalents	\$ 624,380	\$ 20,847	\$ 645,227
Taxes receivable - net	206,596	-	206,596
Accounts receivable	34,885	848,038	882,923
Due from other governments	19,690	-	19,690
Total assets	<u>\$ 885,551</u>	<u>\$ 868,885</u>	<u>\$ 1,754,436</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 53,554	\$ -	\$ 53,554
Total liabilities	<u>53,554</u>	<u>-</u>	<u>53,554</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes receivable	206,596	-	206,596
Total deferred inflows of resources	<u>206,596</u>	<u>-</u>	<u>206,596</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	54,575	848,038	902,613
Restricted, all other	572,284	20,847	593,131
Unassigned	(1,458)	-	(1,458)
Total fund balances	<u>625,401</u>	<u>868,885</u>	<u>1,494,286</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 885,551</u>	<u>\$ 868,885</u>	<u>\$ 1,754,436</u>

## CALDWELL COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Special Revenue Funds (Schedule D-2)</b>	<b>Capital Project Fund (Schedule E-1)</b>	<b>Total Nonmajor Governmental Funds (Exhibit D)</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,548,987	\$ -	\$ 4,548,987
Local option sales tax	-	3,646,700	3,646,700
Restricted intergovernmental	418,623	-	418,623
Investment earnings	11,482	-	11,482
Miscellaneous	3,400	-	3,400
Total revenues	<u>4,982,492</u>	<u>3,646,700</u>	<u>8,629,192</u>
<b>Expenditures:</b>			
Current:			
Public safety	4,978,954	-	4,978,954
Education	-	1,972,351	1,972,351
Debt service:			
Principal retirement	-	1,410,991	1,410,991
Interest and fees	-	664,817	664,817
Total expenditures	<u>4,978,954</u>	<u>4,048,159</u>	<u>9,027,113</u>
Revenues over (under) expenditures	<u>3,538</u>	<u>(401,459)</u>	<u>(397,921)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
Transfers from other funds	24,891	365,611	390,502
Total other financing sources (uses)	<u>24,891</u>	<u>365,611</u>	<u>390,502</u>
Net change in fund balances	28,429	(35,848)	(7,419)
<b>Fund Balances:</b>			
Beginning of the year - July 1	<u>596,972</u>	<u>904,733</u>	<u>1,501,705</u>
End of year - June 30	<u>\$ 625,401</u>	<u>\$ 868,885</u>	<u>\$ 1,494,286</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. This tax has not been levied in a few years. The fund is still open to account for the collection of delinquent years taxes.

**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, 2020

	<u>Fire Districts Fund</u>	<u>Rescue Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 22,219	\$ 98,797	\$ 503,364	\$ 624,380
Taxes receivable - net	203,464	3,132	-	206,596
Accounts receivable	-	-	34,885	34,885
Due from other governments	-	-	19,690	19,690
Total assets	<u>\$ 225,683</u>	<u>\$ 101,929</u>	<u>\$ 557,939</u>	<u>\$ 885,551</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 23,677	\$ 29,351	\$ 526	\$ 53,554
Total liabilities	<u>23,677</u>	<u>29,351</u>	<u>526</u>	<u>53,554</u>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	203,464	3,132	-	206,596
Total deferred inflows of resources	<u>203,464</u>	<u>3,132</u>	<u>-</u>	<u>206,596</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by state statute	-	-	54,575	54,575
Restricted, all other	-	69,446	502,838	572,284
Unassigned	(1,458)	-	-	(1,458)
Total fund balances	<u>(1,458)</u>	<u>69,446</u>	<u>557,413</u>	<u>625,401</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 225,683</u>	<u>\$ 101,929</u>	<u>\$ 557,939</u>	<u>\$ 885,551</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, 2020**

	<b>Fire Districts Fund</b>	<b>Rescue Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,532,780	\$ 16,207	\$ -	\$ 4,548,987
Restricted intergovernmental	-	-	418,623	418,623
Investment earnings	2,657	1,671	7,154	11,482
Miscellaneous	-	-	3,400	3,400
Total revenues	<u>4,535,437</u>	<u>17,878</u>	<u>429,177</u>	<u>4,982,492</u>
<b>Expenditures:</b>				
Public safety	<u>4,536,032</u>	<u>57,851</u>	<u>385,071</u>	<u>4,978,954</u>
Total expenditures	<u>4,536,032</u>	<u>57,851</u>	<u>385,071</u>	<u>4,978,954</u>
Revenues over (under) expenditures	<u>(595)</u>	<u>(39,973)</u>	<u>44,106</u>	<u>3,538</u>
<b>Other Financing Sources (Uses):</b>				
Transfers:				
Transfers from other funds	<u>-</u>	<u>24,891</u>	<u>-</u>	<u>24,891</u>
Total other financing sources (uses)	<u>-</u>	<u>24,891</u>	<u>-</u>	<u>24,891</u>
Net change in fund balances	(595)	(15,082)	44,106	28,429
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>(863)</u>	<u>84,528</u>	<u>513,307</u>	<u>596,972</u>
End of year - June 30	<u>\$ (1,458)</u>	<u>\$ 69,446</u>	<u>\$ 557,413</u>	<u>\$ 625,401</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,598,696	\$ 4,532,780	\$ (65,916)
Investment earnings	<u>540</u>	<u>2,657</u>	<u>2,117</u>
Total revenues	<u>4,599,236</u>	<u>4,535,437</u>	<u>(63,799)</u>
<b>Expenditures:</b>			
Public safety:			
Bethlehem Fire District	10,036	9,348	688
Blowing Rock Fire District	194,409	192,740	1,669
Collettsville Fire District	310,419	303,843	6,576
Gamewell Fire District	409,566	405,147	4,419
Grace Chapel Fire District	472,581	467,123	5,458
Granite Falls Fire District	105,856	103,866	1,990
Gunpowder Fire District	713,694	707,157	6,537
Kings Creek Fire District	194,390	191,663	2,727
Little River Fire District	249,546	243,415	6,131
North Catawba Fire District	911,995	901,935	10,060
Patterson Fire District	249,990	245,465	4,525
Sawmills Fire District	481,491	478,435	3,056
Valmead Fire District	181,802	177,502	4,300
Yadkin Fire District	<u>113,461</u>	<u>108,393</u>	<u>5,068</u>
Total expenditures	<u>4,599,236</u>	<u>4,536,032</u>	<u>63,204</u>
Net change in fund balance	<u>\$ -</u>	<u>(595)</u>	<u>\$ (595)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>(863)</u>	
End of year - June 30		<u>\$ (1,458)</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 24,720	\$ 16,207	\$ (8,513)
Investment earnings	1,500	1,671	171
Total revenues	<u>26,220</u>	<u>17,878</u>	<u>(8,342)</u>
<b>Expenditures:</b>			
Public safety	<u>131,111</u>	<u>57,851</u>	<u>73,260</u>
Revenues over (under) expenditures	<u>(104,891)</u>	<u>(39,973)</u>	<u>64,918</u>
<b>Other Financing Sources (Uses):</b>			
Transfers:			
Transfers from other funds	24,891	24,891	-
Appropriated fund balance	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Total other financing sources (uses)	<u>104,891</u>	<u>24,891</u>	<u>(80,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(15,082)</u>	<u>\$ (15,082)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>84,528</u>	
End of year - June 30		<u>\$ 69,446</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
911 funds	\$ 418,623	\$ 418,623	\$ -
Investment earnings	1,857	7,154	5,297
Miscellaneous revenue	3,400	3,400	-
Total revenues	<u>423,880</u>	<u>429,177</u>	<u>5,297</u>
<b>Expenditures:</b>			
Public safety:			
Implemental functions	10,000	3,725	6,275
Telephone	110,000	74,583	35,417
Software maintenance	25,000	12,500	12,500
Hardware maintenance	225,000	155,390	69,610
Training	8,000	1,975	6,025
Capital outlay	103,206	99,806	3,400
S.L. 2010-158 expenditures	42,480	37,092	5,388
Total	<u>523,686</u>	<u>385,071</u>	<u>138,615</u>
Total expenditures	<u>523,686</u>	<u>385,071</u>	<u>138,615</u>
Revenues over (under) expenditures	<u>(99,806)</u>	<u>44,106</u>	<u>143,912</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	99,806	-	(99,806)
Total other financing sources (uses)	<u>99,806</u>	<u>-</u>	<u>(99,806)</u>
Net change in fund balance	<u>\$ -</u>	44,106	<u>\$ 44,106</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>513,307</u>	
End of year - June 30		<u>\$ 557,413</u>	



## **NONMAJOR CAPITAL PROJECT FUND**

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

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



## CALDWELL COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL PROJECT FUND - SALES TAX  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Local option sales tax	\$ 3,830,000	\$ 3,646,700	\$ (183,300)
Total revenues	<u>3,830,000</u>	<u>3,646,700</u>	<u>(183,300)</u>
<b>Expenditures:</b>			
Capital outlay:			
Education:			
School improvements - sales tax	2,119,793	1,972,351	147,442
Debt service:			
Principal retirement	1,411,000	1,410,991	9
Interest and fees	664,818	664,817	1
Total expenditures	<u>4,195,611</u>	<u>4,048,159</u>	<u>147,452</u>
Revenues over (under) expenditures	<u>(365,611)</u>	<u>(401,459)</u>	<u>(35,848)</u>
<b>Other Financing Sources (Uses) :</b>			
Transfers:			
Transfers from other funds	365,611	365,611	-
Total other financing sources (uses)	<u>365,611</u>	<u>365,611</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(35,848)</u>	<u>\$ (35,848)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>904,733</u>	
End of year - June 30		<u>\$ 868,885</u>	

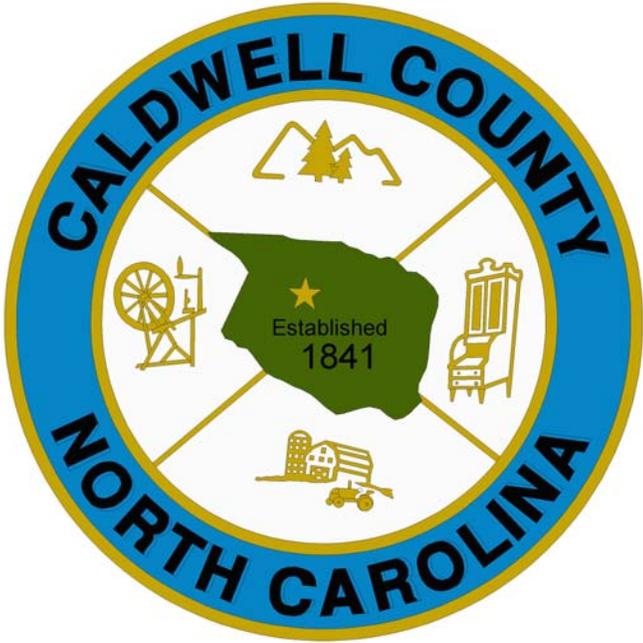


## **ENTERPRISE FUND**

**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* – The purpose of this fund 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 county has substantially completed one tank and another is under way.



## CALDWELL COUNTY, NORTH CAROLINA

**WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services:			
Water and sewer charges/fees	\$ 3,608,000	\$ 3,667,439	\$ 59,439
Reconnection fees	15,000	16,682	1,682
Water taps	35,000	78,182	43,182
Other operating revenues	5,000	3,334	(1,666)
Total operating revenues	<u>3,663,000</u>	<u>3,765,637</u>	<u>102,637</u>
Non-operating revenues:			
Investment earnings	3,000	80,396	77,396
Total non-operating revenues	<u>3,000</u>	<u>80,396</u>	<u>77,396</u>
Total revenues	<u>3,666,000</u>	<u>3,846,033</u>	<u>180,033</u>
<b>Expenditures:</b>			
Operating expenses:			
Water purchases		1,375,634	
Salaries		537,082	
Employee benefits		155,270	
Travel and training		441	
Contractual services		37,696	
Repairs and maintenance		49,211	
Other operating expenditures		1,118,155	
Capital outlay		213,502	
Total operating expenses	<u>4,290,069</u>	<u>3,486,991</u>	<u>803,078</u>
Total expenditures	<u>4,290,069</u>	<u>3,486,991</u>	<u>803,078</u>
Revenues over (under) expenditures	<u>(624,069)</u>	<u>359,042</u>	<u>983,111</u>

CALDWELL COUNTY, NORTH CAROLINA

WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	624,069	-	(624,069)
Total other financing sources (uses)	<u>624,069</u>	<u>-</u>	<u>(624,069)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	359,042	<u>\$ 359,042</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Depreciation		(351,013)	
Change in net pension liability		(16,847)	
Change in deferred outflows of resources - pension		(18,219)	
Change in deferred inflows of resources - pension		203	
Change in deferred outflows of resources - OPEB		1,096	
Change in deferred inflows of resources - OPEB		816	
Change in OPEB liability		(2,156)	
Change in compensated absences		(11,640)	
Capital outlay		213,502	
Water Capital Project Fund activities:			
Capital project expenditures (total)		(427,658)	
Capital project items capitalized to capital assets		427,658	
Investment earnings		<u>23,666</u>	
Change in net position		<u>\$ 198,450</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, 2020

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 21,990	\$ 23,666	\$ 45,656
Total revenues	-	21,990	23,666	45,656
<b>Expenditures:</b>				
Water projects:				
Engineering	200,000	-	694	694
Construction	3,528,000	873,330	426,964	1,300,294
Maintenance supplies	410,000	400,000	-	400,000
Total expenditures	4,138,000	1,273,330	427,658	1,700,988
Revenues over (under) expenditures	(4,138,000)	(1,251,340)	(403,992)	(1,655,332)
<b>Other Financing Sources (Uses) :</b>				
Transfer (to) from Water Fund	4,138,000	3,222,000	-	3,222,000
Total other financing sources (uses)	4,138,000	3,222,000	-	3,222,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,970,660	\$ (403,992)	\$ 1,566,668



**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:**

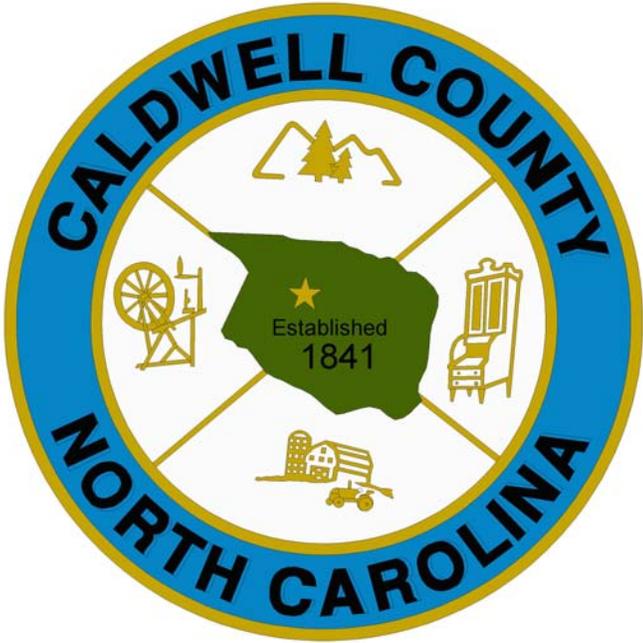
**Social Services Fund** – accounts for monies held by the Social Services department for the benefit of certain individuals in the County.

**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, 2020

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
<b>Social Services Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 22,160	\$ 135,027	\$ 120,492	\$ 36,695
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 22,160	\$ 135,027	\$ 120,492	\$ 36,695
<b>Tax Collector Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 5,988	\$ 1,819,787	\$ 1,822,622	\$ 3,153
Accounts receivable	4,660	1,475	4,659	1,476
Total assets	<u>\$ 10,648</u>	<u>\$ 1,821,262</u>	<u>\$ 1,827,281</u>	<u>\$ 4,629</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 10,648</u>	<u>\$ 1,821,262</u>	<u>\$ 1,827,281</u>	<u>\$ 4,629</u>
<b>Inmate Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 46,446	\$ 318,128	\$ 329,141	\$ 35,433
<b>Liabilities:</b>				
Intergovernmental payable	\$ 46,446	\$ 318,128	\$ 329,141	\$ 35,433
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 192,275	\$ 192,275	\$ -
Accounts receivable	12,388	8,720	12,388	8,720
Total assets	<u>\$ 12,388</u>	<u>\$ 200,995</u>	<u>\$ 204,663</u>	<u>\$ 8,720</u>
<b>Liabilities:</b>				
Intergovernmental payable - State of NC	\$ -	\$ 192,275	\$ 192,275	\$ -
Intergovernmental payable	12,388	8,720	12,388	8,720
Total liabilities	<u>\$ 12,388</u>	<u>\$ 200,995</u>	<u>\$ 204,663</u>	<u>\$ 8,720</u>
<b>Deed of Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 384,878	\$ 380,381	\$ 4,497
<b>Liabilities:</b>				
Intergovernmental payable - State of NC	\$ -	\$ 384,878	\$ 380,381	\$ 4,497
<b>Totals - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 74,594	\$ 2,850,095	\$ 2,844,911	\$ 79,778
Accounts receivable	17,048	10,195	17,047	10,196
Total assets	<u>\$ 91,642</u>	<u>\$ 2,860,290</u>	<u>\$ 2,861,958</u>	<u>\$ 89,974</u>
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 22,160	\$ 135,027	\$ 120,492	\$ 36,695
Intergovernmental payables	69,482	2,725,263	2,741,466	53,279
Total liabilities	<u>\$ 91,642</u>	<u>\$ 2,860,290</u>	<u>\$ 2,861,958</u>	<u>\$ 89,974</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, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 48,292,193	\$ 47,007,689	1,284,504
2018-2019	1,499,787	-	601,523	898,264
2017-2018	955,176	-	316,471	638,705
2016-2017	720,329	-	210,285	510,044
2015-2016	564,521	-	159,603	404,918
2014-2015	422,425	-	103,655	318,770
2013-2014	369,983	-	83,462	286,521
2012-2013	334,751	-	76,971	257,780
2011-2012	293,549	-	71,353	222,196
2010-2011	226,465	-	64,174	162,291
2009-2010	171,828	-	171,828	-
Total	<u>\$ 5,558,814</u>	<u>\$ 48,292,193</u>	<u>\$ 48,867,014</u>	4,983,993
Allowance for doubtful receivables				<u>(3,032,965)</u>
Ad valorem taxes receivable - net				<u>\$ 1,951,028</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes				\$ 48,849,751
Reconciling items:				
Interest collected				(600,093)
Discounts and adjustments allowed				422,911
Releases				42,982
Miscellaneous adjustments				(6,723)
Amount written off for tax year 2009-2010, per Statute of Limitations				153,675
Amount written off for tax year 2013-2014, per Statute of Limitations (vehicles)				<u>4,511</u>
Total collections and credits				<u>\$ 48,867,014</u>

## CALDWELL COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2020

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at:					
Current year's rate	\$ 7,397,395,007	\$ 0.6300	\$ 46,680,373	\$ 42,464,760	\$ 4,215,613
Total	<u>7,397,395,007</u>		<u>46,680,373</u>	<u>42,464,760</u>	<u>4,215,613</u>
<b>Discoveries:</b>					
Current year taxes	<u>255,844,421</u>		<u>1,611,820</u>	<u>1,611,820</u>	<u>-</u>
Total	<u>255,844,421</u>		<u>1,611,820</u>	<u>1,611,820</u>	<u>-</u>
Total property valuation	<u>\$ 7,653,239,428</u>				
<b>Net Levy</b>			48,292,193	44,076,580	4,215,613
Uncollected tax at June 30, 2020			<u>1,284,504</u>	<u>1,284,504</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 47,007,689</u>	<u>\$ 42,792,076</u>	<u>\$ 4,215,613</u>
<b>Current Levy Collection Percentage</b>			<u>97.34%</u>	<u>97.09%</u>	<u>100.00%</u>

**CALDWELL COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2020****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	<u>100%</u>
Real property	\$ 4,897,143,743
Personal property	2,517,082,643
Public service companies	<u>239,013,042</u>
Total assessed valuation	<u>\$ 7,653,239,428</u>
Tax rate per \$100 (2)	<u>\$ 0.6300</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 48,292,193</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	\$ 4,416,537
Total	<u>\$ 4,416,537</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.

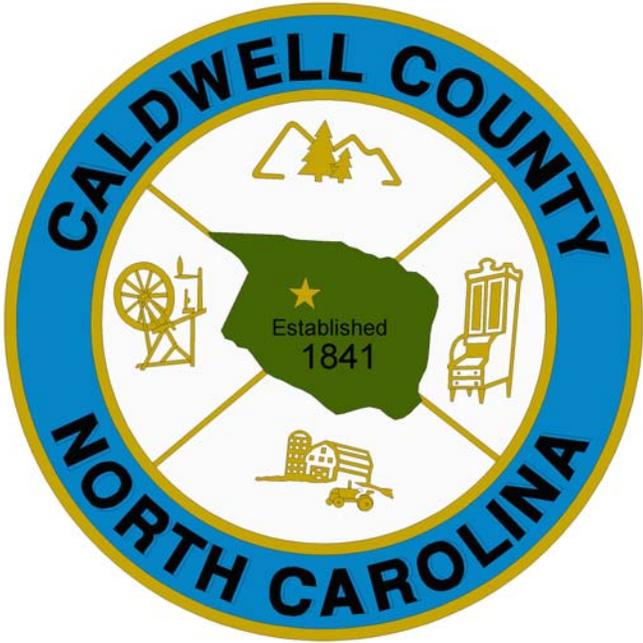
**CALDWELL COUNTY, NORTH CAROLINA****EMERGENCY TELEPHONE SYSTEM FUND UNSPENT BALANCE****PSAP RECONCILIATION****JUNE 30, 2020**

Amounts reported on the Emergency Telephone System Fund budget to actual (Schedule D-5) are different from the PSAP Revenue-Expenditure report because:

Ending fund balance, reported on budget to actual (Schedule D-5)	\$ 557,413
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>62,002</u>
Ending balance, PSAP Revenue-Expenditure report	<u>\$ 619,415</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:

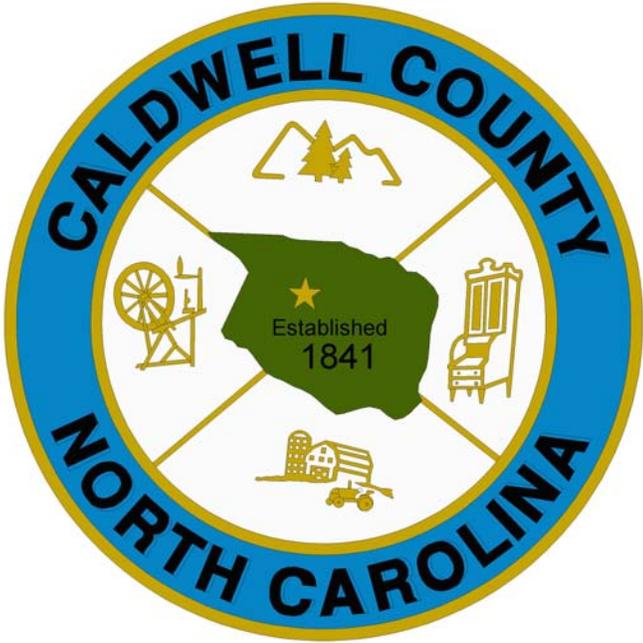
- Ratios of Outstanding Debt by Type – *table 9*
- Ratios of General Bonded Debt Outstanding – *table 10*
- Direct and Overlapping Governmental Activities Debt – *table 11*
- Legal Debt Margin Information – *table 12*

*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

Table 1

Net Position by Component  
For the Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 18,196,511	\$ 17,405,500	\$ 16,244,931	\$ 30,783,723	\$ 18,060,668	\$ 20,245,509	\$ 21,196,659	\$ 21,014,795	\$ 17,318,673	\$ 20,519,489
Restricted	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616	6,665,914	6,301,202
Unrestricted	(8,145,952)	(3,643,043)	2,972,940	(13,203,563)	(15,528,468)	(15,970,780)	(13,606,813)	(11,598,214)	(9,209,633)	(16,497,159)
<b>Total governmental activities net position</b>	<b>\$ 18,303,078</b>	<b>\$ 20,630,422</b>	<b>\$ 25,180,476</b>	<b>\$ 23,442,054</b>	<b>\$ 9,701,109</b>	<b>\$ 10,453,851</b>	<b>\$ 14,044,623</b>	<b>\$ 15,695,197</b>	<b>\$ 14,774,954</b>	<b>\$ 10,323,532</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 8,965,042	\$ 6,706,831	\$ 6,542,043	\$ 6,135,073	\$ 5,928,124	\$ 5,631,176	\$ 5,396,787	\$ 5,406,248	\$ 5,830,768	\$ 6,120,914
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,593,808	4,692,293	5,391,897	5,870,662	6,484,095	6,706,120	7,246,103	7,726,382	7,332,075	7,240,379
<b>Total business-type activities net position</b>	<b>\$ 13,558,850</b>	<b>\$ 11,399,124</b>	<b>\$ 11,933,940</b>	<b>\$ 12,005,735</b>	<b>\$ 12,412,219</b>	<b>\$ 12,337,296</b>	<b>\$ 12,642,890</b>	<b>\$ 13,132,630</b>	<b>\$ 13,162,843</b>	<b>\$ 13,361,293</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 27,161,553	\$ 24,112,331	\$ 22,786,974	\$ 36,918,796	\$ 23,988,792	\$ 25,876,685	\$ 26,593,446	\$ 26,421,043	\$ 23,149,441	\$ 26,640,403
Restricted	8,252,519	6,867,965	5,962,605	5,861,894	7,168,909	6,179,122	6,454,777	6,278,616	6,665,914	6,301,202
Unrestricted	(3,552,144)	(1,049,250)	8,364,837	(7,332,901)	(9,044,373)	(9,264,660)	(6,360,710)	(3,871,832)	(1,877,558)	(9,256,780)
<b>Total primary government net position</b>	<b>\$ 31,861,928</b>	<b>\$ 32,029,546</b>	<b>\$ 37,114,416</b>	<b>\$ 35,447,789</b>	<b>\$ 22,113,328</b>	<b>\$ 22,791,147</b>	<b>\$ 26,687,513</b>	<b>\$ 28,827,827</b>	<b>\$ 27,937,797</b>	<b>\$ 23,684,825</b>

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

Expenses	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>										
General Government	\$ 5,924,927	\$ 5,572,490	\$ 5,937,620	\$ 6,305,830	\$ 6,211,896	\$ 6,845,366	\$ 6,431,654	\$ 6,514,507	\$ 7,506,731	\$ 7,831,317
Public Safety	15,870,157	16,479,850	17,203,962	19,957,279	19,274,686	20,638,553	21,653,096	21,793,763	24,761,507	27,510,078
Environmental Protection	571,484	474,617	468,991	330,695	368,373	509,242	550,780	578,401	523,614	598,699
Economic and Physical Development	3,090,772	3,703,056	3,769,854	5,354,305	6,951,531	7,639,737	6,452,959	7,030,709	7,455,800	11,056,030
Human Services	23,302,680	23,268,124	22,368,529	21,721,385	21,860,299	22,248,546	22,610,724	18,548,252	18,787,491	20,177,661
Cultural and Recreational	1,397,666	1,415,319	1,384,266	1,413,792	1,366,651	1,441,711	1,487,024	1,550,598	1,228,472	1,516,791
Education	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632	22,611,641	24,345,296	27,823,687
Interest	2,144,724	1,546,524	966,760	1,121,084	1,829,765	1,117,397	1,124,600	813,953	895,464	1,178,248
Total governmental activities expenses	71,902,712	74,536,229	72,622,451	78,541,727	89,310,898	81,853,881	80,947,469	79,441,824	85,504,375	97,692,511
<b>Business-Type Activities:</b>										
Water	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223	3,080,206	3,634,169	3,671,249
Total business-type activities expenses	2,620,347	2,828,800	2,798,480	3,354,087	3,072,617	3,623,573	3,273,223	3,080,206	3,634,169	3,671,249
<b>Total Primary Government Expenses</b>	<b>74,523,059</b>	<b>77,365,029</b>	<b>75,420,931</b>	<b>81,895,814</b>	<b>92,383,515</b>	<b>85,477,454</b>	<b>84,220,692</b>	<b>82,522,030</b>	<b>89,138,544</b>	<b>101,363,760</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	2,241,816	2,298,938	1,879,735	2,213,386	2,350,903	2,219,976	2,396,343	2,004,610	2,197,028	1,924,681
Public Safety	3,974,707	4,021,004	4,198,842	4,319,569	4,155,880	4,294,169	3,819,540	3,397,084	3,441,255	3,346,058
Environmental Protection	881,014	853,585	858,482	926,598	964,897	883,338	1,049,356	1,098,694	1,238,594	1,213,112
Economic and Physical Development	9,000	17,000	18,829	24,809	30,287	63,890	23,050	32,479	34,135	50,049
Human Services	2,200,069	1,505,761	715,138	198,949	158,856	189,690	204,388	179,399	208,025	218,117
Cultural and Recreational	37,251	34,829	29,951	29,777	28,804	26,813	18,464	19,911	36,616	24,554
Other Grants and Contributions:										
General Government	1,708,091	1,376,670	1,293,563	1,344,280	1,392,403	2,238,320	1,488,320	1,862,926	1,779,751	2,006,307
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Human Services	16,041,424	15,377,107	14,768,143	14,534,714	14,658,535	16,072,575	15,799,464	11,310,939	11,656,203	10,822,231
Cultural and Recreational	265,019	257,945	280,495	252,531	248,640	234,056	274,389	262,222	257,374	231,234
Education	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Education	4,497,261	1,122,112	998,602	1,453,620	144,191	396,930	1,005,124	2,591,790	815,486	4,313,738
Economic and Physical Development	200,048	430,414	(99,395)	95,594	-	1,014,715	135,791	34,568	-	676,722
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	32,055,700	27,295,365	24,942,385	25,393,827	24,528,671	27,634,472	26,214,229	22,794,622	21,664,417	24,826,803
<b>Business-Type Activities:</b>										
Charges for Services:										
Water	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972	3,630,964	3,672,609	3,765,637
Other Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,286,414	3,397,148	3,461,305	3,423,028	3,532,780	3,545,293	3,571,972	3,630,964	3,672,609	3,765,637
<b>Total Primary Government Program Revenues</b>	<b>35,342,114</b>	<b>30,692,513</b>	<b>28,403,690</b>	<b>28,816,855</b>	<b>28,061,451</b>	<b>31,179,765</b>	<b>29,786,201</b>	<b>26,425,586</b>	<b>25,337,026</b>	<b>28,592,440</b>

CALDWELL COUNTY, NORTH CAROLINA

Changes in Net Position, Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net (Expense)/Revenue</b>										
Governmental activities	(39,847,012)	(47,240,864)	(47,680,066)	(53,147,900)	(64,782,227)	(54,219,409)	(54,733,240)	(56,647,202)	(63,839,958)	(72,865,708)
Business-type activities	666,067	568,348	662,825	68,941	460,163	(78,280)	298,749	550,758	38,440	94,388
Total primary government net expense	<u>(39,180,945)</u>	<u>(46,672,516)</u>	<u>(47,017,241)</u>	<u>(53,078,959)</u>	<u>(64,322,064)</u>	<u>(54,297,689)</u>	<u>(54,434,491)</u>	<u>(56,096,444)</u>	<u>(63,801,518)</u>	<u>(72,771,320)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	38,582,825	38,944,274	38,830,489	41,145,366	42,083,076	43,443,559	46,145,791	46,573,903	48,916,444	53,117,812
Local Option Sales Tax	8,797,924	9,288,329	9,371,153	9,841,286	10,399,692	10,545,869	11,288,798	11,444,115	12,197,179	13,088,515
Other Taxes and License	1,023,585	1,141,149	1,048,889	1,089,813	1,124,511	969,058	1,291,439	1,089,152	1,335,621	1,665,238
Intergovernmental	-	-	-	-	-	-	-	-	-	0
Investment Earnings	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941	370,471	542,721
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	2,801,006	-	-	-	-	-	-	-
Transfers	172,170	134,699	134,700	-	-	-	-	15,725	-	-
Total Governmental Activities	<u>48,664,213</u>	<u>49,568,207</u>	<u>52,230,120</u>	<u>52,093,866</u>	<u>53,617,954</u>	<u>54,972,151</u>	<u>58,756,587</u>	<u>59,178,836</u>	<u>62,919,715</u>	<u>68,414,286</u>
Business-Type Activities:										
Investment Earnings	11,561	7,697	6,671	2,874	2,003	3,357	6,845	16,620	91,773	104,062
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	(2,601,072)	-	-	-	-	-	-	-	-
Transfers	(172,170)	(134,699)	(134,700)	-	-	-	-	(15,725)	(100,000)	-
Total Business-Type Activities	<u>(160,609)</u>	<u>(2,728,074)</u>	<u>(128,029)</u>	<u>2,874</u>	<u>2,003</u>	<u>3,357</u>	<u>6,845</u>	<u>895</u>	<u>(8,227)</u>	<u>104,062</u>
Total Primary Government General Revenues and Other Change in Net Position	<u>48,503,604</u>	<u>46,840,133</u>	<u>52,102,091</u>	<u>52,096,740</u>	<u>53,619,957</u>	<u>54,975,508</u>	<u>58,763,432</u>	<u>59,179,731</u>	<u>62,911,488</u>	<u>68,518,348</u>
<b>Change in Net Position</b>										
Governmental activities	8,817,201	2,327,343	4,550,054	(1,054,034)	(11,164,273)	752,742	4,023,347	2,531,634	(920,243)	(4,451,422)
Business-type activities	<u>505,458</u>	<u>(2,159,726)</u>	<u>534,796</u>	<u>71,815</u>	<u>462,166</u>	<u>(74,923)</u>	<u>305,594</u>	<u>551,653</u>	<u>30,213</u>	<u>198,450</u>
Total Primary Government, June 30	<u>\$ 9,322,659</u>	<u>\$ 167,617</u>	<u>\$ 5,084,850</u>	<u>\$ (982,219)</u>	<u>\$ (10,702,107)</u>	<u>\$ 677,819</u>	<u>\$ 4,328,941</u>	<u>\$ 3,083,287</u>	<u>\$ (890,030)</u>	<u>\$ (4,252,972)</u>

CALDWELL COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Non-spendable	57,415	65,931	51,253	59,193	78,107	64,293	116,396	65,935	70,027	80,038
Restricted	3,865,044	4,767,310	4,597,110	4,437,430	4,934,175	4,571,255	5,035,904	5,110,904	4,717,626	5,038,628
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	891,066	3,170,924	4,832,465	6,719,990	7,554,536	5,293,708	5,349,474	5,221,742	6,402,933	8,079,840
Unassigned	11,217,875	9,066,420	6,946,418	5,403,379	3,021,352	3,498,350	3,391,976	3,492,253	2,901,867	-
<b>Total General Fund</b>	<b>\$ 16,031,400</b>	<b>\$ 17,070,585</b>	<b>\$ 16,427,246</b>	<b>\$ 16,619,992</b>	<b>\$ 15,588,170</b>	<b>\$ 13,427,606</b>	<b>\$ 13,893,750</b>	<b>\$ 13,890,834</b>	<b>\$ 14,092,453</b>	<b>\$ 13,198,506</b>
<b>All Other Governmental Funds</b>										
Restricted in Special Revenue Fund	1,058,304	659,752	1,365,272	703,132	488,292	661,631	326,430	429,001	1,527,477	626,859
Restricted in Capital Project Fund	3,329,171	1,441,024	223	13,840,506	3,563,177	946,236	1,092,443	1,106,097	14,389,485	8,805,918
Committed in Capital Project Fund	1,387,486	1,387,543	3,767,538	3,102,875	1,902,498	965,658	962,975	2,118,551	1,874,217	1,742,283
Committed in Special Revenue Fund	-	-	2,677,056	-	-	-	-	-	-	-
Assigned Special Revenue Fund	1,557,064	1,911,739	33,666	3,117,800	3,527,221	3,958,397	4,783,399	4,438,549	4,455,646	4,330,483
Unassigned in Capital Project Fund	-	(260,947)	-	-	(828,751)	-	-	-	(1,210,848)	-
Unassigned in Special Revenue Fund	(8,838)	-	(15)	(17,528)	(11,933)	(92)	(59)	(419)	(25,742)	(1,458)
<b>Total all other governmental funds</b>	<b>\$ 7,323,187</b>	<b>\$ 5,139,111</b>	<b>\$ 7,843,740</b>	<b>\$ 20,746,785</b>	<b>\$ 8,640,504</b>	<b>\$ 6,531,830</b>	<b>\$ 7,165,188</b>	<b>\$ 8,091,779</b>	<b>\$ 21,010,235</b>	<b>\$ 15,504,085</b>

The totals for the fiscal year ended June 30, 2014 and June 30, 2019 were inflated due to the county borrowing and holding but not yet expending funds for a new middle school

CALDWELL COUNTY, NORTH CAROLINA

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Ad Valorem Taxes	\$ 38,320,869	\$ 38,541,713	\$ 39,022,556	\$ 41,619,214	\$ 42,571,130	\$ 43,648,495	\$ 46,110,069	\$ 46,575,273	\$ 49,201,039	\$ 53,398,738
Local Options Sales Taxes	7,597,924	8,088,329	8,134,653	8,507,179	9,522,192	9,598,869	10,417,798	10,834,115	11,577,179	12,488,515
Other Taxes	333,579	336,917	368,196	406,041	428,432	448,698	442,271	520,956	552,603	645,097
Inter-governmental	25,446,252	21,409,559	19,553,041	20,309,332	19,373,274	22,064,303	21,002,980	17,630,702	16,367,207	19,942,394
Permits & Fees	783,483	853,603	892,712	979,459	931,087	988,384	909,252	979,574	1,051,454	1,129,771
Sales and Services	7,442,493	6,823,988	6,137,928	5,850,886	5,645,211	5,726,191	5,436,642	5,288,156	5,263,584	5,094,698
Investment Earnings	87,709	59,756	43,883	17,401	10,675	13,665	30,559	55,941	370,471	542,721
Miscellaneous	275,395	231,880	322,125	325,850	201,836	295,520	503,351	198,837	348,877	246,202
<b>Total Revenues</b>	<b>\$ 80,287,704</b>	<b>\$ 76,345,745</b>	<b>\$ 74,475,094</b>	<b>\$ 78,015,362</b>	<b>\$ 78,683,837</b>	<b>\$ 82,784,125</b>	<b>\$ 84,852,922</b>	<b>\$ 82,083,554</b>	<b>\$ 84,732,414</b>	<b>\$ 93,488,136</b>
<b>Expenditures</b>										
General Government	\$ 5,697,609	\$ 5,590,159	\$ 5,832,168	6,075,394	6,002,597	6,877,314	6,273,085	6,661,990	7,606,776	7,555,281
Public Safety	16,696,104	15,879,567	16,365,114	17,851,907	17,853,941	20,978,370	20,278,212	21,463,205	23,521,007	26,775,204
Environmental Protection	670,461	492,800	484,047	344,473	402,536	537,042	569,454	634,799	568,219	592,607
Economic & Physical Development	3,083,359	3,692,991	3,767,605	5,454,012	6,964,432	7,618,898	6,447,532	7,026,565	7,469,748	11,032,936
Human Services	23,156,413	22,703,809	22,004,519	21,289,154	22,239,953	22,714,866	22,819,988	18,077,155	18,940,939	18,840,700
Cultural & Recreational	1,341,927	1,323,224	1,300,335	1,330,819	1,347,740	1,378,635	1,395,475	1,462,763	1,351,342	1,627,550
Education	19,600,302	22,076,249	20,522,469	22,337,357	31,447,698	21,413,329	20,636,632	22,611,641	24,345,296	27,823,687
Capital Projects	-	-	-	-	-	2,916,456	1,842,524	2,057,591	2,627,889	1,504,835
Capital Outlay	9,216,941	4,566,328	4,129,494	3,689,354	3,319,456	4,394,126	4,408,808	4,378,276	3,953,657	4,447,624
Debt Service	2,144,724	1,546,524	966,760	1,093,326	1,306,878	1,208,520	1,201,437	818,662	820,564	1,210,021
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 81,607,840</b>	<b>\$ 77,871,651</b>	<b>\$ 75,372,511</b>	<b>\$ 79,465,796</b>	<b>\$ 93,114,923</b>	<b>\$ 90,037,556</b>	<b>\$ 85,873,147</b>	<b>\$ 85,192,647</b>	<b>\$ 91,205,437</b>	<b>\$ 101,410,445</b>
Excess of revenues over (under) expenditures	\$ (1,320,136)	\$ (1,525,906)	\$ (897,417)	\$ (1,450,434)	\$ (14,431,086)	\$ (7,253,431)	\$ (1,020,225)	\$ (3,109,093)	\$ (6,473,023)	\$ (7,922,309)
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Payment to Bond Holders (refinancing)	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-
Installment purchase financing issued	2,438,507	231,080	-	14,500,000	1,247,810	-	12,639,000	1,940,415	16,802,000	1,470,000
Payment on installment purchases (refinancing)	-	-	-	-	-	-	(12,428,000)	-	-	-
Sales of Capital Assets	3,481	15,236	2,824,007	46,225	45,173	67,737	66,203	34,732	63,209	52,242
Transfers in	1,270,780	446,352	384,430	-	632,893	1,278,468	313,371	1,516,573	1,635,476	1,703,983
Transfers out	(1,106,196)	(311,653)	(249,640)	-	(632,893)	(1,278,468)	(313,371)	(1,516,573)	(1,535,476)	(1,703,983)
Total other financing sources (uses)	2,606,572	381,015	2,958,797	14,546,225	1,292,983	67,737	277,203	1,975,147	16,965,209	1,522,242
Net change in fund balances	1,286,436	(1,144,891)	2,061,380	13,095,791	(13,138,103)	(7,185,694)	(743,022)	(1,133,946)	10,492,186	(6,400,067)
Debt Service as a percentage of governmental expenditures	14.15%	7.98%	6.88%	6.02%	5.09%	6.43%	6.68%	6.25%	5.47%	5.83%

**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			
2011	\$ 3,323,782,084	\$ 1,107,927,362	\$ 151,108,254	\$ 888,755,661	\$ 5,471,573,361	0.6599
2012	3,426,480,303	902,868,206	148,757,743	1,062,451,120	5,540,557,372	0.6599
2013	3,414,325,936	920,237,105	167,839,261	1,172,319,060	5,674,721,362	0.6299
2014	3,659,115,363	947,655,902	162,932,838	1,537,951,255	6,307,655,358	0.6000
2015	3,657,284,205	996,743,902	172,991,129	1,606,514,532	6,433,533,768	0.6000
2016	3,689,922,794	1,030,356,302	192,102,157	1,709,561,514	6,621,942,767	0.6000
2017	3,687,722,501	1,155,096,002	193,828,780	1,644,220,879	6,680,868,162	0.6300
2018	3,702,907,198	1,145,810,002	215,587,323	1,733,348,971	6,797,653,494	0.6300
2019	3,721,285,395	1,143,940,019	225,805,053	1,936,786,983	7,027,817,450	0.6300
2020	3,739,571,424	1,157,572,319	239,013,042	2,517,082,643	7,653,239,428	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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>COUNTY DIRECT RATE</b>										
County-Wide Rate *	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6300	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6299	\$ 0.6599	\$ 0.6599
<b>CITY</b>										
City of Lenoir	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5600	0.5600	0.5400	0.5400
City of Hickory	0.5875	0.5875	0.5665	0.5665	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000
<b>SPECIAL DISTRICTS</b>										
Lenoir Special District	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
<b>TOWNS</b>										
Hudson	0.4300	0.4300	0.4300	0.4300	0.3900	0.3900	0.3900	0.3700	0.3700	0.3700
Granite Falls	0.4485	0.4485	0.4485	0.4485	0.4400	0.4400	0.4400	0.4400	0.4200	0.4200
Rhodhiss	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Blowing Rock	0.3900	0.3900	0.3700	0.3700	0.3300	0.3100	0.2800	0.2800	0.2800	0.2800
Sawmills	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Rutherford College	0.1200	0.1200	n/a							
<b>VILLAGES</b>										
Cedar Rock	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
<b>RESCUE SERVICES</b>	-	-	-	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085
<b>FIRE DISTRICTS</b>	0.0395	0.0395	0.0395	0.0395	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310
	to	to	to	to	to	to	to	to	to	to
	0.1580	0.1580	0.1385	0.1385	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300

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

## CALDWELL COUNTY, NORTH CAROLINA

Principal Property Taxpayers,  
Current Year and Ten Years Ago

Taxpayer	Fiscal Year Ended June 30, 2020			Fiscal Year Ended June 30, 2010		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Google	\$ 1,173,397,868	1	15.33%	\$ 118,199,030	1	2.14%
Tapaha Dynamics LLC	355,607,500	2	4.65%	53,889,600	4	0.98%
MDI/Merchant Distributors	143,020,441	3	1.87%	116,033,065	2	2.10%
Duke Energy	92,047,047	4	1.20%	60,526,364	3	1.10%
Blue Ridge Electric Membership/Energies	68,458,960	5	0.89%	47,409,862	5	0.86%
Greer Laboratories Inc	39,981,706	6	0.52%			
Walmart	36,230,896	7	0.47%	19,875,703	9	0.36%
Bernhardt Industries	28,712,478	8	0.38%	27,307,718	7	0.50%
Exela	28,538,659	9	0.37%			
Sealed Air Corporation	26,250,399	10	0.34%			
Broyhill Industries				28577192	6	0.52%
BellSouth				22,831,759	8	0.41%
Neptco				19,782,983	10	0.36%

\* Source: Caldwell County Tax Records

## CALDWELL COUNTY, NORTH CAROLINA

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Original Levy	Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2020	\$ 48,292,192	97.34%	\$ 47,007,689	97.34%	-	\$ 47,007,689	97.34%
2019	44,275,250	96.61%	42,775,463	96.61%	601,523	43,376,986	97.97%
2018	42,839,522	96.16%	41,194,901	96.16%	1,005,916	42,200,817	97.77%
2017	42,109,895	96.25%	40,529,324	96.25%	1,070,527	41,033,696	97.44%
2016	39,744,478	96.16%	38,217,503	96.16%	1,122,058	38,662,183	97.28%
2015	38,611,973	95.99%	37,065,023	95.99%	1,228,180	37,852,940	98.03%
2014	37,906,403	94.73%	35,909,696	94.73%	1,710,187	37,215,701	98.18%
2013	35,746,118	96.20%	34,386,100	96.20%	1,102,239	35,060,443	98.08%
2012	36,566,382	96.98%	35,461,834	96.98%	882,351	35,986,405	98.41%
2011	35,009,037	93.79%	34,160,132	93.79%	686,614	34,634,785	95.10%

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			
2011	\$ 5,485,000	\$ -	\$ 38,759,815	\$ -	\$ -	\$ -	\$ 1,444,683	\$ -	45,689,498	2.67%	570.98
2012	3,945,000	-	35,964,568	-	-	-	-	-	39,909,568	2.48%	479.82
2013	2,445,000	-	33,335,074	-	-	-	-	-	35,780,074	2.31%	430.48
2014	1,385,000	-	45,815,967	-	-	-	-	-	47,200,967	2.97%	567.89
2015	825,000	-	43,771,174	-	-	-	-	-	44,596,174	2.77%	536.55
2016	500,000	-	39,236,947	998,248	-	-	-	-	40,735,195	2.53%	490.09
2017	185,000	-	35,788,397	748,686	-	-	-	-	36,722,083	2.13%	441.81
2018	-	-	33,075,223	499,124	-	-	-	-	33,574,347	1.27%	403.94
2019	-	-	46,050,780	249,562	-	-	-	-	46,300,342	1.67%	557.05
2020	-	-	43,970,245	-	-	-	-	-	43,970,245	1.51%	529.02

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

CALDWELL COUNTY, NORTH CAROLINA

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Bonded Debt Outstanding	General Obligation Bonds	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita	Population
2011	\$ 5,485,000		0.32%	0.10%	68.55	80,020
2012	3,945,000		0.24%	0.07%	47.43	83,176
2013	2,445,000		0.16%	0.04%	29.42	83,117
2014	1,385,000		0.09%	0.02%	16.66	83,117
2015	825,000		0.05%	0.01%	9.93	83,117
2016	500,000		0.03%	0.01%	6.06	82,445
2017	185,000		0.01%	0.00%	2.25	82,292
2018	-		n/a	n/a	n/a	81,623
2019	-		n/a	n/a	n/a	81,981
2020	-		n/a	n/a	n/a	82,247

**CALDWELL COUNTY, NORTH CAROLINA**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2020**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
Direct Caldwell County	\$ 44,019,203	100.00%	\$ 44,019,203
<b>Total Direct Debt</b>	<b>44,019,203</b>		<b>44,019,203</b>
Underlying City of Lenoir	\$ 21,715,982	100.00%	\$ 21,715,982
Overlapping City of Hickory	55,477,055	1.93%	1,070,707
<b>Total Underlying and Overlapping Debt</b>	<b>77,193,037</b>		<b>22,786,689</b>
<b>Grand Total</b>	<b>121,212,240</b>		<b>66,805,892</b>

CALDWELL COUNTY, NORTH CAROLINA

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 5,389,529,112	\$ 5,540,557,372	\$ 5,674,721,362	\$ 6,307,655,358	\$ 6,433,533,768	\$ 6,621,942,767	\$ 6,680,868,162	\$ 6,797,653,494	\$ 7,012,817,450	\$ 7,653,239,428
Debt Limit 8% of Assessed Value (statutory limitation)	431,162,329	443,244,590	453,977,709	504,612,429	514,682,701	529,755,421	534,469,453	543,812,280	561,023,396	612,259,154
Amount of Debt Applicable to Limit										
General Obligation Bonds & Installment Purchases	45,689,498	39,909,568	35,780,074	47,200,967	44,596,174	40,735,195	36,537,387	34,099,526	46,947,869	43,970,245
<b>Legal Debt Margin</b>	<b>\$ 385,472,831</b>	<b>\$ 407,464,516</b>	<b>\$ 407,386,989</b>	<b>\$ 457,411,462</b>	<b>\$ 470,086,527</b>	<b>\$ 489,020,226</b>	<b>\$ 497,932,066</b>	<b>\$ 509,712,754</b>	<b>\$ 514,077,527</b>	<b>\$ 568,288,909</b>
Total net debt applicable to the limit as a percentage of debt limit	10.60%	8.07%	10.26%	9.35%	8.66%	7.69%	6.84%	6.27%	8.37%	7.18%

## CALDWELL COUNTY, NORTH CAROLINA

## Demographic and Economic Statistics

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Public School Enrollment		Private School Enrollment		Unemployment Rate
					Enrollment	Enrollment	Enrollment	Enrollment	
2011	83,209	\$ 1,711,957,296	\$ 21,217	42	12,452	400	400	13.30%	
2012	83,117	1,609,311,354	19,362	42	12,555	400	400	13.20%	
2013	83,117	1,549,300,880	18,640	42	12,333	400	400	10.00%	
2014	82,590	1,587,544,980	19,222	42	12,072	421	421	7.40%	
2015	82,321	1,609,540,192	19,552	44	12,060	400	400	7.10%	
2016	82,445	1,611,964,640	19,552	43	11,918	400	400	6.30%	
2017	82,292	1,725,827,824	20,972	43	11,569	400	400	4.20%	
2018	81,623	2,653,400,484	32,508	44	12,187	205	205	4.00%	
2019	81,981	2,772,178,515	33,815	44	11,236	164	164	3.80%	
2020	82,247	2,909,405,378	35,374	44	11,255	158	158	8.20%	

\*\* Source: North Carolina Department of Commerce

**CALDWELL COUNTY, NORTH CAROLINA**

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

Employer	2020			2010		
	Employees	Rank	Total County Employment	Employees	Rank	Total County Employment
Caldwell County Schools	1000+	1	35,126	1000+	1	38,299
Merchants Distributors Inc	1000+	2		1000+	2	
Bernhardt Furniture Co Inc	1000+	3		500-999	4	
Caldwell Memorial Hospital Inc	500-999	4		500-999	3	
Wal-Mart Associates Inc	500-999	5		500-999	7	
Caldwell County	500-999	6		500-999	8	
Caldwell Community Coll & Tech Inst	500-999	7		500-999	5	
Fairfield Chair Company	250-499	8				
RPM Wood Finishes	250-499	9				
Stallergenes Greer	250-499	10				
Broyhill Furniture Industries Inc				500-999	6	
Thomasville Furniture Ind Inc				250-499	10	
Universal Mental Health Services				250-499	9	

\*\* Source: North Carolina Department of Commerce

**CALDWELL COUNTY, NORTH CAROLINA**

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety	222	226	225	221	217	207	197	198	188	188
Health and Human Services	226	222	220	223	225	221	218	216	246	242
Environmental Protection	4	4	4	4	4	2	2	1	1	1
Economic Development	3	3	3	3	3	3	3	3	3	4
General Government	99	82	83	78	76	79	79	77	79	85
Cultural and Recreational	16	19	19	17	19	20	19	19	19	19
Enterprise Fund	12	13	13	14	13	13	12	12	13	13
<b>Total</b>	<b>582</b>	<b>569</b>	<b>567</b>	<b>560</b>	<b>557</b>	<b>545</b>	<b>530</b>	<b>526</b>	<b>549</b>	<b>552</b>

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

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function  
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Public Safety</b>										
Average Daily Population at Jail	157	174	168	172	197	247	246	198	195	189
Number of Arrests by Sheriff Department	2,875	2,814	3,316	3,440	2,867	3,514	3,508	3,473	3,207	3,499
Responses by Sheriff Department	39,064	39,064	44,145	43,507	44,507	42,950	41,244	41,384	34,293	37,062
<b>Health and Human Services</b>										
<b>Department of Social Services</b>										
Adult Medicaid applications completed	1,824	1,411	1,470	1,381	1,470	1,683	2,490	2,430	2,608	2,278
Family Medicaid applications completed	3,024	2,919	3,484	701	3,484	3,790	5,728	6,417	6,580	8,068
New Children enrolled in Medicaid	845	978	593	n/a	n/a	n/a	2,952	4,053	4,342	5,365
Special Assistance applications completed	63	93	78	95	78	48	117	146	178	167
Food Stamps applications taken	5,257	4,193	5,059	4,800	5,059	5,478	4,061	4,900	5,582	5,656
Food Stamps applications approved	4,637	3,921	5,123	4,614	5,123	5,296	4,976	3,832	4,171	4,033
Food Stamps applications denied	809	787	647	761	647	1,513	990	1,009	1,047	984
Child Support orders	179	249	376	304	304	417	404	404	499	549
Medicaid Transportation requests	20,210	22,427	18,903	20,402	18,903	18,758	16,137	16,554	13,234	12,290
Average children receiving Child Care Subsidy each month	780	759	703	763	703	674	712	740	766	850
Emergency Assistance applications taken	2,737	n/a	3,562	3,349	3,562	3,504	3,841	4,832	5,017	3,773
Emergency Assistance applications approved	2,395	n/a	3,530	3,286	3,530	3,452	3,803	4,754	4,957	3,745
Work First applications completed	21	42	39	42	39	28	39	83	162	170
Average monthly enrollment in Adolescent Parenting Program	-	-	-	-	-	-	-	-	-	17
Adult Protective Services referrals	400	537	717	744	717	592	630	707	652	512
Reported cases of Physical or Sexual Abuse to Children	19	24	39	27	39	70	58	50	58	64
New cases of children placed in Foster Care	65	97	84	81	84	92	124	136	108	141
Finalized Adoptions	49	41	64	50	64	46	57	39	28	42
Clients seen at reception desk	31,893	29,064	32,786	30,647	32,786	41,760	49,303	49,787	35,303	34,878
Telephone calls received by switch board	60,616	57,861	90,565	52,916	90,565	73,723	89,011	100,547	107,194	99,229
Total Number of CPS Reports Investigated	842	744	1,057	1,134	1,057	1,117	1,020	1,000	1,979	1,830
<b>Economic Impact of Social Services Administered Programs</b>										
Medicaid	122,263,231	116,437,663	109,814,040	116,437,663	109,814,040	n/a	107,070,682	106,270,617	101,671,025	97,187,390
Food Stamps	17,483,639	17,088,842	20,987,778	17,088,842	20,987,778	21,289,069	20,793,667	21,117,486	24,787,284	23,495,280
Work First	146,828	155,580	163,094	163,094	163,094	123,334	144,606	209,246	172,302	147,626
Rest Home	1,004,826	1,087,510	1,111,753	1,087,510	1,111,753	1,187,968	1,289,393	1,418,374	1,344,695	1,352,486
Energy & Crisis	705,283	752,264	723,218	752,264	723,218	797,677	706,333	809,228	896,386	1,054,851
Foster Care and Adoption	5,475,696	5,792,063	5,590,066	5,792,063	5,590,066	5,827,764	5,305,442	5,136,449	4,870,092	4,529,359
Child Daycare	3,368,788	3,329,635	2,996,704	3,329,635	2,996,704	2,850,529	2,925,670	2,987,568	3,187,595	3,606,396
Child Support	5,434,865	5,646,128	5,165,874	5,646,128	5,165,874	5,796,790	5,831,040	6,191,419	6,417,807	6,561,065
<b>Total</b>	<b>\$ 155,885,156</b>	<b>\$ 150,289,685</b>	<b>\$ 146,552,527</b>	<b>\$ 150,289,685</b>	<b>\$ 146,552,527</b>	<b>\$ 37,873,131</b>	<b>\$ 144,066,833</b>	<b>\$ 144,140,387</b>	<b>\$ 143,347,186</b>	<b>\$ 137,934,453</b>

CALDWELL COUNTY, NORTH CAROLINA

Operating Indicators by Function  
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Health Department</b>										
Rabies vaccinations given by animal control	807	1,254	1,283	1,290	1,199	1,350	923	832	893	1,442
Animals adopted out from the animal shelter	184	425	326	246	240	285	227	215	178	226
Dollars paid out by the WIC program	\$ 1,502,018	\$ 1,373,811	\$ 1,350,455	\$ 1,283,237	\$ 1,299,752	\$ 1,518,926	\$ 1,641,404	1,681,599	1,662,408	1,558,068
Immunization rate for two year old children	85%	84%	87%	87%	88%	90%	87%	89%	76%	79%
Number of children seen by dentist	2,046	2,694	2,580	1,673	2,120	2,506	2,377	2,414	1,416	3,196
Adult and child immunizations	2,286	n/a	n/a	n/a	n/a	n/a	2,762	1,465	1,188	n/a
Primary clinic visits	1,942	2,331	2,974	9,107	9,279	9,195	8,647	9,125	1,800	2,120
Nutrition contacts for WIC	22,428	19,470	17,123	7,851	8,124	8,124	8,215	8,576	9,243	1,650
Inspections carried out by Environmental Health	2,140	2,525	2,784	2,728	1,873	1,722	1,377	1,144	1,158	1,650
Maternity care encounters	2,069	2,138	1,768	1,936	2,040	2,254	2,465	2,306	2,415	3,240
Local TV programs for health education	19	12	18	27	14	12	14	12	14	25
<b>Environmental Protection</b>										
Solid Waste Investigations	129	102	139	151	101	152	70	49	42	45
Solid Waste Fines Issued	-	-	-	-	-	-	-	-	-	-
<b>Economic Development</b>										
<b>Building Permits Issued</b>										
New non-residential permits	75	79	88	54	90	77	65	76	65	73
Non-residential additions	157	122	113	71	90	61	60	88	78	52
New residential permits	147	150	115	99	90	117	98	74	63	87
Residential additions	187	139	169	152	150	155	138	145	174	194
Total Issued	566	490	485	376	420	410	361	383	380	406
Economic Development Incentive Payments	\$ 9,050,599	\$ 5,913,458	\$ 5,373,148	\$ 4,273,959	\$ 5,437,696	\$ 5,437,696	\$ 3,932,145	\$ 2,495,915	\$ 1,238,559	\$ 1,249,713
<b>Major Subdivisions Approved</b>										
Preliminary	2	-	-	2	1	1	-	-	-	-
Final	-	3	3	-	1	-	-	-	-	-
Cell Tower collocator requests approved	n/a	n/a	1	-	-	-	-	-	-	-
Rezoning requests	5	n/a	1	2	-	-	3	1	-	1
Variance requests	-	-	-	-	9	1	-	-	-	-
Planning violation investigations	139	214	209	n/a	n/a	18	17	21	17	13
Planning violation complaints	139	215	209	n/a	n/a	18	17	21	17	13
Street signs installed (E911)	41	20	44	54	84	55	65	91	105	69
<b>Cultural and Recreational</b>										
Library branches	3	3	3	3	3	3	3	3	3	3
Full time staff	18,00	18,00	n/a							
Part time staff	10,00	10,00	n/a							
Total number of print items	121,470	122,549	122,931	131,818	125,744	128,154	142,376	133,987	140,854	138,102
Total number of electronic materials	180,999	168,281	84,342	118,265	n/a	n/a	n/a	n/a	n/a	n/a
Registered Borrowers	35,818	34,795	32,905	30,907	40,082	37,911	39,537	36,917	64,383	61,747
Total circulation	232,390	299,353	274,273	277,787	265,294	287,732	318,608	331,252	357,792	363,323
Number of visits to libraries	199,274	347,724	316,532	307,405	297,928	206,366	226,191	283,828	314,742	294,231
Reference questions answered	48,409	74,776	62,456	59,956	50,856	53,820	29,146	50,038	42,392	47,946
Number of uses of public computers	31,270	45,665	49,322	41,243	43,223	50,586	55,250	59,341	67,780	71,569
Study room attendance	801	693	n/a							
Library programs hosted	620	667	546	570	n/a	n/a	n/a	n/a	n/a	n/a
Library program attendance	9,640	12,957	16,962	11,244	n/a	n/a	n/a	n/a	n/a	n/a

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

**CALDWELL COUNTY, NORTH CAROLINA**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2020</u>	<u>2019</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>
<b>Public Safety</b>										
Jail capacity	185	185	185	185	185	185	185	185	185	185
Jail square feet	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600	34,600
Number of ambulances	13	13	13	13	13	13	13	14	14	15
Number of squad cars	99	99	99	90	91	90	90	75	75	72
<b>Health and Human Services</b>										
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
<b>Environmental Protection</b>										
Number of convenience sites in County	9	9	9	9	9	9	9	9	9	9
<b>General Government</b>										
Square footage in County office building	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550	32,550
<b>Cultural and Recreational</b>										
Number of libraries in County	3	3	3	3	3	3	3	3	3	3
Square footage used by libraries	34,661	34,661	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, 2020

Date of Incorporation	1,841
Form of Government	Commission - Manager
Number of Employees	
Full-Time Permanent	582
Other	107
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	508
Number of Responses	6,570
Law Enforcement (b)	
Number of Stations	1
Number of Officers	83
Cultural and Recreational	
Parks	13
Acres Covered by Parks	379
Acres Covered by National Forest	45,603
Number of Libraries	3
Number of Volumes	121,470
Number of Electronic Materials	180,999
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	25
Number of Classrooms	880
Number of Teachers	720
Number of Students	11,255
Higher Education (Caldwell Community College)	
Number of Locations	2
Number of Students	3,832

(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.