

**CALDWELL COUNTY
BOARD OF EDUCATION**
Lenoir, North Carolina

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the fiscal year ended June 30, 2013



CALDWELL COUNTY SCHOOLS

**CALDWELL COUNTY
BOARD OF EDUCATION**
Lenoir, North Carolina

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the fiscal year ended June 30, 2013

**Prepared By:
CALDWELL COUNTY SCHOOLS
Financial Services Department**

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Introductory Section



Caldwell County Schools

1914 Hickory Blvd., SW
Lenoir, NC 28645
Telephone 828-728-8407
Fax 828-728-0012

Dr. Steve Stone, Superintendent

LETTER OF TRANSMITTAL

December 1, 2013

Members of the Caldwell County Board
of Education and Citizens of Caldwell County,
North Carolina

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report of the Caldwell County Board of Education operating as “Caldwell County Schools”, for the fiscal year ended June 30, 2013, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and Finance Officer.

This report has been prepared by the Caldwell County Schools Financial Services Department in accordance with GAAP (Generally Accepted Accounting Principles). We believe the data presented is accurate in all material respects and is presented in a manner designed to reflect the financial position and results of operations of the Board. To enable the reader to gain maximum understanding of the Board’s financial activity, we have included all necessary disclosures.

The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budgets Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the North Carolina Single Audit Implementation Act. Information relating to this single audit, including a schedule of expenditures of federal and state awards, the report on compliance and on internal controls, reports on compliance with requirements applicable to each major federal and state program, and a schedule of findings and questioned costs are included in the compliance subsection of the financial section of the comprehensive annual financial report.

The Caldwell County Board of Education, whose members are elected by the citizens of Caldwell County, has the authority to designate management, make binding decisions, and influence operations. The Board has final approval over the budget and primary accountability for fiscal matters, including deficits. Accordingly, Caldwell County Schools are not included in any other reporting entity as a component unit and has no component units. 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 Board of Education's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity

The Caldwell County Public School System is a comprehensive school district serving the entire county including the municipalities of Lenoir, Granite Falls, Hudson, Gamewell, Cedar Rock, Cahah's Mountain, Sawmills and parts of the town of Blowing Rock, Hickory and Rhodhiss. The system was created through a merger of the Caldwell County and the City of Lenoir public school systems in July 1974.

The school system is led by the Caldwell County Board of Education and the Superintendent. The Board consists of seven members who are responsible for setting policy. The Board is elected on a non-partisan basis. The Superintendent is appointed by the Board and serves as the chief executive officer. The Superintendent and his administrative team are charged with managing the operation of the school system.

Caldwell County Schools is the thirty-second largest system in North Carolina out of one hundred fifteen. The system includes eleven elementary, four K-8, four middle, three high schools, two alternative schools, an early college high school and a middle college, both of which are located on the campus of the community college. The system employees over one thousand five hundred full-time employees and has a student population of twelve thousand two hundred ninety-one. There are eight hundred nineteen certified teachers, of which one hundred and eighty-six are certified by the National Board of Professional Teaching Standards.

Caldwell County is located in scenic northwestern North Carolina, approximately 70 miles northwest of Charlotte, 85 miles west of Winston-Salem and 90 miles east 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 78,645. There are ten incorporated municipalities in Caldwell County. The City of Lenoir is the largest municipality and serves as the county seat.

Established in 1841, Caldwell County was carved from the counties of Burke and Wilkes. A 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. Representative Elisha P. Miller reintroduced the bill on November 19, 1840 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, when Charles Manley, Clerk of the House, suggested to Representative Miller that the county be named for Dr. Joseph Caldwell, first President of the University of North Carolina and an advocate of the 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.

Economic Conditions and Outlook

For one hundred years, the primary employers in Caldwell County were furniture and textile manufacturers. Since December 2007, when the national recession was recognized, North Carolina has lost more than 240,000 jobs, with the majority being from the manufacturing industry. According to the U.S. Bureau of Labor, furniture manufacturing jobs in North Carolina decreased from 66,000 in 2002 to 33,000 in 2012. Over 40 percent of the state's furniture manufacturing jobs are in Caldwell, Catawba, Burke, and Alexander counties. Our four-county region, known as the Greater Hickory Metro Region or the Unifour, has experienced a depressed economy for the past ten years.

Caldwell County has suffered the most of the four counties with unemployment being in the double digits since November 2008. At 10.3%, our county's rate is higher than the state average of 8.8%. Caldwell County has consistently remained in the state's ten counties with the highest unemployment rates.

Caldwell County's Economic Development Commission continues to aggressively recruit industry to Caldwell County. According to Boyd Group Site Consultants, an independent national site selection consultant, "Lenoir has been selected as one of the top small market cities in the country for high-technology manufacturing. Lenoir had the lowest projected annual operating costs when compared to 44 other cities across the country. Lenoir is one of the top-three markets for high-tech manufacturing." Caldwell County is proud of the fact that Google located a data center here.

Major Initiatives and Accomplishments

Caldwell County Schools receives support from a school-business partnership program, as well as a strong volunteer program. In 2012-13, Caldwell County Schools had 60 school/business partnerships which enhance the opportunity for schools and businesses to work together. Volunteers logged over 65,000 hours during the 2012-13 school year, offering invaluable support to our students and staff.

Through a private grant, Caldwell County Schools offers a free pre-kindergarten summer program called Rising Stars which provides assistance for students entering kindergarten. Children at fifteen elementary school sites enjoy experiences in writing, counting, numbers, math and problem solving in preparation for starting kindergarten in the fall.

The WrapAround program is a before and after school child care program for elementary school students which provides childcare from 6:00 in the morning until the school day starts and again in the afternoons until 6:00 pm. The program is also open full days during the year when school is not in session and during the summer. WrapAround is fully licensed by the North Carolina Division of Child Development.

In the spring of 2012, Caldwell County Board of Education unveiled a plan for a unique partnership that allows students to develop skills and interest in the fields of Science, Technology, Engineering, Arts and Math (STEAM) with the establishment of the Patterson

Science Center, a stand-alone Science Center operated by Caldwell County Schools on the campus of Patterson School. Patterson School was once a private coed boarding school which was founded in 1909 and closed in 2009. Patterson Science Center opened its' doors to students in the fall of 2012. During the first year, 7,727 students in grades K-8 experienced age-appropriate hands-on activities and studies in all STEAM areas, but primarily in science. Patterson Science Center offers a low ropes course, walking trails, summer camps for students, staff development for teachers, and takes instructional programs to the schools.

All middle and K-8 schools have received Project Lead the Way Gateway to Technology School of Excellence recognition for successful implementation of Gateway to Technology, a pre-engineering curriculum that gives students rigorous, reality-based knowledge to become better prepared for college and high-technology fields. Project Lead the Way (PLTW) offers students a hands-on, project driven experience in Science, Technology, Engineering and Math (STEM). In a new initiative, the district offered four summer camps for middle school students. The camps focused on robotics design, aeronautics, and biology.

Caldwell County Schools is proud of two innovative high schools that are located on the campus of Caldwell Community College. Caldwell Early College High School offers students the opportunity to complete a five year program and exit with both a high school diploma and an Associate's degree. The vision of CECHS is to graduate students ready for college, ready for a career and ready for life. CECHS is recognized as one of four innovative model schools in North Carolina through the Learning Laboratory Initiative. Caldwell Career Center Middle College offers a strong academic foundation with emphasis on advanced college and technical coursework. The vision of CCCMC is to become a national model for blended technical and academic education. CCCMC's engineering team won the state championship at Skills USA competition and several other CCCMC students were recognized for their achievements at state and national Skills USA competitions.

The Education Foundation of Caldwell County is a non-profit organization established to support high academic achievement and innovation in our school system. The foundation promotes cooperation between the schools and the private sector and encourages creativity and excellence in teaching by securing resources to enhance education. Each spring, the Education Foundation sponsors a huge arts "festival" called Kaleidoscope, which showcases our students' talents. The Education Foundation is the only nonprofit organization in Caldwell County which exclusively supports public education.

North Carolina's standard course of study has been completely overhauled with the Common Core and the NC Essential Standards. Implementation began in the fall of 2012-13. Testing in 2012-13 was based on the new Common Core curriculum and common exams. These exams were developed as a tool to measure the value that the teachers bring to students' learning and performance. Students' performance on exams will be used in educator evaluations. Student performance and school performance results were not released during 2012-13; however, results were expected to decline due to the new performance standards.

North Carolina holds almost 19% of the nation's teachers certified by the National Board of Professional Teaching Standards. This is more than any other state in the nation. Twenty-one percent of North Carolina's teachers are NBPTS certified. Currently, nearly 23% of Caldwell County Schools' teaching staff is NBPTS certified. The number of teachers certified by NBPTS, while employed with Caldwell County Schools, reached 264 in 2012-13.

Long Term Financial Planning

Caldwell County Schools Board of Education has two committees which guide our school system in long range financial planning. The Board Finance Committee is comprised of three board of education members, the superintendent and the finance director. This committee meets monthly (more often during budget preparation). Financial planning and direction is given to the superintendent and finance director in these meetings. Planning to meet long term goals is a topic at each meeting; as well as, current financial status updates and reviews.

The second committee is the Facilities Committee and is comprised of three board of education members, the superintendent and the associate superintendent in charge of auxiliary services. The committee meets bi-monthly. Long range plans for maintenance of buildings and grounds, critical needs, expansion projects, and future building projects are prepared by the facilities committee. Status reports for all construction projects are given at the meetings.

The Board of Education also collaborates with officials from our County's management team. The Liaison Committee meets bi-monthly and is comprised of three board of education members, three county commissioners, county manager, county finance officer, superintendent and school finance director. Long range planning for our school system is the topic for each of these meetings. Because our school system is dependent upon our county for our current expense and capital outlay funding, we must work collaboratively to ensure that the citizens of Caldwell County support our education efforts and future needs.

Financial Information

Public school education in North Carolina is primarily funded by the State. Local funds supplement the basic educational programs and are appropriated by the local Board of County Commissioners. Local boards of education have no tax levying or borrowing authority and are required to maintain accounting records in a uniform format. Long-term planning for facilities is a joint relationship between the school system and the County leaders. In North Carolina, only counties can incur long-term debt for facilities.

“The purpose of a system of internal control is to assure that assets which belong to the enterprise are received when tendered, are protected while in the custody of the business, and are used only for business and are used only for business purposes.” (Intermediate Accounting 3rd edition Meigs, Mosich, Johnson and Keller). Internal controls consist of all technologies, processes and practices designed to safeguard assets. A control system can only provide reasonable assurance the objectives of the control system are met. No internal control system can provide absolute assurance. Internal control systems must be evaluated periodically to ensure that the control system remains appropriate in the changing organizational climate.

The cost of control should not exceed the benefits to be derived from the internal control as the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements (GAAFR, pages 592 and 735).

The management of the school system is responsible for establishing and maintaining an internal control structure designed to ensure that all the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the annual financial statements in conformity with accounting principles generally accepted in the United States of America. In addition to the annual financial report, the Board receives a monthly financial report reflecting budget activity and balance sheet activity. The Board's Finance Committee, consisting of three board members, the superintendent, and the finance officer, meets regularly.

North Carolina General Statutes require all governmental units in the State to adopt a balanced budget by July 1 of each year. Budgets are adopted for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments. The budget amount reflected in the accompanying financial statements represents the original and the final budget as amended for the fiscal year.

Financial Highlights

Due to the depressed state of Caldwell County's economy, the board of education is committed to preserving employees' jobs. Caldwell County Schools is the largest employer in Caldwell County and is proud of the fact that, through the current economic downturn, no employees have been laid off. As a cost saving measure, "non-essential" positions are not being filled as vacancies occur.

Independent Audit

The North Carolina State Statutes require an annual audit by independent certified public accountants. The financial statements were audited by the accounting firm of Boggs, Crump and Brown, PA, whose opinion is expressed in the Financial Section. The audit was conducted 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. The audit also met the guidelines of the federal Single Audit Act Amendments of 1996, as required by the U.S. Office of Management and Budget's Circular A-133 and the North Carolina Single Audit Implementation Act.

Awards

The Association of School Business Officials (ASBO) has awarded the Certificate of Excellence in Financial Reporting and the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Caldwell County Board of Education for its comprehensive annual financial report

for the fiscal year ended June 30, 2012. This was the tenth consecutive year that the school system achieved these prestigious awards. In order to be awarded both of these certificates; a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

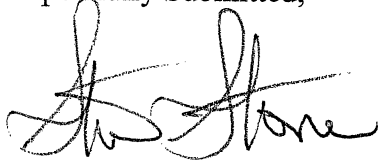
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet both certificate programs requirements and we are submitting it to the ASBO and the GFOA to determine its eligibility for another certificate from both agencies.

Acknowledgements

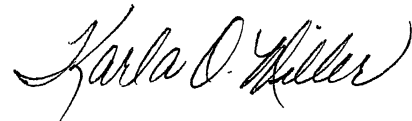
The preparation of this report would not have been possible without the dedication and support of the entire staff of the Finance Department. We would like to thank all members of the department for their assistance in the preparation of this report, and to the Board's independent accounting firm, Boggs, Crump, and Brown, PA, for their assistance.

We would like to express our appreciation and thanks to the Board of Education and it's Finance Committee for their continuing support and guidance in conducting the financial affairs of the school system.

Respectfully Submitted,



Dr. Steve Stone
Superintendent



Karla O. Miller
Finance Officer

Association of School Business Officials International

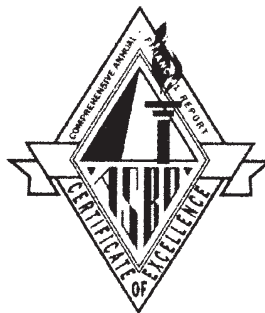


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Caldwell County Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

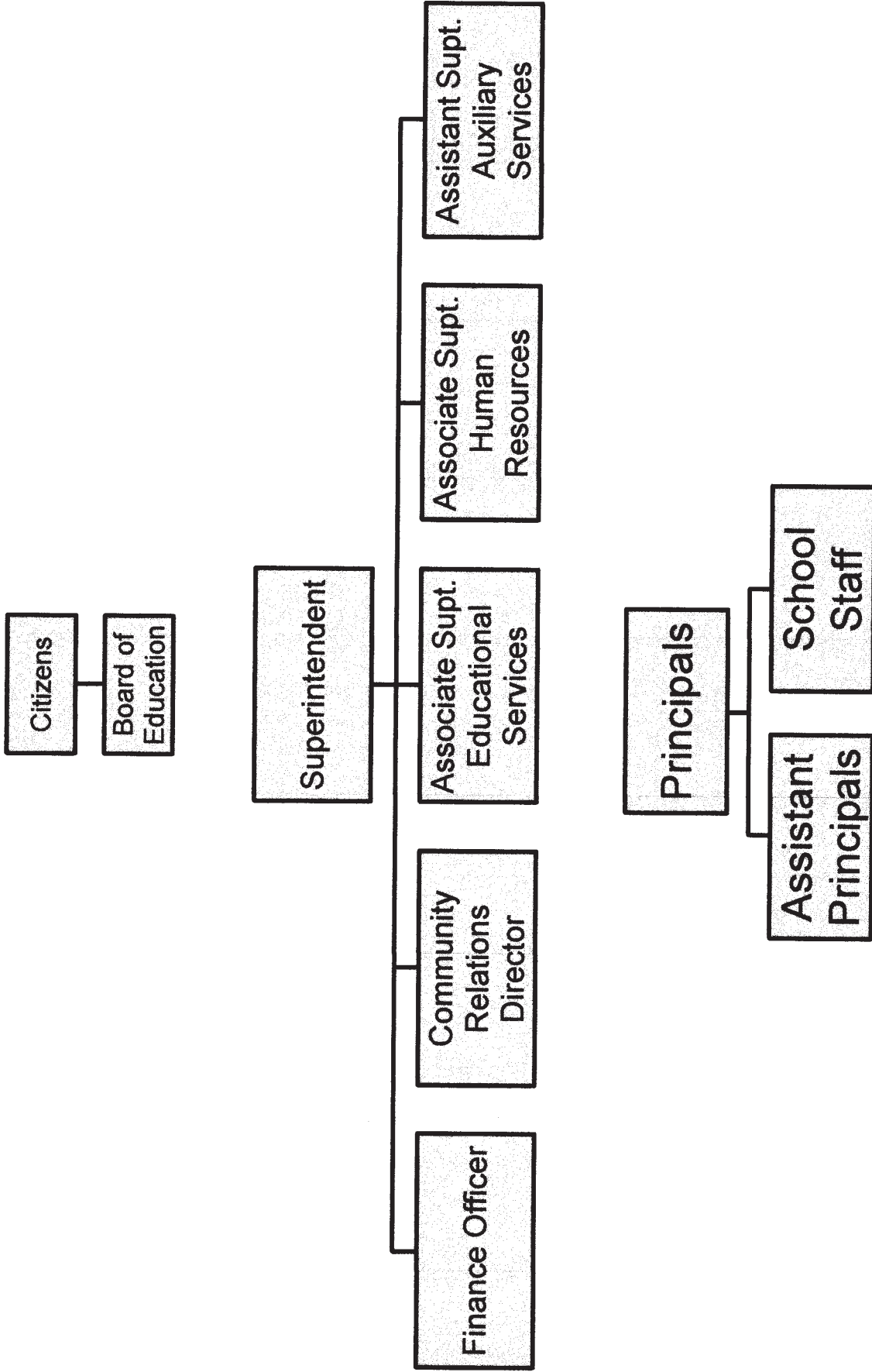
**Caldwell County Schools
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**Caldwell County Board of Education
Organizational Chart**



Caldwell County Board Of Education Lenoir, North Carolina

School Board Members

Mr. Darrell C. Pennell, Chairman
Mr. Timothy W. Hawkins, Vice Chairman

Ms. Linda H. Coffey
Mrs. Dorothy A. Darsie
Dr. Helen P. Hall
Mr. C. Duane Knight
Mr. Joseph D. Sims

Principal Officers

Dr. Steve Stone, Superintendent
Dr. Caryl B. Burns, Associate Superintendent
Dr. Patricia R. Johnson, Associate Superintendent
Dr. Jeffrey R. Church, Assistant Superintendent
Karla O. Miller, Finance Officer

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Financial Section

Independent Auditor's Report

To the Board of Education
Caldwell County, 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 Board of Education, North Carolina, as of and for the year then ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Caldwell County Board of Education'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 statement 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 financial statements are free of 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, business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell County Board of Education, North Carolina as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, State Public School Fund and Federal Grant 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 Management's Discussion and Analysis on pages four through twelve be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Caldwell County Board of Education's basic financial statements. The combining and individual fund financial statements and schedules, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of federal and state awards 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 to 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 non-major fund financial statements, budgetary schedules, other schedules, and the accompanying schedule of expenditures of federal and state awards are fairly stated in all material respects, in relation to the financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2013 on our consideration of Caldwell County's Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Caldwell County Board of Education's internal control over financial reporting and compliance.



Boggs, Crump & Brown, P.A.
Certified Public Accountants

October 28, 2013
Morganton, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Caldwell County Board of Education's (the Board) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2013. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The school system experienced a decreased enrollment of 144 students (slightly less than 1%) from the previous year.
- Unassigned General Fund balance totaled \$7,721,104 at June 30, 2013. Total General Fund balance increased by \$188,878 during fiscal year 2013. The slight increase to the General Fund was due to utilization of the balance of the Federal Education Stabilization funds received through the American Recover and Reinvestment Act along with a hiring freeze of nonessential positions.
- The 2012-2013 year continued to be very challenging as the result of state economic conditions including a discretionary reversion of \$3,006,751 in 2012-2013.
- Caldwell County Schools is pleased to announce the successful opening of Patterson Science Center, a center for students to focus on the STEAM initiative (science, technology, engineering, agriculture - arts and mathematics). Many elementary students enjoyed a fun day of learning during a visit to Patterson Science Center during 2012-13. During 2013-14, the curriculum will be expanded to include a broader span of grade levels.

Overview of the Financial Statements

The audited financial statements of the Caldwell County Board of Education consist of four components. They are as follows:

- *Independent Auditor's Report*
- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Required supplemental section that presents budgetary statements for governmental funds and for enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *government-wide* statements. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Government-wide statements report the Board's net position and how it has changed. Net position - the difference between the board's assets and the total of liabilities - is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- **Governmental activities:** Most of the board's basic services are included here, such as regular and special education, transportation, and administration. County funding and state and federal aid finance most of these activities.
- **Business-type activities:** The Board charges fees to help it cover the costs of certain services it provides. School food service and childcare services are included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund
- The Board has established other funds to control and manage money for particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants fund.

Caldwell County Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things - how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General fund, the State Public School Fund, the Individual Schools Funds, the Capital Outlay Fund, and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4 and 5 of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Caldwell County Board of Education has two proprietary funds - both enterprise funds - the School Food Service Fund and the Child Care Fund.

The proprietary fund statements are shown as Exhibits 6, 7 and 8 of this report.

Financial Analysis of the District as a Whole

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$73,799,053 as of June 30, 2013. The largest component of net position is net investment in capital assets of \$58,242,490. It comprises 78.92% of the total net position.

Following is a summary of the Statement of Net Position:

Table 1
Condensed Statement of Net Position
as of June 30, 2013

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current assets	\$21,644,598	\$21,063,412	\$3,705,339	\$ 3,800,882	\$25,349,937	\$24,864,294
Capital assets	<u>57,761,935</u>	<u>57,712,693</u>	<u>756,862</u>	<u>828,345</u>	<u>58,518,797</u>	<u>58,541,038</u>
Total assets	<u>79,406,533</u>	<u>78,776,105</u>	<u>4,462,201</u>	<u>4,629,227</u>	<u>83,868,734</u>	<u>83,405,332</u>
Current liabilities	4,523,016	4,172,199	166,027	513,885	4,689,043	4,686,084
Long-term liabilities	<u>5,232,257</u>	<u>4,547,787</u>	<u>148,381</u>	<u>163,300</u>	<u>5,380,638</u>	<u>4,711,087</u>
Total liabilities	<u>9,755,273</u>	<u>8,719,986</u>	<u>314,408</u>	<u>677,185</u>	<u>10,069,681</u>	<u>9,397,171</u>
Net Investment in capital assets	57,485,628	57,537,448	756,862	828,345	58,242,490	58,365,793
Restricted:						
Individual schools	1,334,133	1,427,055			1,334,133	1,427,055
Stabilization by State statute	31,358	103,065			31,358	103,065
School Capital Outlay	3,485,947	3,382,490			3,485,947	3,382,490
Unrestricted net position	<u>7,314,194</u>	<u>7,606,061</u>	<u>3,390,931</u>	<u>3,123,697</u>	<u>10,705,125</u>	<u>10,729,758</u>
Total net position	<u>\$69,651,260</u>	<u>\$70,056,119</u>	<u>\$4,147,793</u>	<u>\$ 3,952,042</u>	<u>\$73,799,053</u>	<u>\$74,008,161</u>

Note that net position decreased during the year, indicating a decline in the financial condition of the unit. The decrease in net position (.28%) was mainly due to an increase in long term liabilities in the governmental activities. Unrestricted net position increased in the business-type activities primarily because of an increase in net position of the Child Care Fund. Also note that the Board carries capital assets for which Caldwell County carries the offsetting debt.

The following table shows the revenues and expenses for the Board for the current fiscal year.

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, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 847,943	\$ 778,379	\$3,460,823	\$ 3,558,209	\$ 4,308,766	\$ 4,336,588
Operating grants and contributions	75,997,322	77,055,973	5,146,882	4,829,402	81,144,204	81,885,375
Capital grants and contributions	35,104	198,439	4,953		40,057	198,439
General revenue:						
Other revenues	24,236,923	25,454,949	1,397	1,082	24,238,320	25,456,031
Total revenues	<u>101,117,292</u>	<u>103,487,740</u>	<u>8,614,055</u>	<u>8,388,693</u>	<u>109,731,347</u>	<u>111,876,433</u>
Expenses:						
Governmental activities:						
Instructional services	84,353,606	82,391,721			84,353,606	82,391,721
System-wide support services	15,004,264	15,069,091			15,004,264	15,069,091
Ancillary services	(2,266)	9,317			(2,266)	9,317
Non-programmed charges	155,437	144,884			155,437	144,884
Unallocated depreciation expense	1,960,649	2,446,437			1,960,649	2,446,437
Business-type activities:						
Food service			7,287,269	7,200,620	7,287,269	7,200,620
Child care			1,181,496	1,183,572	1,181,496	1,183,572
Total expenses	<u>101,471,690</u>	<u>100,061,450</u>	<u>8,468,765</u>	<u>8,384,192</u>	<u>109,940,455</u>	<u>108,445,642</u>
Increase (decrease) in net position before transfers	(354,398)	3,426,290	145,290	4,501	(209,108)	3,430,791
Transfers in (out)	(50,461)	(46,480)	50,461	46,480		
Increase (decrease) in net position	(404,859)	3,379,810	195,751	50,981	(209,108)	3,430,791
Beginning net position	<u>70,056,119</u>	<u>66,676,309</u>	<u>3,952,042</u>	<u>3,901,061</u>	<u>74,008,161</u>	<u>70,577,370</u>
Ending net position	<u>\$69,651,260</u>	<u>\$70,056,119</u>	<u>\$4,147,793</u>	<u>\$ 3,952,042</u>	<u>\$73,799,053</u>	<u>\$74,008,161</u>

Total governmental activities generated revenues of \$101,117,292 while expenses in this category totaled \$101,471,690 for the year ended June 30, 2013. Comparatively, revenues were \$103,487,740 and expenses totaled \$100,061,450 for the year ended June 30, 2012. The decrease in net position stands at \$404,859 at June 30, 2013 compared to an increase in net position of \$3,379,810 for fiscal year end June 30, 2012. Instructional services expenses comprised 83.1% of total governmental-type expenses while system-wide support services made up 14.8% of those expenses for fiscal year ending June 30, 2013. Instructional services expenses comprised 82.3% of total governmental-type expenses while system-wide support services made up 15.1% of those expenses for fiscal year June 30, 2012. County funding comprised 16.3% of total government revenue for fiscal year end

June 30, 2013 as compared to 17.3% in fiscal year end June 30, 2012 while unrestricted state funding comprised 6.2% and 5.5% for fiscal years ending June 30, 2013 and June 30, 2012 respectively. Much of the remaining 77.5% of total governmental revenue consists mainly of restricted State and Federal money for the year ending June 30, 2013. This revenue represented 77.2% of total revenue in 2012. Business-type activities generated revenue of \$8,614,055 and had expenses of \$8,468,765 as compared to revenues of \$8,388,693 and expenses of \$8,384,192 for the period ending June 30, 2012. Net position increased in the business-type activities by \$195,751 as compared to an increase of \$50,981 for the period ending June 30, 2012.

Financial Analysis of the District's Funds

Governmental Funds: The focus of Caldwell County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The General Fund and Capital Outlay Fund reported an increase in fund balance of \$178,343 and \$103,457 respectively as compared to an increase of \$2,957,201 and \$118,133 respectively during fiscal year end June 30, 2012. The Individual School Fund reported a decrease in fund balance of \$92,922. During fiscal year end June 30, 2012 the Board used \$2.6 million of federal stimulus funds (Education Jobs) which had to be used for employee wages. Once these funds were expended then employees had to be funded with local funds (General Fund), and as a result expenditures increased in the General Fund by \$2,670,941 or 19% from the previous year.

The Board's business-type funds reported a combined increase in net position of \$195,751 as compared to an increase of \$50,981 for the period ended June 30, 2012. The School Food Service Fund reported an increase in net position of \$68,692 while the Child Care Fund reported an increase in net position of \$127,059 as compared to a decrease of net position of (\$19,079) and an increase of \$70,060 respectively for fiscal year ended June 30, 2012. The increase in performance in the School Food Service Fund was due an increase in federal reimbursements and an overall decrease in expenses. The increase in Child Care Funds performance was mainly due to fees being up by \$54,923.

When analyzing the school districts financial reports, it is important to understand what type of costs are reported in each functional category. A brief description of each function category reported on the government-wide statement of activities and the fund statements follows:

Regular instructional services - The entire cost of regular classrooms are reported in this category, including teacher and teacher assistant salaries and benefits, instructional supplies, material, books and equipment.

Special population services - The cost of additional instructional services for students certified as exceptional children are reported in this category, including teacher and teacher assistant salaries and benefits, contracts with outside providers, instructional supplies, materials, books and equipment.

Alternative programs and services - The cost of activities designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at-risk students are recorded in this category. This includes costs of those individuals responsible for providing school curriculum development and coordination as well as lead teachers for alternative programs and services. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

School leadership services - The cost of principals, assistant principals, school treasurers, school clerical support, supplies, materials and equipment are reported in this category.

Co-curricular services - The cost of extra-curricular programs, such as athletics, marching band, and after-school clubs, are reported in this category, including extra-duty pay and benefits to/for coaches/sponsors, contracts to lease facilities and equipment and for security and officials, instructional supplies, materials, books and equipment.

School based support services - The cost of other direct services to students, such as guidance services, educational media services, student accounting, health, safety and security support services, instructional technology services, and unallocated staff development are reported in this category.

Support and development services - Cost of activities to provide program leadership, support, and development services for regular curricular programs of instruction, JROTC, cultural arts, physical education, foreign language and technology curricular support and development services.

Special population support and development services - Costs of activities to provide program leadership, support, and development services primarily for identifying and serving students having special physical, emotional, or mental impediments to learning are recorded in this category. Also, included are support and development services for those students needing specialized services such as limited English proficiency and gifted education.

Alternative programs and services support and development - Costs of activities to provide program leadership, support, and development services for programs designed to identify students likely to be unsuccessful in traditional classrooms and/or to drop out and to provide special alternative and/or additional learning opportunities for these at risk students are recorded in this category. Programs include summer school instruction, remediation, alcohol and drug prevention, extended day, services to help keep students in school, as well as alternative educational settings, instructional delivery models, and supporting services for identified students.

Technology support services - Costs of central activities associated with implementing, supporting and maintaining the computer hardware, software, peripherals, technical infrastructure which provide technology system services to the school system as a whole. Also, included is the development and implementation of technological systems; and technology user support services for the school system.

Operational support services - Costs of activities for the operational support of the school system such as printing and copying services, communication services, utility services, transportation of students, facilities, planning and construction, custodial and housekeeping services, maintenance services, and warehouse and delivery services.

Financial and human resource services - costs of activities concerned with acquisition, management, reporting and protection of financial resources; and with recruitment, retention, placement, and development of human resources.

Accountability services - costs of activities concerned with the development, administration, reporting and analysis of student progress. This area includes the testing and reporting for student accountability and also the planning, research development and program evaluation costs of the school system.

System-wide pupil support services - Costs of activities that provide program leadership, support, and development services for system-wide pupil support activities for students in grades K-12. These areas include educational media support, student accounting support, guidance support, health support, safety and security support, and instructional technology support system-wide services.

Policy, leadership and public relations services - Costs of activities concerned with the overall general administration of and executive responsibility for the entire school system. These costs include costs of activities of the elected body (Board of Education), legal services, audit services, costs of activities performed by the superintendent, associate superintendents and other system-wide leadership positions generally directing and managing all affairs of the school system.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and other developments. Revisions totaled an increase of \$307,806. The Board was also able to remain under budget when comparing the budget to actual expenditures. Actual expenditures were \$3,506,194 under budget. This was due in large part to regular instructional services and school based support services expenditures being under budget by \$1,813,868 and \$470,344 respectively.

Capital Assets

Capital assets decreased by \$22,241 (or .04%) from the previous year. Depreciation for the total primary government totaled \$2,370,680 while additions from capital expenditures totaled \$2,348,439. The following is a summary of the capital assets, net of depreciation at year-end.

Table 3
Summary of Capital Assets
as of June 30, 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	2013	2012	2013	2012	2013	2012
Land	\$ 2,821,602	\$ 2,818,176			\$ 2,821,602	\$ 2,818,176
Construction in progress	1,094,831	1,157,372			1,094,831	1,157,372
Buildings	51,089,603	51,488,644			51,089,603	51,488,644
Equipment and furniture	638,047	613,218	756,862	828,345	1,394,909	1,441,563
Vehicles	2,117,852	1,635,283			2,117,852	1,635,283
Total	\$57,761,935	\$57,712,693	\$756,862	\$828,345	\$58,518,797	\$58,541,038

More detailed information concerning capital assets is available in the notes to the financial statements (Note III.A.4).

Debt Outstanding

During the year the Board's outstanding debt increased by \$101,065 due to the purchase of school buses using installment financing. The Board is limited by North Carolina statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction.

More detailed information concerning long-term debt activity is available in the notes to the financial statements (Note III.B.7).

Economic Factors

County funding is a major source of income for the Board; therefore the County's economic outlook directly affects that of the school district. The following factors have an affect on the economic outlook of Caldwell County.

- Caldwell County's economy has historically been based on the furniture industry, which has seen massive layoffs in recent years due to international competition.
- The County's unemployment rate of 10.3% is higher than the state average of 8.8%.
- Caldwell County Schools is the leading employer in Caldwell County.

Requests for Information

This report is intended to provide a summary of the financial condition of Caldwell County Board of Education. Questions or requests for additional information should be addressed to:

Caldwell County Board of Education
1914 Hickory Boulevard SW
Lenoir, North Carolina 28645

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$17,548,030	\$3,207,017	\$20,755,047
Due from other governments	3,491,789	94,156	3,585,945
Receivables (net)	1,771		1,771
Inventories	603,008	404,166	1,007,174
Total current assets	<u>21,644,598</u>	<u>3,705,339</u>	<u>25,349,937</u>
Capital assets (Note 1):			
Land and construction in progress	3,916,433		3,916,433
Other capital assets, net of depreciation	53,845,502	756,862	54,602,364
Total capital assets	<u>57,761,935</u>	<u>756,862</u>	<u>58,518,797</u>
Total assets	<u>79,406,533</u>	<u>4,462,201</u>	<u>83,868,734</u>
LIABILITIES			
Accounts payable and accrued expenses	601,418	31,605	633,023
Accrued salaries and wages payable	3,381,919	56,013	3,437,932
Unearned revenue		39,881	39,881
Liabilities due within one year	539,679	38,528	578,207
Total current liabilities	<u>4,523,016</u>	<u>166,027</u>	<u>4,689,043</u>
Long-term liabilities:			
Due in more than one year	5,232,257	148,381	5,380,638
Total liabilities	<u>9,755,273</u>	<u>314,408</u>	<u>10,069,681</u>
NET POSITION			
Net investment in capital assets	57,485,628	756,862	58,242,490
Restricted for:			
Individual schools	1,334,133		1,334,133
Stabilization by State Statute	31,358		31,358
School Capital Outlay	3,485,947		3,485,947
Unrestricted	7,314,194	3,390,931	10,705,125
Total net position	<u>\$69,651,260</u>	<u>\$4,147,793</u>	<u>\$73,799,053</u>

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
Instructional programs:				
Regular Instructional	\$50,545,220	\$ 67,313	\$ 41,936,270	\$ -
Special Populations	10,727,244		10,557,343	
Alternative Programs	6,646,821		6,277,923	
School Leadership	6,534,824		3,201,790	
Co-Curricular	3,627,481	770,451	2,274,571	
School-Based Support	6,272,016		5,475,247	
System-wide Support services:				
Support and Development	658,253		321,220	
Special Population Support and Development	380,130		146,198	
Alternative Programs and Services Support and Development	200,651		184,213	
Technology Support	784,439		61,254	
Operational Support	9,981,331	10,179	4,447,710	35,104
Financial and Human Resource Accountability	1,284,382		386,641	
System-wide Pupil Support	267,546		9,000	
Policy, Leadership, and Public Relations	42,137			
Public Relations	1,405,395		600,573	
Ancillary Services	(2,266)			
Non-programmed charges	155,437		117,369	
Unallocated depreciation expense**	1,960,649			
Total governmental activities	101,471,690	847,943	75,997,322	35,104
Business-type activities:				
School food service	7,287,269	2,152,268	5,146,882	4,953
Child care	1,181,496	1,308,555		
Total business-type activities	8,468,765	3,460,823	5,146,882	4,953
Total primary government	\$109,940,455	\$ 4,308,766	\$ 81,144,204	\$ 40,057

General revenues:

Unrestricted county appropriations - operating
Unrestricted county appropriations - capital
Unrestricted state appropriations - operating
Unrestricted state appropriations - capital
Investment earnings, unrestricted
Miscellaneous, unrestricted
Transfers

Total general revenues

Change in net position

Net position - beginning

Net position - ending

** This amount excludes the depreciation that is included in the direct expenses of the various programs

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business- type Activities	Total
\$ (8,541,637)	\$ -	\$ (8,541,637)
(169,901)		(169,901)
(368,898)		(368,898)
(3,333,034)		(3,333,034)
(582,459)		(582,459)
(796,769)		(796,769)
(337,033)		(337,033)
(233,932)		(233,932)
(16,438)		(16,438)
(723,185)		(723,185)
(5,488,338)		(5,488,338)
(897,741)		(897,741)
(258,546)		(258,546)
(42,137)		(42,137)
(804,822)		(804,822)
2,266		2,266
(38,068)		(38,068)
(1,960,649)		(1,960,649)
(24,591,321)		(24,591,321)
	16,834	16,834
	127,059	127,059
	143,893	143,893
(24,591,321)	143,893	(24,447,428)
14,485,000		14,485,000
1,974,016		1,974,016
5,347,151		5,347,151
906,671		906,671
22,328	1,397	23,725
1,501,757		1,501,757
(50,461)	50,461	0
24,186,462	51,858	24,238,320
(404,859)	195,751	(209,108)
70,056,119	3,952,042	74,008,161
<u>\$ 69,651,260</u>	<u>\$ 4,147,793</u>	<u>\$ 73,799,053</u>

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CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	MAJOR FUNDS					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants	
ASSETS						
Cash and cash equivalents	\$12,622,140	\$ -	\$1,334,133	\$ 3,591,757	\$ -	\$17,548,030
Due from other governments	30,568	2,926,067		317,553	217,601	3,491,789
Receivables (Net)	790			981		1,771
Inventories	603,008					603,008
Total assets	\$13,256,506	\$2,926,067	\$1,334,133	\$3,910,291	\$217,601	\$21,644,598
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 177,074	\$ -	\$ -	\$ 424,344	\$ -	\$ 601,418
Accrued salaries and benefits payable	238,251	2,926,067			217,601	3,381,919
Total liabilities	415,325	2,926,067	0	424,344	217,601	3,983,337
Fund balances:						
Nonspendable:						
Inventories	603,008					603,008
Restricted:						
Stabilization by State Statute	31,358			318,534		349,892
School Capital Outlay Individual Schools			1,334,133	1,178,475		1,178,475
Assigned:						
Subsequent years expenditure	4,485,711			1,988,938		6,474,649
Unassigned	7,721,104					7,721,104
Total fund balances	12,841,181	0	1,334,133	3,485,947	0	17,661,261
Total liabilities and fund balances	\$13,256,506	\$2,926,067	\$1,334,133	\$3,910,291	\$217,601	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	57,761,935
Some liabilities, including bonds payable and accrued vacation pay, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	(5,771,936)
Net position of government activities	\$69,651,260

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

MAJOR FUNDS

	MAJOR FUNDS					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants	
REVENUES						
State of North Carolina	\$ 295,861	\$ 71,151,251	\$ -	\$ 906,671	\$ -	\$ 72,353,783
Caldwell County	14,571,294			1,974,016		16,545,310
U.S. Government	436,116				6,920,604	7,356,720
Contributions and donations	310,836		2,274,571			2,585,407
Other	1,472,704		783,652	35,491		2,291,847
Total revenues	17,086,811	71,151,251	3,058,223	2,916,178	6,920,604	101,133,067
EXPENDITURES						
Current:						
Instructional services:						
Regular Instructional	3,839,270	45,564,408			559,505	49,963,183
Special Populations	81,975	7,675,028			2,882,315	10,639,318
Alternative Programs	579,145	3,255,049			2,752,638	6,586,832
School Leadership	2,620,775	3,532,932			15,590	6,169,297
Co-Curricular	476,336	0	3,151,145		0	3,627,481
School-Based Support	714,808	5,175,084			343,766	6,233,658
System-wide support services:						
Support and Development	336,311	245,059			79,741	661,111
Special Population Support and Development	207,321	183,500			0	390,821
Alternative Programs and Services						
Support and Development	18,094	86,793			97,420	202,307
Technology Support	689,807	103,361			0	793,168
Operational Support	4,913,639	4,367,772			42,146	9,323,557
Financial and Human Resource	931,967	365,257			925	1,298,149
Accountability	248,279	8,126			9,000	265,405
System-wide Pupil Support	41,511					41,511
Policy, Leadership, and Public Relations	837,577	539,439			69,632	1,446,648
Ancillary services	1,299					1,299
Non-programmed charges	165,089	(1,018)			67,926	231,997
Debt service:						
Principal				451,547		451,547
Capital outlay:						
Real property and buildings				1,655,270		1,655,270
System-wide support services				823,283		823,283
Instructional services				510,357		510,357
Total expenditures	16,703,203	71,100,790	3,151,145	3,440,457	6,920,604	101,316,199
Excess (deficiency) of revenues over expenditures	383,608	50,461	(92,922)	(524,279)	0	(183,132)
OTHER FINANCING SOURCES (USES)						
Transfers (to) from other funds	(75,124)	(50,461)		75,124		(50,461)
Installment purchase obligations issued				552,612		552,612
Total other financing sources (uses)	(75,124)	(50,461)		627,736	0	502,151
Net change in fund balances	308,484	0	(92,922)	103,457		319,019
Fund balances- beginning	12,662,838		1,427,055	3,382,490		17,472,383
Decrease in reserve for inventories	(130,141)					(130,141)
Fund balances - ending	\$12,841,181	\$ -	\$1,334,133	\$3,485,947	\$ -	\$ 17,661,261

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 319,019
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	49,242
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Adjustment for change in inventory methods	(130,141)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amount are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(101,065)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences liability change	(541,914)
Total changes in net position of governmental activities	\$ (404,859)

The notes to the basic financial statements are an integral part of this statement.

**CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ 297,990	\$ 297,990	\$ 295,861	\$ (2,129)
Caldwell County	14,485,000	14,485,000	14,571,294	86,294
U.S. Government	571,239	601,239	436,116	(165,123)
Contributions and donations	262,833	393,833	310,836	(82,997)
Other	883,549	896,950	1,472,704	575,754
Total Revenues	16,500,611	16,675,012	17,086,811	411,799
Expenditures:				
Current:				
Instructional services:				
Regular Instructional	5,560,737	5,653,138	3,839,270	1,813,868
Special Populations	100,694	141,194	81,975	59,219
Alternative Programs	721,092	692,592	579,145	113,447
School Leadership	2,857,891	2,848,552	2,620,775	227,777
Co-Curricular	498,157	497,496	476,336	21,160
School-Based Support	1,110,152	1,185,152	714,808	470,344
System-wide Support services:				
Support and Development	448,059	384,472	336,311	48,161
Special Population Support and Development	213,250	224,750	207,321	17,429
Alternative Programs and Services Support and Development	23,288	24,288	18,094	6,194
Technology Support	655,533	711,883	689,807	22,076
Operational Support	5,135,760	5,155,760	4,913,639	242,121
Financial and Human Resource Accountability	1,268,288	1,219,188	931,967	287,221
System-wide Pupil Support	270,641	270,141	248,279	21,862
Policy, Leadership, and Public Relations	42,229	42,229	41,511	718
948,320	977,657	837,577	140,080	
Ancillary Services				
Nutrition Services	12,500	12,500	1,299	11,201
Non-programmed charges	35,000	168,405	165,089	3,316
Total expenditures	19,901,591	20,209,397	16,703,203	3,506,194
Revenues over (under) expenditures	(3,400,980)	(3,534,385)	383,608	3,917,993
Other financing sources (uses):				
Transfer to other funds	(80,000)	(80,000)	(75,124)	4,876
Total other financing sources (uses)	(80,000)	(80,000)	(75,124)	4,876
Revenues and other sources and other uses	(3,480,980)	(3,614,385)	308,484	3,922,869
Fund balances, beginning of year	3,480,980	3,614,385	12,662,838	9,048,453
Increase in reserve for inventories			(130,141)	(130,141)
Fund balances, end of year	\$ -	\$ -	\$12,841,181	\$ 12,841,181

The notes to the basic financial statements are an integral part of this statement.

State Public School Fund				Federal Grant Fund			
Original	Final	Actual Amounts	Variance With Final Budget - Positive (Negative)	Original	Final	Actual Amounts	Variance With Final Budget - Positive (Negative)
\$71,943,741	\$72,652,315	\$71,151,251	(\$1,501,064)	\$ -	\$ -	\$ -	\$ -
				7,336,745	7,795,008	\$6,920,604	(874,404)
<u>71,943,741</u>	<u>72,652,315</u>	<u>71,151,251</u>	<u>(1,501,064)</u>	<u>7,336,745</u>	<u>7,795,008</u>	<u>6,920,604</u>	<u>(874,404)</u>
46,104,700	46,324,148	45,564,408	759,740	661,540	764,960	559,505	205,455
7,724,057	7,732,692	7,675,028	57,664	2,652,551	3,028,497	2,882,315	146,182
3,767,783	3,589,162	3,255,049	334,113	3,066,617	3,080,062	2,752,638	327,424
3,905,518	3,572,510	3,532,932	39,578	15,590	15,590	15,590	0
			0				
5,078,215	5,234,847	5,175,084	59,763	494,905	433,478	343,766	89,712
297,569	309,072	245,059	64,013	83,883	83,883	79,741	4,142
199,332	184,768	183,500	1,268				0
32,751	86,793	86,793	0	92,520	105,456	97,420	8,036
213,568	269,895	103,361	166,534				0
3,863,439	4,374,752	4,367,772	6,980	50,000	42,500	42,146	354
137,106	368,409	365,257	3,152	9,000	9,000	925	8,075
12,128	11,128	8,126	3,002		9,000	9,000	0
557,351	543,196	539,439	3,757	124,161	131,373	69,632	61,741
							0
	0	(1,018)	1,018	85,978	91,209	67,926	23,283
<u>71,893,517</u>	<u>72,601,372</u>	<u>71,100,790</u>	<u>1,500,582</u>	<u>7,336,745</u>	<u>7,795,008</u>	<u>6,920,604</u>	<u>874,404</u>
<u>50,224</u>	<u>50,943</u>	<u>50,461</u>	<u>(482)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(50,224)</u>	<u>(50,943)</u>	<u>(50,461)</u>	<u>482</u>				<u>0</u>
<u>(50,224)</u>	<u>(50,943)</u>	<u>(50,461)</u>	<u>482</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0	0
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Enterprise Fund		
	Major Fund		
	School Food Service	Child Care	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$2,659,321	\$ 547,696	\$3,207,017
Due from other governments	43,078	51,078	94,156
Inventories	404,166		404,166
Total current assets	<u>3,106,565</u>	<u>598,774</u>	<u>3,705,339</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	756,862		756,862
Total noncurrent assets	<u>756,862</u>		<u>756,862</u>
Total assets	<u><u>\$3,863,427</u></u>	<u><u>\$ 598,774</u></u>	<u><u>\$4,462,201</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 28,024	\$ 3,581	\$ 31,605
Accrued salaries and wages payable	36,718	19,295	56,013
Unearned revenue	32,869	7,012	39,881
Compensated absences	27,396	11,132	38,528
Total current liabilities	<u>125,007</u>	<u>41,020</u>	<u>166,027</u>
Noncurrent liabilities:			
Compensated absences	101,883	46,498	148,381
Total noncurrent liabilities	<u>101,883</u>	<u>46,498</u>	<u>148,381</u>
Total liabilities	<u>226,890</u>	<u>87,518</u>	<u>314,408</u>
NET POSITION			
Net investment in capital assets	756,862		756,862
Unrestricted	2,879,675	511,256	3,390,931
Total net position	<u><u>\$3,636,537</u></u>	<u><u>\$ 511,256</u></u>	<u><u>\$4,147,793</u></u>

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Enterprise Fund		
	Major Fund		
	School Food Service	Child Care	Total
OPERATING REVENUES			
Food sales	\$2,152,268	\$ -	\$2,152,268
Child care fees		1,308,555	1,308,555
Total operating revenues	<u>2,152,268</u>	<u>1,308,555</u>	<u>3,460,823</u>
OPERATING EXPENSES			
Food cost:			
Purchase of food	2,260,963	46,648	2,307,611
Donated commodities	435,315		435,315
Salaries and benefits	3,637,901	1,043,476	4,681,377
Indirect costs	381,777		381,777
Materials and supplies	270,623	33,495	304,118
Repairs and maintenance	85,230	65	85,295
Depreciation	142,623		142,623
Non Capitalized Equipment	66,238	10,057	76,295
Purchased services	6,599	47,755	54,354
Total operating expenses	<u>7,287,269</u>	<u>1,181,496</u>	<u>8,468,765</u>
Operating Income (loss)	<u>(5,135,001)</u>	<u>127,059</u>	<u>(5,007,942)</u>
NONOPERATING REVENUES			
Federal reimbursements	4,309,688		4,309,688
Federal commodities	435,315		435,315
State reimbursements	20,102		20,102
Interest earned	1,397		1,397
Sale of capital assets	4,953		4,953
Indirect costs not paid	381,777		381,777
Total nonoperating revenue	<u>5,153,232</u>	<u>0</u>	<u>5,153,232</u>
Income (loss) before transfers	18,231	127,059	145,290
Transfers from other funds	50,461		50,461
Change in net position	68,692	127,059	195,751
Total net position - beginning	<u>3,567,845</u>	<u>384,197</u>	<u>3,952,042</u>
Total net position - ending	<u>\$3,636,537</u>	<u>\$ 511,256</u>	<u>\$4,147,793</u>

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Enterprise Fund		
	Major Fund		
	School Food Service	Child Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,257,410	\$ 1,276,370	\$ 3,533,780
Cash paid for goods and services	(2,989,486)	(143,662)	(3,133,148)
Cash paid for employees services and benefits	(3,636,399)	(1,056,478)	(4,692,877)
Net cash provided (used) by operating activities	(4,368,475)	76,230	(4,292,245)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal and State reimbursements	4,329,790		4,329,790
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	4,953		4,953
Acquisition of capital assets	(71,140)		(71,140)
Net cash (used) by capital and related financing activities	(66,187)		(66,187)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,397		1,397
Net increase in cash and cash equivalents	(103,475)	76,230	(27,245)
Balances - beginning of year	2,762,796	471,466	3,234,262
Balances - end of year	\$ 2,659,321	\$ 547,696	\$ 3,207,017
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (5,135,001)	\$ 127,059	\$ (5,007,942)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	142,623		142,623
Donated commodities consumed	435,315		435,315
Salaries paid by special revenue fund	50,461		50,461
Indirect costs not paid	381,777		381,777
Changes in assets and liabilities:			
Decrease (increase) in due from other governments	89,769	(22,778)	66,991
Decrease (increase) in accounts receivable	15,373		15,373
Decrease (increase) in inventory	(14,066)		(14,066)
Increase (decrease) in accounts payable and accrued liabilities	(339,757)	(23,323)	(363,080)
Increase (decrease) in accrued annual leave	2,595	4,679	7,274
Increase (decrease) in unearned revenues	2,436	(9,407)	(6,971)
Total adjustments	766,526	(50,829)	715,697
Net cash provided (uses) by operating activities	\$ (4,368,475)	\$ 76,230	\$ (4,292,245)

The notes to the basic financial statements are an integral part of this statement.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Noncash investing, capital and financing activities:

The State Public School Fund paid salaries and benefits of \$50,461 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected by a transfer in and an operating expense on Exhibit 7.

Indirect costs of \$381,777 that would be due to the General Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$435,315 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The Fund recorded the consumption of \$435,315 worth of donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit 7.

CALDWELL COUNTY BOARD OF EDUCATION, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

I. Summary of Significant Accounting Policies

The accounting policies of Caldwell County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Caldwell County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Caldwell County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund fund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through 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 Board and for each function of the Board'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 are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category - *governmental* and *proprietary* - 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.

I. Summary of Significant Accounting Policies - (Cont'd)

B. Basis of Presentation - (Cont'd)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426]. The General Fund consists of the Local Current Expense Fund (Fund 2) and Fund 8 (Other Special Revenue Fund) which is maintained separate from Fund 2 by the Board of Education pursuant to N.C. G.S. 115C-426.

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Federal Grants Fund. The Federal Grants Fund includes appropriations from the federal government, generally the U.S. Department of Education, which are passed-thru the North Carolina Department of Public Instruction for the current operating expenditures of the public school system.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by Caldwell County appropriations, restricted sales tax moneys, proceeds of Caldwell County bonds issued for public school construction, lottery proceeds, as well as certain State assistance.

The Board reports the following major enterprise funds:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

Child Care Fund. The Child Care Fund is used to account for the preschool and after school child care program within the school system.

I. Summary of Significant Accounting Policies - (Cont'd)

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Government 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. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for 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. Acquisitions under capital leases are reported as other financing sources.

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys between functions within the purpose level. Amendments are required for any revisions that alter total expenditures of any fund or that change purpose level appropriations. All amendments must be approved by the governing board. Several budget amendments were made during the year including various allotment revisions from the state and federal government. Also in the General Fund there were amendments made for \$370,278 for the Elementary and Secondary School Counseling Grant, \$276,660 for the NC Pre-K funding and \$125,000 for the

I. Summary of Significant Accounting Policies - (Cont'd)

D. Budgetary Data - (Cont'd)

Patterson Science Center Grant. During the year there were several other immaterial budget amendments made. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board 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; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved.

Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1982 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Caldwell County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

4. Capital Assets - (Cont'd)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Building Improvements	20
Equipment and furniture	10
Vehicles	8
Computer equipment	3

Land and construction in progress are not depreciated.

Depreciation for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the statement of activities.

5. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

6. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. In addition to the maximum 30 days, noncertified support personnel were awarded an additional 10 days in fiscal years ended June 30, 2003 and June 30, 2004 and an additional 5 days in fiscal year ended June 30, 2006 for a possible accumulation of 55 days as of June 30, 2011. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2011

is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. An estimate has been made based on prior years' records, of the current portion of compensated absences.

The sick leave policy of the Board 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 the board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

7. Net Position/Fund Balance

Net Position

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

Fund Balance

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:

Nonspendable 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 ending 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 - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for School Capital Outlay - portion of fund balance that can only be used for School Capital Outlay. [G.S. 159-18 through 22]

Restricted for Individual Schools - revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

7. Net Position/Fund Balance - (Cont'd)

Fund Balance - (Cont'd)

Committed Fund Balance - portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Board of Education's governing body (highest level of decision-making authority) and in certain instances approval by the County's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

Assigned fund balance - portion of fund balance that Caldwell County Board of Education intends to use for specific purposes.

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 superintendent to modify appropriations between functions, sub-functions and objects of expenditure within a purpose within a fund.

Unassigned fund balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Caldwell County Board of Education has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources firstly from revenues restricted as to use and secondly from general unrestricted revenues. 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 Board of Education.

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

8. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The net adjustment of \$51,989,999 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$107,330,439
Less Accumulated Depreciation	<u>(49,568,504)</u>
Net capital assets	57,761,935
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(276,310)
Compensated absences	<u>(5,495,626)</u>
Total adjustment	<u>\$ 51,989,999</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$723,878) as follows:

I. Summary of Significant Accounting Policies - (Cont'd)

F. Assets, Liabilities, and Fund Equity - (Cont'd)

8. Reconciliation of Government-wide and Fund Financial Statements - (Cont'd)

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,277,299
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(2,228,057)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - its affects only the government-wide statement of net position.	(552,612)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	451,547
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(541,914)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	<u>(130,141)</u>
Total adjustment	<u>\$ (723,878)</u>

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the Board'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 Board's agents in the unit's 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 Board, these deposits are considered to be held by the agent in the entity'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 Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board 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 Board has no policy regarding custodial credit risk for deposits.

At June 30, 2013 the Board had deposits with banks and savings and loans with a carrying amount of \$12,505,047 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$12,419,376 and \$197,298 respectively. Of these balances, \$500,000 was covered by federal depository insurance and \$12,116,674 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2013, the Board of Education had \$8,250,000 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standards and Poor's. The Board has no policy for managing interest rate risk or credit risk.

II. Detail Notes on All Funds - (Cont'd)

A. Assets - (Cont'd)

3. Accounts Receivable

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

	Due from other governments	<u>Other</u>
Governmental activities:		
General Fund	\$ 30,568	\$ 790
Other governmental activities	<u>3,461,221</u>	<u>981</u>
Total	<u>\$ 3,491,789</u>	<u>\$ 1,771</u>
Business-type activities:		
School Food Service	\$ 43,078	\$
Child Care	<u>51,078</u>	<u></u>
Total	<u>\$ 94,156</u>	<u>\$</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 30,568	Federal - Elementary & Secondary School Counseling
State Public School Fund	2,926,067	Operating funds from DPI
Capital Outlay Fund	317,553	State Public School Building Capital Fund
Federal Grants Fund	<u>217,601</u>	Federal grant funds
Total	<u>\$3,491,789</u>	
Business Activities		
School Food Service	\$ 43,078	Federal funds
Child Care	<u>51,078</u>	County - DSS
Total	<u>\$ 94,156</u>	

III. Detail Notes on All Funds - (Cont'd)

4. Capital Assets

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

	<u>Beginning Balances</u>	<u>Reclassifications</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,818,176	\$	\$ 3,426	\$	\$ 2,821,602
Construction in progress	<u>1,157,372</u>	<u>(608,994)</u>	<u>546,453</u>	<u></u>	<u>1,094,831</u>
Total capital assets not being depreciated	<u>3,975,548</u>	<u>\$ (608,994)</u>	<u>\$ 549,879</u>	<u>\$</u>	<u>3,916,433</u>
Capital assets being depreciated:					
Buildings and improvements	89,004,786	\$ 608,994	\$ 888,159	\$	90,501,939
Equipment and furniture	3,009,897		89,284	(27,995)	3,071,186
Vehicles	<u>9,234,247</u>		<u>749,977</u>	<u>(143,343)</u>	<u>9,840,881</u>
Total capital assets being depreciated	<u>101,248,930</u>	<u>\$ 608,994</u>	<u>\$ 1,727,420</u>	<u>\$ (171,338)</u>	<u>103,414,006</u>
Less accumulated depreciation for:					
Buildings and Improvements	37,516,142	\$	\$ 1,896,194	\$	39,412,336
Equipment and furniture	2,396,679		64,455	(27,995)	2,433,139
Vehicles	<u>7,598,964</u>		<u>267,408</u>	<u>(143,343)</u>	<u>7,723,029</u>
Total accumulated depreciation	<u>47,511,785</u>	<u>\$</u>	<u>\$ 2,228,057</u>	<u>\$ (171,338)</u>	<u>49,568,504</u>
Total capital assets being depreciated, net	<u>53,737,145</u>				<u>53,845,502</u>
Governmental activity capital assets, net	<u>\$57,712,693</u>				<u>\$ 57,761,935</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	
Business-type activities:					
School Food Service Fund:					
Capital assets being depreciated					
Furniture and office equipment	\$ 2,740,736	\$ 71,140	\$	\$	\$ 2,811,876
Total capital assets being depreciated	<u>2,740,736</u>	<u>\$ 71,140</u>	<u>\$</u>	<u>\$</u>	<u>2,811,876</u>
Less accumulated depreciation for:					
Furniture and office equipment	<u>1,912,391</u>	\$ 142,623	\$	\$	2,055,014
Total accumulated depreciation	<u>1,912,391</u>	<u>\$ 142,623</u>	<u>\$</u>	<u>\$</u>	<u>2,055,014</u>
School Food Service capital assets, net	<u>828,345</u>				<u>756,862</u>
Business-type activities capital assets, net	<u>\$ 828,345</u>				<u>\$ 756,862</u>

III. Detail Notes on All Funds - (Cont'd)

A. Assets - (Cont'd)

4. Capital Assets - (Cont'd)

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$1,960,649
Operational support services	267,408
Total	<u>\$2,228,057</u>

Construction commitments

Caldwell County and Caldwell County Board of Education have active renovation projects as of June 30, 2013. At year end, commitments with contractors for school renovations are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Valmead		
- Water Lines	\$ 9,475	\$ 19,967
Whitnel Elementary		
- Parking Lot Project	77,166	314,409
Hibriten High		
- HVAC	155,270	178,772
Hibriten High		
- Roofing	52,815	27,862
Granite Falls Middle		
- Boiler	15,000	4,600
Collettsville Elementary		
- Steam Piping	15,000	37,000

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. Caldwell County Board of Education contributes to the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Teachers' and State 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 TSERS. 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.

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

1. Pension Plan and Other Postemployment Obligations - (Cont'd)

a. Teachers' and State Employees' Retirement System - (Cont'd)

Funding Policy. Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 8.33% of annual covered payroll. The contribution requirements of plan members and Caldwell County Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2013, 2012, and 2011 were \$5,196,836, \$4,672,996, and \$3,193,721, respectively, equal to the required contributions for each year.

b. Other Post-employment Benefits

1. Healthcare Benefits

Plan Description. The postemployment healthcare benefits are provided through a cost-sharing multiple-employer defined benefit plan administered by the Executive Administrator and the Board of Trustees of the Comprehensive Major Medical Plan (the Plan). The Executive Administrator and the Board of Trustees of the Plan establishes premium rates except as may be established by the General Assembly in an appropriation act. The Plan's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3 of the General Statutes and may be amended only by the North Carolina General Assembly. By General Statute, the Plan accumulates contributions from employers and any earnings on those contributions in the Retiree Health Benefit Fund. These assets shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. These contributions are irrevocable. Also by law, these assets are not subject to the claims of creditors of the employers making contributions to the Plan.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the State's Comprehensive Major Medical Plan (also, referred to as the State Health Plan). An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

1. Pension Plan and Other Postemployment Obligations - (Cont-d)

b. Other Post-employment Benefits - (Cont'd)

1. Healthcare Benefits - (Cont'd)

Funding Policy. The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establish premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2013, 2012, and 2011, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$3,306,510, \$3,140,454, and \$3,174,286, respectively. These contributions represented 5.3%, 5.0%, and 4.90% of covered payroll, respectively.

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

1. Pension Plan and Other Postemployment Obligations - (Cont-d)

b. Other Post-employment Benefits - (Cont'd)

2. Long-term Disability Benefits

Plan Description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as an other postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the DIPNC. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

Funding Policy. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

1. Pension Plan and Other Postemployment Obligations - (Cont-d)

b. Other Post-employment Benefits - (Cont'd)

2. Long-term Disability Benefits - (Cont'd)

after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For members with five or more years of membership service as of July 31, 2007, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S.127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than \$10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly long-term disability benefit is reduced by the primary Social Security retirement benefit to which you might be entitled should you become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and are in receipt of primary Social Security disability

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

1. Pension Plan and Other Postemployment Obligations - (Cont-d)

b. Other Post-employment Benefits - (Cont'd)

2. Long-term Disability Benefits - (Cont'd)

benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit. For the fiscal years ended June 30, 2013, 2012, and 2011, the Board paid all annual required contributions to the DIPNC for disability benefits of \$274,503, \$326,607, and \$336,863, respectively. These contributions represented .44%, .52%, and .52% of covered payroll, respectively.

2. Accounts Payable

Accounts payable as of June 30, 2013, are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	\$ 177,074	\$ 238,251	\$ 415,325
Other Governmental	<u>424,344</u>	<u>3,143,668</u>	<u>3,568,012</u>
Total governmental activities	<u>\$ 601,418</u>	<u>\$3,381,919</u>	<u>\$3,983,337</u>
Business-type Activities:			
School Food Service	\$ 28,024	\$ 36,718	\$ 64,742
Other Business-type	<u>3,581</u>	<u>19,295</u>	<u>22,876</u>
Total business-type activities	<u>\$ 31,605</u>	<u>\$ 56,013</u>	<u>\$ 87,618</u>

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following elements:

	<u>Unearned Revenue</u>
Pre-payments (Child Care Fund)	\$ 7,012
Pre-payments (School Food Service Fund)	<u>32,869</u>
Total	<u>\$ 39,881</u>

4. Risk Management

The Board 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 Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Board has an annual aggregate limit for general liability of \$2,000,000 and an annual aggregate limit of \$2,000,000 for errors and omissions claims. Statutory workers' compensation coverage is purchased through private insurers. Coverage is provided to the extent employees are paid from Federal or local funds. Workers' Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction. The Board also has a flood insurance policy for Collettsville Elementary School which is considered a flood risk. Coverage limits are \$500,000 for the building and \$255,300 for contents with a \$5,000 deductible for each. Flood insurance is not carried at other school locations because these locations are not considered to be a flood risk.

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

4. Risk Management - (Cont'd)

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G. S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

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

5. Operating Lease

The Board has entered into a lease for a facility with a lease term beginning April 1, 2012 and ending March 31, 2020. The Board may terminate this lease by providing at least 180 days advance written notice to lessor.

Total operating lease expense for this facility totaled \$39,480 for fiscal year ended June 30, 2013.

Future minimum rental payments for this facility as of June 30, 2013 are as follows:

June 30, 2014	\$39,480
June 30, 2015	39,480
June 30, 2016	39,480
June 30, 2017	39,480
June 30, 2018	39,480
June 30, 2019	39,480
June 30, 2020	29,610

6. Contingent Liabilities

At June 30, 2013, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

III. Detail Notes on All Funds - (Cont'd)

B. Liabilities - (Cont'd)

7. Long-Term Obligations

a. Installment Purchase

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Mercedes Benz Financial Services USA LLC at total payments less than the purchase price. In 2013, the Board entered into an installment purchase contract to finance the purchase of seven school buses. This financing contract requires principal only payments of \$138,157 due at the beginning of the contract year.

The future minimum payments of the installment purchases as of June 30, 2013 including \$- 0 - of interest, are as follows:

<u>Year Ending June 30</u>	<u>Governmental</u>	
	<u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 138,153	\$
2015	<u>138,157</u>	<u>0</u>
Principal payments	<u>\$ 276,310</u>	
Total interest payments		<u>\$ 0</u>

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2013:

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>July 1,</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u>	<u>Portion</u>
	<u>2012</u>			<u>2013</u>	
Governmental activities:					
Installment purchases	\$ 175,245	\$ 552,612	\$ 451,567	\$ 276,310	\$ 138,153
Compensated absences	<u>4,953,712</u>	<u>2,985,241</u>	<u>2,443,327</u>	<u>5,495,626</u>	<u>401,526</u>
Total	<u>\$5,128,957</u>	<u>\$3,537,853</u>	<u>\$ 2,894,874</u>	<u>\$5,771,936</u>	<u>\$ 539,679</u>
Business-type activities:					
Compensated absences	<u>\$ 179,635</u>	<u>\$ 213,470</u>	<u>\$ 206,196</u>	<u>\$ 186,909</u>	<u>\$ 38,528</u>

Compensated absences are typically liquidated by the general and other governmental funds.

III. Detail Notes on All Funds - (Cont'd)

C. Interfund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2013, consist of the following:

	<u>Amount</u>
From the General Fund to the Capital Outlay Fund for Capital Outlay	<u>\$ 75,124</u>
From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 50,461</u>

D. Fund Balance

The Board of Education has a revenue spending policy that provides policy programs with multiple revenue sources. The Finance Officer will use resources firstly from revenues restricted as to use and secondly from general unrestricted revenues. For purposes of fund balance classification expenditures are to 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 Board of Education.

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	\$12,841,181
Less:	
Inventories	603,008
Stabilization by State Statute	31,358
Appropriated Fund Balance in 2014 budget	<u>4,485,711</u>
Remaining Fund Balance	<u>\$ 7,721,104</u>

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Board 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

IV. Summary Disclosure of Significant Contingencies - (Cont'd)

Unauthorized Disbursements

During the year ended June 30, 2013, the Board became aware of possible unauthorized, illegitimate and inappropriate disbursements of individual school fund cash. These improprieties are believed to have occurred between November 2010 and March 2013. The total amount of unauthorized disbursements over this period is believed to be approximately \$27,000, not including unauthorized credit card accounts which were believed to be obtained fraudulently in the schools name, in excess of \$20,000 and were ultimately written off by the credit card vendors. The amount of the unauthorized disbursements for the audit year ended June 30, 2013 is believed to be approximately \$7,700. The activities have been referred to law enforcement officials for investigation, which is currently on-going. The Board anticipates the lost funds may be recovered through either insurance or restitution.

V. Subsequent Events

Management has evaluated subsequent events through October 28, 2013, the date on which the financial statements were available to be issued. During the period from the end of the year and through this date, no circumstances occurred that require recognition or disclosure in these financial statements.

VI. Change in Accounting Principles

The Board implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified in Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, or Net Position.

CALDWELL COUNTY BOARD OF EDUCATION
GENERAL FUND
DETAIL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012)

<u>REVENUES</u>	Local Current Expenses			2012 Actual
	2013			
	Budget	Actual	Variances	
State of North Carolina:				
More At Four	\$ 85,140	\$ 85,140	\$ -	\$ 294,528
NC Pre K	212,850	210,721	(2,129)	
Total State of North Carolina	297,990	295,861	(2,129)	294,528
Caldwell County:				
Appropriation	14,450,000	14,450,000	0	14,400,000
Patterson Science Appropriation	35,000	35,000	0	
Forest Service		86,294	86,294	79,863
Total Caldwell County	14,485,000	14,571,294	86,294	14,479,863
United States Government:				
ROTC	145,000	101,318	(43,682)	115,865
Elementary & Secondary School Counseling	456,239	334,798	(121,441)	227,847
Total U.S. Government	601,239	436,116	(165,123)	343,712
Other:				
ABC Revenues	20,000	19,441	(559)	20,880
CCC Reimbursement			0	90,823
Sales Taxes	60,000	65,953	5,953	63,575
Tuition and Fees - Rising Stars	66,749	67,313	564	47,026
Fines and Forfeitures	250,000	265,738	15,738	239,055
Rental of School Property	3,000	10,179	7,179	3,114
Interest Earned on Investments	2,500	7,626	5,126	2,968
Miscellaneous & School Reimbursements	319,701	507,025	187,324	411,597
Indirect Cost Allocations	75,000	76,560	1,560	84,166
Private Grants and Donations	393,833	310,836	(82,997)	253,629
Medicaid Reimbursement	100,000	451,755	351,755	699,232
Insurance Settlements		1,114	1,114	37,046
Total Other	1,290,783	1,783,540	492,757	1,953,111
Fund Balance Appropriated	3,614,385		(3,614,385)	
Total Revenue	20,289,397	17,086,811	(3,202,586)	17,071,214
<u>EXPENDITURES</u>				
INSTRUCTIONAL SERVICES:				
Regular Instructional Services:				
Salaries		2,499,927		2,598,726
Employee Benefits		713,366		698,018
Purchased Services		295,243		316,342
Supplies and Materials		305,989		203,146
Capital Outlay		24,745		
Total Regular Instructional Services	5,653,138	3,839,270	1,813,868	3,816,232

<u>EXPENDITURES</u>	Local Current Expenses			2012 Actual
	Budget	2013 Actual	Variances	
INSTRUCTIONAL SERVICES - (CONT'D):				
Special Population Services:				
Salaries	\$	\$ 64,020	\$	\$ 44,315
Employee Benefits		14,860		9,035
Purchased Services		1,544		
Supplies and Materials		1,551		1,462
Total Special Population Services	141,194	81,975	59,219	54,812
Alternative Programs and Services:				
Salaries		393,892		386,954
Employee Benefits		157,261		145,537
Purchased Services		809		16,706
Supplies and Materials		27,183		17,907
Total Alternative Programs and Services	692,592	579,145	113,447	567,104
School Leadership Services:				
Salaries		1,910,697		956,807
Employee Benefits		622,717		301,600
Purchased Services		42,642		37,629
Supplies and Materials		44,719		44,904
Total School Leadership Services	2,848,552	2,620,775	227,777	1,340,940
Co-Curricular Services:				
Salaries		325,948		314,600
Employee Benefits		65,056		59,637
Purchased Services		85,332		71,293
Total Co-Curricular Services	497,496	476,336	21,160	445,530
School-Based Support Services:				
Salaries		357,332		166,667
Employee Benefits		106,472		56,491
Purchased Services		243,504		256,682
Supplies and Materials		7,500		28,198
Total School-Based Support Services	1,185,152	714,808	470,344	508,038
Total Instructional Services	11,018,124	8,312,309	2,705,815	6,732,656
SYSTEM-WIDE SUPPORT SERVICES:				
Support and Development Services:				
Salaries		245,131		199,321
Employee Benefits		69,869		52,452
Purchased Services		13,670		14,544
Supplies and Materials		7,641		9,940
Total Support and Development Services	384,472	336,311	48,161	276,257
Special Population Support and Development Services:				
Salaries		117,491		70,128
Employee Benefits		24,626		18,490
Purchased Services		65,204		60,000
Total Special Population Support And Development Services	224,750	207,321	17,429	148,618
Alternative Programs and Services:				
Salaries		5,892		5,736
Employee Benefits		1,278		1,191
Purchased Services		9,082		8,082
Supplies and Materials		1,842		2,277
Total Alternative Programs and Services	24,288	18,094	6,194	17,286

<u>EXPENDITURES - (Cont'd):</u>	Local Current Expenses			2012 Actual
	Budget	2013 Actual	Variance	
SYSTEM-WIDE SUPPORT SERVICES - (CONT'D):				
Technology Support Services:				
Salaries	\$	\$ 375,468	\$	\$ 75,281
Employee Benefits		124,329		20,267
Purchased Services		26,089		31,826
Supplies and Materials		163,921		132,883
Total Technology Support Services	711,883	689,807	22,076	260,257
Operational Support Services:				
Salaries		969,499		967,639
Employee Benefits		326,731		342,099
Purchased Services		2,695,720		2,585,237
Supplies and Materials		883,897		842,944
Capital Outlay		37,792		115,656
Total Operational Support Services	5,155,760	4,913,639	242,121	4,853,575
Financial and Human Resource Services:				
Salaries		258,230		111,017
Employee Benefits		271,776		89,376
Purchased Services		383,682		426,799
Supplies and Materials		12,147		12,824
Capital Outlay		6,132		
Total Financial and Human Resource Services	1,219,188	931,967	287,221	640,016
Accountability Services:				
Salaries		142,176		75,662
Employee Benefits		43,241		18,724
Purchased Services		40,383		28,258
Supplies and Materials		22,479		16,644
Total Accountability Services	270,141	248,279	21,862	139,288
System-Wide Pupil Support:				
Salaries		29,829		29,476
Employee Benefits		11,682		11,021
Total System-Wide Pupil Support Services	42,229	41,511	718	40,497
Policy, Leadership and Public Relations Services:				
Salaries		392,554		375,814
Employee Benefits		87,697		72,947
Purchased Services		267,715		242,437
Supplies and Materials		89,611		66,433
Total Policy, Leadership and Public Relations Services	977,657	837,577	140,080	757,631
Total System-Wide Support Services	9,010,368	8,224,506	785,862	7,133,425
ANCILLARY SERVICES:				
Nutrition Services:				
Supplies and Materials		1,299		9,317
Total Nutrition Services	12,500	1,299	11,201	9,317
Total Ancillary Services	12,500	1,299	11,201	9,317
Non-Programmed Charges:				
Payments to Charter Schools		31,684		30,575
Payment to DHHS		133,405		126,289
Total Programmed Charges	168,405	165,089	3,316	156,864
Total Expenditures	20,209,397	16,703,203	3,506,194	14,032,262

EXPENDITURES - (Cont'd):

	Local Current Expenses			2012 Actual
	Budget	2013 Actual	Variances	
Excess of Revenue Over (Under) Expenditures	\$ 80,000	\$ 383,608	\$ 303,608	\$ 3,038,952
OTHER FINANCING SOURCES (USES):				
Transfers (Out)	<u>(80,000)</u>	<u>(75,124)</u>	<u>4,876</u>	<u>(50,863)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	308,484	<u>\$ 308,484</u>	2,988,089
Fund Balance - July 1, 2012		12,662,838		9,705,637
Increase (Decrease) in Reserve for Inventories		<u>(130,141)</u>		<u>(30,888)</u>
Fund Balance - June 30, 2013		<u>\$ 12,841,181</u>		<u>\$ 12,662,838</u>

**CALDWELL COUNTY BOARD OF EDUCATION
STATE PUBLIC SCHOOL FUND
DETAIL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012)**

	2013		2012 Actual
	Budget	Actual	
REVENUES:			
State of North Carolina	\$72,652,315	\$71,151,251	\$ (1,501,064)
Total Revenues	<u>72,652,315</u>	<u>71,151,251</u>	<u>(1,501,064)</u>
EXPENDITURES:			
INSTRUCTIONAL SERVICES:			
Regular Instructional:			
Salaries		32,564,798	31,923,133
Employee Benefits		10,914,409	10,196,948
Purchased Services		399,370	420,268
Supplies and Materials		1,685,831	1,470,909
Total Regular Instructional Services	<u>46,324,148</u>	<u>45,564,408</u>	<u>759,740</u>
Special Populations:			
Salaries		5,640,145	5,280,343
Employee Benefits		1,928,856	1,731,416
Purchased Services		71,275	54,969
Supplies and Materials		34,752	78,430
Total Special Populations Services	<u>7,732,692</u>	<u>7,675,028</u>	<u>57,664</u>
Alternative Programs and Services:			
Salaries		1,938,664	1,882,777
Employee Benefits		660,409	608,887
Purchased Services		38,327	33,829
Supplies and Materials		617,649	154,712
Total Alternative Programs And Services	<u>3,589,162</u>	<u>3,255,049</u>	<u>334,113</u>
School Leadership Services:			
Salaries		2,671,924	2,814,018
Employee Benefits		850,811	818,087
Purchased Services		10,197	3,309
Total School Leadership Services	<u>3,572,510</u>	<u>3,532,932</u>	<u>39,578</u>
School-Based Support Services:			
Salaries		3,612,044	3,487,660
Employee Benefits		1,181,150	1,072,404
Purchased Services		371,811	368,303
Supplies and Materials		10,079	6,612
Total School-Based Support Services	<u>5,234,847</u>	<u>5,175,084</u>	<u>59,763</u>
Total Instructional Services	<u>66,453,359</u>	<u>65,202,501</u>	<u>1,250,858</u>

EXPENDITURES - (Cont'd):

SYSTEM-WIDE SUPPORT SERVICES	2013			2012
	Budget	Actual	Variance	Actual
Support and Development Services:				
Salaries	\$	\$ 190,932	\$	\$ 268,105
Employee Benefits		54,127		72,236
Total Support and Development Services	309,072	245,059	64,013	340,341
Special Population Support and Development Services:				
Salaries		132,199		98,246
Employee Benefits		39,809		30,191
Purchased Services		11,492		7,196
Total Special Population Support And Development Services	184,768	183,500	1,268	135,633
Alternative Programs and Services:				
Salaries		20,970		20,718
Employee Benefits		9,406		9,011
Purchased Services		718		369
Supplies and Materials		55,699		
Total Alternative Programs and Services	86,793	86,793	0	30,098
Technology Support Services:				
Salaries		29,454		282,879
Employee Benefits		14,202		96,848
Purchased Services		21,277		132,613
Supplies and Materials		38,428		38,565
Total Technology Support Services	269,895	103,361	166,534	550,905
Operational Support Services:				
Salaries		2,801,931		2,751,865
Employee Benefits		898,136		814,163
Purchased Services		16,559		18,113
Supplies and Materials		651,146		698,031
Total Operational Support Services	4,374,752	4,367,772	6,980	4,282,171
Financial and Human Resource Services:				
Salaries		271,983		336,751
Employee Benefits		93,274		107,280
Total Financial and Human Resource Services	368,409	365,257	3,152	444,031
Accountability Services:				
Salaries		5,250		49,227
Employee Benefits		2,876		16,632
Total Accountability Services	11,128	8,126	3,002	65,859
Policy, Leadership and Public Relations Services:				
Salaries		428,702		406,902
Employee Benefits		110,737		102,335
Total Policy, Leadership and Public Relations Services:	543,196	539,439	3,757	509,237
Total System-Wide Support Services	6,148,013	5,899,307	248,706	6,358,275

	<u>Budget</u>	<u>2013 Actual</u>	<u>Variance</u>	<u>2012 Actual</u>
NON-PROGRAMMED CHARGES:				
Sales Tax Refund	\$	\$ (1,018)	\$	\$ (1,447)
Total Non-Programmed Charges		(1,018)	1,018	(1,447)
Total Expenditures	72,601,372	71,100,790	1,500,582	68,763,844
Excess of Revenue Over (Under) Expenditures	50,943	50,461	(482)	46,480
OTHER FINANCING SOURCES:				
Transfer to Child Nutrition Fund	(50,943)	(50,461)	482	(46,480)
Fund Balance:				
Beginning of Year	0	0	0	0
End of Year	\$ -	\$ -	\$ -	\$ 0

CALDWELL COUNTY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance	Actual
Revenues:				
State of North Carolina	\$ 2,288,519	\$ 906,671	\$ (1,381,848)	\$ 431,233
Caldwell County	2,280,348	1,974,016	(306,332)	3,516,055
Other	60,000	35,491	(24,509)	25,923
Total Revenues	4,628,867	2,916,178	(1,712,689)	3,973,211
Expenditures:				
Instructional Services Equipment	562,460	510,357	52,103	289,963
System-Wide Support Services Equipment and Vehicles	1,100,398	823,283	277,115	190,891
Capital Outlay Projects - Building and Improvements	3,954,102	1,655,270	2,298,832	3,249,841
Debt Service:				
Principal	1,265,309	451,547	813,762	175,246
Total Expenditures	6,882,269	3,440,457	3,441,812	3,905,941
Excess of Revenues Over (Under) Expenditures	(2,253,402)	(524,279)	1,729,123	67,270
Other Financing Sources (Uses):				
Transfers In		75,124	75,124	50,863
Installment purchase obligations issued	750,000	552,612	(197,388)	
Fund Balance Appropriated	1,503,402		(1,503,402)	
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>103,457</u>	<u>\$ 103,457</u>	<u>118,133</u>
Fund Balance:				
Beginning of Year, July 1, 2012		<u>3,382,490</u>		<u>3,264,357</u>
End of Year, June 30, 2013		<u>\$ 3,485,947</u>		<u>\$ 3,382,490</u>

CALDWELL COUNTY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES IN DETAIL - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>2013 Actual</u>	<u>Variance</u>	<u>2012 Actual</u>
REVENUE				
State of North Carolina:				
Public School Building Capital Fund	\$ 331,358	\$ 122,539	\$ (208,819)	\$ 101,981
Public School Building Capital Fund - Lottery	1,207,161	332,585	(874,576)	154,006
State Appropriations - Buses	750,000	451,547	(298,453)	175,246
Total State Revenues	<u>2,288,519</u>	<u>906,671</u>	<u>(1,381,848)</u>	<u>431,233</u>
Caldwell County:				
Appropriation from general revenues	1,280,348	1,439,239	158,891	1,321,860
Appropriation - Issued Installment Purchase - QSCB	1,000,000	534,777	(465,223)	2,194,195
Total	<u>2,280,348</u>	<u>1,974,016</u>	<u>(306,332)</u>	<u>3,516,055</u>
Other:				
Insurance Proceeds		9,868	9,868	
Sales Tax	28,000		(28,000)	17,721
Interest Earned	20,000	1,501	(18,499)	815
Disposition Capital Assets	12,000	24,122	12,122	7,387
Total	<u>60,000</u>	<u>35,491</u>	<u>(34,377)</u>	<u>25,923</u>
Total Revenues	<u>\$4,628,867</u>	<u>\$2,916,178</u>	<u>\$ (1,722,557)</u>	<u>\$3,973,211</u>

CALDWELL COUNTY BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012)

	<u>Budget</u>	<u>2013 Actual</u>	<u>Variance</u>	<u>2012 Actual</u>
Operating Revenues:				
Food Sales	\$2,155,448	\$2,152,268	\$ (3,180)	\$2,304,577
Operating Expenses:				
Business Support Services:				
Purchase of Food		2,696,278		2,563,113
Salaries and Benefits		3,635,306		3,538,522
Materials and Supplies		256,557		291,148
Repairs and Maintenance		85,230		90,387
Purchased Services		6,599		20,446
Capital Outlay		71,140		236,601
Non-Capitalized Equipment		66,238		136,780
Total Operating Expenses	<u>6,920,271</u>	<u>6,817,348</u>	<u>102,923</u>	<u>6,876,997</u>
Operating (Loss)	<u>(4,764,823)</u>	<u>(4,665,080)</u>	<u>99,743</u>	<u>(4,572,420)</u>
Nonoperating Revenue:				
Federal Reimbursements	4,301,354	4,309,688	8,334	4,116,803
Federal Commodities	429,832	435,315	5,483	349,769
Interest Earned	8,583	1,397	(7,186)	899
Gain (Loss) on Sale of Capital Assets	4,952	4,953	1	183
State Reimbursement	20,102	20,102	0	17,957
Total Nonoperating Revenue	<u>4,764,823</u>	<u>4,771,455</u>	<u>6,632</u>	<u>4,485,611</u>
Excess of Revenues and Other Sources Over Expenditures Before other Financing Sources	-	106,375	106,375	(86,809)
Other Financing Sources:				
Transfer From Other Funds		50,461	50,461	50,461
Excess of Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>\$ 156,836</u>	<u>\$ 156,836</u>	<u>\$ (36,348)</u>
Reconciliation of Modified Accrual to Full Accrual Basis:				
Excess of Revenues and Other Sources Over Expenditures		\$ 156,836		\$ (36,348)
Reconciling Items:				
Depreciation		(142,623)		(151,261)
Indirect cost		(381,777)		(344,873)
Indirect cost not paid		381,777		344,873
Equipment Purchases		71,140		236,601
Increase (Decrease) in Inventory		(14,066)		(62,974)
(Increase) Decrease in Accrued Vacation Pay		<u>(2,595)</u>		<u>(1,116)</u>
Change in net position(full accrual)		<u>\$ 68,692</u>		<u>\$ (15,098)</u>

CALDWELL COUNTY BOARD OF EDUCATION
CHILD CARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012)

	<u>Budget</u>	<u>2013 Actual</u>	<u>Variance</u>	<u>2012 Actual</u>
Operating Revenues:				
Child Care Fees	\$ 1,844,617	\$ 1,308,555	\$ (536,062)	\$ 1,253,632
Operating Expenses:				
Business Support Services:				
Purchase of Food		46,648		53,564
Salaries and Benefits		1,038,797		1,066,033
Materials and Supplies		33,495		23,978
Repairs and Maintenance		65		
Non Capitalized Equipment		10,057		790
Purchased Services		47,755		38,624
Total Operating Expenses	<u>1,844,617</u>	<u>1,176,817</u>	<u>667,800</u>	<u>1,182,989</u>
Operating Income	<u>0</u>	<u>131,738</u>	<u>131,738</u>	<u>70,643</u>
Nonoperating Revenue:				
Interest Earned				
Total Nonoperating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 131,738</u>	<u>\$ 131,738</u>	<u>\$ 70,643</u>
Reconciliation of Modified Accrual to Full Accrual Basis:				
Excess of Revenues and Other Sources Over Expenditures		\$ 131,738		\$ 70,643
Reconciling Items:				
(Increase) Decrease in Accrued Vacation Pay		<u>(4,679)</u>		<u>(583)</u>
Change in net position(full accrual)		<u>\$ 127,059</u>		<u>\$ 70,060</u>

Statistical Section

Caldwell County Board of Education
Statistical Section
June 30, 2013

The statistical section of Caldwell County Board of Education's (the system) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the system's overall financial outlook.

The sub-sections are as follows:

Financial Trends

These tables contain trend information to help the reader understand how the system's financial performance and operations have changed over time. Government-wide data are presented for the past nine fiscal years. Governmental Fund revenue sources and expenditures by function are presented over a ten-year period.

Revenue and Debt Capacity

Since the system has no tax-levying or debt-issuing authority, the County of Caldwell provides significant funding to the schools. Selected fiscal data from the County of Caldwell have been included to help the reader better understand the school system and its financial operations.

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the system's financial activities take place. County information is included.

Operating Information

These tables contain service data to help the reader understand how the information in the system's financial report relates to the services the system provides and the activities it performs.

Sources: Caldwell County Board of Education, North Carolina, Annual Financial Report and County of Caldwell, North Carolina, Annual Financial Report unless otherwise noted

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FINANCIAL TRENDS

Table 1

CALDWELL COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Invested in Capital Assets,										
Net of Related Debt	\$57,485,628	\$57,537,448	\$57,200,782	\$57,354,116	\$56,980,734	\$58,119,239	\$58,819,943	59,397,254	57,117,604	56,561,111
Restricted	4,851,438	4,912,610	4,735,585	1,256,683	1,053,650	1,091,178	1,136,311	1,169,088	2,202,730	2,467,055
Unrestricted	7,314,194	7,606,061	4,739,942	5,962,135	4,878,608	3,293,371	2,007,093	827,781	(1,024,406)	(526,663)
Total Governmental Activities	69,651,260	70,056,119	66,676,309	64,572,934	62,912,992	62,503,788	61,963,347	61,394,123	58,295,928	58,501,503
Business-Type Activities										
Invested in Capital Assets,										
Net of Related Debt	756,862	828,345	743,005	718,839	751,005	838,315	853,642	926,741	917,917	818,499
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,390,931	3,123,697	3,158,056	2,860,134	2,430,659	2,382,922	2,296,150	2,113,529	2,152,225	2,097,876
Total Business-Type Activities	4,147,793	3,952,042	3,901,061	3,578,973	3,181,664	3,221,237	3,149,792	3,040,270	3,070,142	2,916,375
District-Wide										
Invested in Capital Assets,										
Net of Related Debt	58,242,490	58,365,793	57,943,787	58,072,955	57,731,739	58,957,554	59,673,585	60,323,995	58,035,521	57,379,610
Restricted	4,851,438	4,912,610	4,735,585	1,256,683	1,053,650	1,091,178	1,136,311	1,169,088	2,202,730	2,467,055
Unrestricted	10,705,125	10,729,758	7,897,998	8,822,269	7,309,267	5,676,293	4,303,243	2,941,310	1,127,819	1,571,213
Total District-Wide	\$73,799,053	\$74,008,161	\$70,577,370	\$68,151,907	\$66,094,656	\$65,725,025	\$65,113,139	\$64,434,393	\$61,366,070	\$61,417,878

Table 2

CALDWELL COUNTY BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
Instructional Programs	\$ 84,353,606	\$ 82,391,721	\$ 83,788,101	\$ 81,702,318	\$ 85,944,607	\$ 84,903,428	\$ 72,653,300	\$ 68,662,750	\$ 65,126,692	\$ 60,541,093
Support Services	15,157,435	15,213,975	14,958,992	14,412,605	15,308,167	15,286,465	20,996,116	20,304,891	18,991,037	17,915,340
Community Services	-	9,317	13,850	19,216	19,302	29,066	119,096	162,587	405,465	395,453
Interest on Long-Term Debt	-	-	-	-	-	2,587	9,105	15,334	21,243	26,848
Depreciation, Unallocated	1,960,649	2,446,437	2,308,540	2,246,610	2,251,295	2,236,822	2,229,312	2,178,605	2,071,021	2,022,844
Total Governmental Activities Expenses	101,471,690	100,061,450	101,070,483	98,380,749	103,523,371	102,458,368	96,006,929	91,324,167	86,615,458	80,901,578
Business-Type Activities:										
School Food Service	7,287,269	7,200,620	6,978,426	6,910,897	7,118,768	6,985,339	6,769,482	6,713,234	6,300,952	5,889,253
Child Care	1,181,496	1,183,572	1,162,270	1,170,291	1,269,288	1,401,504	1,408,179	1,547,086	1,447,963	1,310,744
Total Business-Type Activities Expenses	8,468,765	8,384,192	8,140,696	8,081,188	8,388,056	8,386,843	8,177,641	8,260,300	7,748,915	7,199,997
Total District-Wide Expenses	\$ 109,940,455	\$ 108,445,642	\$ 109,211,179	\$ 106,461,937	\$ 111,911,427	\$ 110,845,211	\$ 104,184,570	\$ 99,584,467	\$ 94,364,373	\$ 88,101,575
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instructional Programs	837,764	775,265	713,090	750,908	782,017	738,340	766,836	770,710	811,496	935,904
Support Services	10,179	3,114	5,997	2,338	3,097	2,617	105,706	25,910	34,862	20,317
Operating Grants and Contributions	75,997,322	77,055,973	79,035,486	76,081,874	80,322,202	79,992,871	74,868,570	70,969,240	66,821,581	63,423,544
Capital Grants and Contributions	35,104	198,439	837,047	680,304	40,618	4,012	12,525	15,317	88,425	192,320
Total Governmental Activities Program Revenues	76,880,369	78,032,791	80,591,620	77,525,424	81,147,934	80,737,640	75,753,637	71,781,177	67,736,364	64,572,085
Business-Type Activities:										
Charges for Services:										
School Food Service	2,152,268	2,304,577	2,442,563	2,584,028	2,848,182	3,003,042	3,073,626	3,180,897	3,172,787	3,175,799
Child Care	1,308,555	1,253,632	1,179,913	1,206,477	1,299,561	1,374,618	1,318,276	1,260,529	1,367,453	1,228,967
Operating Grants and Contributions:										
School Food Service	5,146,882	4,829,402	4,791,617	4,614,561	4,149,559	3,891,431	3,672,036	3,523,781	3,194,920	2,970,240
Child Care	4,953	-	-	-	-	105,060	114,395	170,239	171,408	154,505
Capital Grants and Contributions	8,612,658	8,397,611	8,414,093	8,405,066	8,297,302	8,374,151	8,178,333	8,139,028	7,906,568	7,529,511
Total Business-Type Activities Program Revenues	85,499,027	88,420,402	89,005,713	85,930,480	89,445,236	89,111,791	83,931,970	79,920,203	75,642,932	72,101,596
Total District-Wide Program Revenues										
Net (Expense)/Revenue										
Governmental Activities	\$ (24,591,321)	\$ (22,028,659)	\$ (20,478,863)	\$ (20,855,325)	\$ (22,375,437)	\$ (21,720,728)	\$ (20,253,292)	\$ (19,542,990)	\$ (18,879,094)	\$ (16,329,493)
Business-Type Activities	143,893	3,419	273,397	323,878	(90,754)	(12,692)	692	(121,274)	157,653	329,514
Total District-Wide Net (Expense)/Revenue	\$ (24,447,428)	\$ (22,025,240)	\$ (20,205,466)	\$ (20,531,447)	\$ (22,466,191)	\$ (21,733,420)	\$ (20,252,600)	\$ (19,664,260)	\$ (18,721,441)	\$ (15,999,979)

Table 2
(cont'd)

CALDWELL COUNTY BOARD OF EDUCATION
Changes in Net Position (Continued)
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fiscal Year Ended June 30,										
Net (Expense)/Revenue										
Governmental Activities:										
Business-Type Activities:										
Total District-Wide Net (Expense)/Revenue	<u>(24,447,428)</u>	<u>(22,026,240)</u>	<u>(20,205,466)</u>	<u>(20,531,447)</u>	<u>(22,466,191)</u>	<u>(21,733,420)</u>	<u>(20,252,800)</u>	<u>(19,664,264)</u>	<u>(18,721,441)</u>	<u>(15,999,979)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Unrestricted County Appropriations - Operating	14,485,000	14,400,000	14,446,200	14,300,000	14,100,000	13,799,727	12,699,727	12,489,978	12,160,978	11,816,978
Unrestricted County Appropriations - Capital	1,974,016	3,516,055	1,286,812	1,923,423	2,254,872	2,265,345	2,885,107	6,266,941	3,364,450	1,737,440
Unrestricted State Appropriations - Operating	5,347,151	5,418,666	4,925,826	4,407,948	3,136,587	3,070,543	2,784,799	1,972,529	1,654,205	1,375,398
Unrestricted State Appropriations - Capital	906,671	277,227	437,213	415,193	1,179,771	1,142,785	1,079,810	295,897	350,257	397,380
Unrestricted Federal Appropriations - Operating	-	292,559	-	-	-	-	-	-	-	-
Unrestricted Federal Appropriations - Capital	-	-	-	-	7,603	-	14,979	-	24,187	-
Investment Earnings, Unrestricted	22,328	19,969	29,510	46,440	96,916	266,800	294,691	261,027	117,080	30,073
Miscellaneous, Unrestricted	1,501,757	1,530,473	1,502,030	1,489,886	2,043,313	1,756,036	1,301,772	1,392,884	1,408,706	1,658,104
Transfers	(50,461)	(46,480)	(45,353)	(67,623)	(36,421)	(40,067)	(38,369)	(38,071)	-	-
Total Governmental Activities	<u>24,186,462</u>	<u>25,408,469</u>	<u>22,582,238</u>	<u>22,515,267</u>	<u>22,784,641</u>	<u>22,261,169</u>	<u>20,822,516</u>	<u>22,641,185</u>	<u>19,079,863</u>	<u>17,015,373</u>
Business-Type Activities										
Unrestricted State Appropriations - Operating	1,397	899	3,338	5,808	14,760	44,070	70,461	53,331	30,573	6,675
Investment Earnings, Unrestricted	-	183	-	-	-	-	-	-	-	-
Miscellaneous, Unrestricted	-	-	-	-	-	-	-	-	-	-
Transfers	50,461	46,480	45,353	67,623	36,421	40,067	38,369	38,071	-	-
Total Business-Type Activities	<u>51,858</u>	<u>47,562</u>	<u>48,691</u>	<u>73,431</u>	<u>51,181</u>	<u>84,137</u>	<u>108,830</u>	<u>91,402</u>	<u>30,573</u>	<u>6,675</u>
Total District-Wide	<u>\$ 24,238,320</u>	<u>\$ 25,456,031</u>	<u>\$ 22,630,929</u>	<u>\$ 22,588,698</u>	<u>\$ 22,835,822</u>	<u>\$ 22,345,306</u>	<u>\$ 20,931,346</u>	<u>\$ 22,732,587</u>	<u>\$ 19,110,436</u>	<u>\$ 17,022,048</u>
Change in Net Position										
Governmental Activities	(404,859)	3,379,810	2,103,375	1,659,942	409,204	540,441	569,224	3,098,195	200,769	685,880
Business-type Activities	195,751	50,961	322,068	397,309	(39,573)	71,445	109,522	(29,872)	188,226	336,189
Total District-Wide	<u>(209,108)</u>	<u>3,430,771</u>	<u>2,425,463</u>	<u>2,057,251</u>	<u>369,631</u>	<u>611,886</u>	<u>678,746</u>	<u>3,068,323</u>	<u>388,995</u>	<u>1,022,069</u>

CALDWELL COUNTY BOARD OF EDUCATION
Fund Balances
Governmental Funds
Last Ten Fiscal Years

Table 3

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
General Fund					
Nonspendable	\$ 603,008	\$ 733,149	\$ 764,037	\$ 688,291	\$ 597,590
Restricted	31,358	103,065	115,788	112,868	202,345
Committed	-	-	-	-	-
Assigned	4,485,711	3,446,806	1,952,800	1,752,022	2,128,709
Unassigned	7,721,104	8,379,818	6,873,012	4,266,281	2,098,465
Total General Fund	<u>\$ 12,841,181</u>	<u>\$ 12,662,838</u>	<u>\$ 9,705,637</u>	<u>\$ 6,819,462</u>	<u>\$ 5,027,109</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,831,142	3,479,211	3,271,881	1,347,362	1,273,685
Committed	-	-	-	-	-
Assigned	1,988,938	1,330,334	1,347,916	2,096,039	1,194,548
Unassigned	-	-	-	1,693,811	3,208,088
Total All Other Governmental Funds	<u>\$ 4,820,080</u>	<u>\$ 4,809,545</u>	<u>\$ 4,619,797</u>	<u>\$ 5,137,212</u>	<u>\$ 5,676,321</u>
Fiscal Year Ended June 30,					
	2008	2007	2006	2005	2004
General Fund					
Nonspendable	\$ 547,075	\$ 553,360	\$ 544,557	\$ 562,389	\$ 490,512
Restricted	97,735	163,764	139,024	107,767	130,248
Committed	-	-	-	-	-
Assigned	662,688	518,662	905,818	1,330,000	886,774
Unassigned	2,274,973	1,183,358	549,994	603,856	1,163,036
Total General Fund	<u>\$ 3,582,471</u>	<u>\$ 2,419,144</u>	<u>\$ 2,139,393</u>	<u>\$ 2,604,012</u>	<u>\$ 2,670,570</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,488,649	1,741,759	1,226,150	1,387,093	1,542,826
Committed	-	-	-	-	-
Assigned	1,619,892	1,272,570	260,000	200,000	255,735
Unassigned	2,282,480	2,005,029	2,400,021	615,637	668,494
Total All Other Governmental Funds	<u>\$ 5,391,021</u>	<u>\$ 5,019,358</u>	<u>\$ 3,886,171</u>	<u>\$ 2,202,730</u>	<u>\$ 2,467,055</u>

CALDWELL COUNTY BOARD OF EDUCATION
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years

Table 4

Fiscal Year Ended June 30,	2013	2012	2011	2010	2009
Revenues					
State of North Carolina	\$ 72,353,783	\$ 69,536,085	\$ 68,312,439	\$ 68,473,301	\$ 74,766,647
Caldwell County	16,545,310	17,995,918	15,722,734	16,311,436	16,441,906
U.S. Government	7,356,720	10,770,347	13,836,835	10,683,964	7,558,824
Other	4,877,254	5,269,556	5,497,124	4,816,880	5,263,296
Total Revenues	101,133,067	103,571,906	103,369,132	100,285,581	104,030,673
Expenditures					
Instructional Programs	76,986,111	75,705,802	76,929,110	75,276,677	79,437,319
Support Services	19,209,687	19,110,777	18,939,789	18,453,793	18,278,233
Community Services	1,679,944	1,625,069	1,693,817	1,462,553	1,355,646
Debt Service - Principal	451,547	175,246	437,213	415,193	932,330
Debt Service - Interest	-	-	-	-	-
Capital Outlay	2,988,910	3,730,695	3,569,200	3,610,013	3,434,916
Total Expenditures	101,316,199	100,347,589	101,569,129	99,218,229	103,438,444
Revenues Over (Under) Expenditures	(183,132)	3,224,317	1,800,003	1,067,352	592,229
Other Financing Sources (Uses)					
Installment Purchase Obligations Issued	552,612	-	538,365	162,614	1,123,615
Transfers In (Out)	(50,461)	(46,480)	(45,353)	(67,623)	(36,421)
Net Change in Fund Balances	\$ 319,019	\$ 3,177,837	\$ 2,293,015	\$ 1,162,343	\$ 1,679,423
Debt Service as a percentage of Non-Capital Expenditures	0.46%	0.18%	0.45%	0.43%	0.93%
Fiscal Year Ended June 30,					
	2008	2007	2006	2005	2004
Revenues					
State of North Carolina	\$ 74,643,259	\$ 69,480,490	\$ 63,942,617	\$ 60,498,340	\$ 58,173,533
Caldwell County	16,065,072	15,384,834	18,756,919	15,525,428	13,554,418
U.S. Government	7,479,826	7,185,544	7,174,513	6,023,681	5,200,273
Other	4,976,686	4,658,879	4,675,481	4,809,000	4,527,639
Total Revenues	103,164,843	96,709,747	94,549,530	86,856,449	81,455,863
Expenditures					
Instructional Programs	78,377,082	72,523,660	68,423,257	65,180,666	60,517,435
Support Services	18,457,236	19,495,729	18,797,614	17,570,667	16,783,571
Community Services	1,382,775	230,177	249,950	486,867	442,688
Debt Service - Principal	541,702	596,537	301,490	192,280	103,411
Debt Service - Interest	2,590	9,105	15,334	21,243	26,848
Capital Outlay	2,887,544	3,278,486	5,797,065	4,057,278	2,356,289
Total Expenditures	101,648,929	96,133,694	93,584,710	87,509,001	80,230,242
Revenues Over (Under) Expenditures	1,515,914	576,053	964,820	(652,552)	1,225,621
Other Financing Sources (Uses)					
Installment Purchase Obligations Issued	65,429	866,450	309,905	249,792	-
Transfers In (Out)	(40,067)	(38,369)	(38,071)	-	-
Net Change in Fund Balances	\$ 1,541,276	\$ 1,404,134	\$ 1,236,654	\$ (402,760)	\$ 1,225,621
Debt Service as a percentage of Non-Capital Expenditures	0.55%	0.65%	0.36%	0.26%	0.17%

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REVENUE AND DEBT CAPACITY

CALDWELL COUNTY BOARD OF EDUCATION
General Governmental Revenues by Source
Last Ten Fiscal Years

Table 5

Fiscal Year Ended June 30,	State of North Carolina	Caldwell County	U. S. Government	Other	TOTAL
2013	\$72,353,783	\$16,545,310	\$ 7,356,720	\$4,877,254	\$ 101,133,067
2012	69,536,085	17,995,918	10,770,347	5,269,556	103,571,906
2011	68,312,439	15,722,734	13,836,835	5,497,124	103,369,132
2010	68,473,301	16,311,436	10,683,964	4,816,880	100,285,581
2009	74,766,647	16,441,906	7,558,824	5,263,296	104,030,673
2008	74,643,259	16,065,072	7,479,826	4,976,686	103,164,843
2007	69,480,490	15,384,834	7,185,544	4,658,879	96,709,747
2006	63,942,617	18,756,919	7,174,513	4,675,481	94,549,530
2005	60,498,340	15,525,428	6,023,681	4,809,000	86,856,449
2004	58,173,533	13,554,418	5,200,273	4,527,639	81,455,863

CALDWELL COUNTY BOARD OF EDUCATION
General Governmental Expenditures by Function
Per Pupil and in Total
Last Ten Fiscal Years

Table 6

Fiscal Year Ended June 30,	Average Daily Membership	Instructional Programs	Support Services	Capital Outlay	Community Services	Other	Per Pupil/ Total
		\$ 6,298	\$ 1,571	\$ 245	\$ 137	\$ 37	\$ 8,288
2013	12,224	\$76,986,111	\$19,209,687	\$2,988,910	\$1,679,944	\$451,547	\$ 101,316,199
		6,138	1,550	317	132	-	8,137
2012	12,333	75,705,802	19,110,777	3,905,941	1,625,069	-	100,347,589
		6,127	1,509	319	135	-	8,090
2011	12,555	76,929,110	18,939,789	4,006,413	1,693,817	-	101,569,129
		5,938	1,456	317	115	-	7,826
2010	12,678	75,276,677	18,453,793	4,025,206	1,462,553	-	99,218,229
		6,158	1,417	339	105	-	8,019
2009	12,899	79,437,319	18,278,233	4,367,246	1,355,646	-	103,438,444
		6,041	1,423	256	107	8	7,836
2008	12,974	78,377,082	18,457,236	3,323,283	1,382,775	108,553	101,648,929
		5,574	1,499	289	18	10	7,389
2007	13,010	72,523,660	19,495,729	3,753,869	230,177	130,259	96,133,694
		5,295	1,455	463	19	10	7,243
2006	12,922	68,423,257	18,797,614	5,983,631	249,950	130,258	93,584,710
		5,072	1,367	322	38	10	6,809
2005	12,850	65,180,666	17,570,667	4,140,542	486,867	130,259	87,509,001
		4,748	1,317	185	35	10	6,295
2004	12,746	60,517,435	16,783,571	2,356,289	442,688	130,259	80,230,242

CALDWELL COUNTY BOARD OF EDUCATION
Capital Projects Fund
Expenditures by Function
Last Ten Fiscal Years

Table 7

Fiscal Year Ended June 30,	Instructional Services Equipment	Support Services Equipment & Vehicles	Ancillary Services Projects	Building and Site Improvements	Debt Service	Total
2013	\$ 510,357	\$ 823,283	\$ -	\$ 1,655,270	\$ 451,547	\$ 3,440,457
2012	289,963	190,891	-	3,249,841	175,246	3,905,941
2011	517,828	710,775	-	2,340,597	437,213	4,006,413
2010	517,539	241,426	-	2,851,048	415,193	4,025,206
2009	921,114	1,270,026	12,661	1,231,115	932,330	4,367,246
2008	896,896	103,760	*	1,886,888	435,739	3,323,283
2007	816,134	943,181	*	1,519,171	475,383	3,753,869
2006	822,832	312,769	*	4,661,464	186,566	5,983,631
2005	937,700	505,505	*	2,614,073	83,264	4,140,542
2004	726,474	103,753	*	1,526,062	-	2,356,289

Note: Equipment was not segregated by function prior to 2009

CALDWELL COUNTY BOARD OF EDUCATION
School Food Service
Expenditures by Function
Last Ten Fiscal Years

Table 8

Fiscal Year Ended June 30,	Food Purchases	Donated Commodities	Salaries and Benefits	Indirect Costs	Materials and Supplies	Other	Total
2013	\$2,260,963	\$ 435,315	\$3,637,901	\$ 381,777	\$ 270,623	\$ 300,690	\$ 7,287,269
2012	2,276,318	349,769	3,539,638	344,873	291,148	398,874	7,200,620
2011	2,112,716	454,674	3,470,972	374,014	257,324	308,726	6,978,426
2010	2,079,046	450,626	3,397,779	366,032	270,484	346,930	6,910,897
2009	2,307,736	389,959	3,585,149	320,746	273,154	242,024	7,118,768
2008	2,153,000	373,298	3,540,401	311,784	336,779	270,077	6,985,339
2007	2,169,521	300,567	3,374,215	341,510	343,699	239,950	6,769,462
2006	2,155,191	289,477	3,132,948	379,621	506,839	249,158	6,713,234
2005	2,110,161	271,129	2,891,668	367,356	393,287	267,351	6,300,952
2004	1,893,114	349,859	2,811,824	324,902	240,236	269,318	5,889,253

CALDWELL COUNTY BOARD OF EDUCATION
School Food Service
Revenues by Source
Last Ten Fiscal Years

Table 9

Fiscal Year Ended June 30,	Food Sales	Federal Reimburse- ments	Federal Commodities	Other	Total
2013	\$ 2,152,268	\$ 4,309,688	\$ 435,315	\$ 408,229	\$ 7,305,500
2012	2,304,577	4,116,803	349,769	363,912	7,135,061
2011	2,442,563	3,948,997	454,674	391,104	7,237,338
2010	2,584,028	3,780,832	450,626	388,296	7,203,782
2009	2,848,182	3,419,369	389,959	352,895	7,010,405
2008	3,003,042	3,189,474	373,298	370,049	6,935,863
2007	3,073,626	3,013,739	300,567	425,697	6,813,629
2006	3,180,897	2,837,090	289,477	450,797	6,758,261
2005	3,172,787	2,538,456	271,129	413,319	6,395,691
2004	3,175,799	2,259,099	349,859	367,648	6,152,405

CALDWELL COUNTY BOARD OF EDUCATION
Child Care
Expenditures by Function
Last Ten Fiscal Years

Table 10

Fiscal Year Ended June 30,	Salaries and Benefits	Food Purchases	Other	Total
2013	\$ 1,043,476	\$ 46,648	\$ 91,372	\$ 1,181,496
2012	1,066,616	53,564	63,392	1,183,572
2011	1,044,557	58,017	59,696	1,162,270
2010	1,050,172	55,062	65,057	1,170,291
2009	1,141,910	62,616	64,762	1,269,288
2008	1,126,281	88,888	186,335	1,401,504
2007	1,168,786	71,486	167,907	1,408,179
2006	1,215,523	94,906	236,637	1,547,066
2005	1,047,441	91,255	309,267	1,447,963
2004	967,237	88,757	254,750	1,310,744

CALDWELL COUNTY BOARD OF EDUCATION
Child Care
Revenues by Source
Last Ten Fiscal Years

Table 11

Fiscal Year Ended June 30,	Child Care Fees	Federal Reimbursements	Other	Total
2013	\$1,308,555	\$ -	\$ -	\$ 1,308,555
2012	1,253,632	-	-	1,253,632
2011	1,179,913	-	180	1,180,093
2010	1,206,477	-	615	1,207,092
2009	1,299,561	-	2,096	1,301,657
2008	1,374,618	-	107,740	1,482,358
2007	1,318,276	1,437	115,452	1,435,165
2006	1,260,529	42,500	131,067	1,434,096
2005	1,367,453	42,570	131,427	1,541,450
2004	1,228,967	31,548	123,266	1,383,781

CALDWELL COUNTY
Assessed Value of Taxable Property
Last Ten Fiscal Years

Table 12

Fiscal Year ended June 30,	Real Property			Personal Property	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Other			
2013	\$ 3,414,325,936	\$ 920,237,105	\$ 167,839,261	\$ 1,172,319,060	\$5,674,721,362	0.6299
2012	3,426,480,303	902,868,206	148,757,743	1,062,451,120	5,540,557,372	0.6599
2011	3,323,782,084	1,107,927,362	151,108,254	888,755,661	5,471,573,361	0.6599
2010	3,311,783,748	1,103,927,916	151,108,254	809,946,209	5,376,766,127	0.6599
2009	3,250,248,000	941,736,910	151,108,254	1,172,276,042	5,515,369,206	0.6599
2008	3,279,688,059	931,385,820	166,791,893	831,528,408	5,209,394,180	0.6599
2007	3,372,003,068	714,617,100	-	1,029,338,400	5,115,958,568	0.5399
2006	N/A	N/A	4,011,837,607	1,043,271,835	5,055,109,442	0.5399
2005	2,657,286,000	601,943,000	162,455,219	870,502,000	4,292,186,219	0.5399
2004	2,599,927,000	608,283,000	164,201,374	888,221,000	4,260,632,374	0.5839

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

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

Table 13

	Taxes payable in the fiscal year ended June 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
CALDWELL COUNTY										
General	0.6299	0.6599	0.6599	0.6599	0.6599	0.6599	0.5399	0.5399	0.5399	0.5839
CITY										
City of Lenoir	0.5600	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5000	0.5000
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
SPECIAL DISTRICTS										
Lenoir Special District	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
TOWNS										
Hudson	0.3700	0.3700	0.3700	0.3700	0.3500	0.3500	0.3500	0.3300	0.3300	0.3300
Granite Falls	0.4400	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4400
Rhodhiss	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Blowing Rock	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2950	0.2950
Sawmills	0.2000	0.2000	0.2000	0.2000	0.1500	0.1500	0.1500	0.1500	0.1000	0.1000
VILLAGES										
Cedar Rock	0.1500	0.1500	0.1500	0.1500	0.1500	0.1000	0.1000	0.1000	0.1000	0.1000
RESCUE SERVICES	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0071	0.0071
FIRE DISTRICTS	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0300	0.0300
	to	to	to	to	to	to	to	to	to	to
	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

CALDWELL COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 14

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 35,746,118	\$ 33,287,789	93.12%	\$ -	\$ 33,287,789	93.12%
2012	36,566,382	33,789,866	92.41%	1,289,314	35,079,180	95.93%
2011	35,009,037	33,528,749	95.77%	1,779,162	35,307,911	100.85%
2010	35,997,030	33,406,179	92.80%	2,190,403	35,596,582	98.89%
2009	36,421,115	33,940,247	93.19%	1,821,390	35,761,637	98.19%
2008	34,510,433	32,289,220	93.56%	1,756,935	34,046,155	98.65%
2007	27,654,595	26,224,463	94.83%	1,278,486	27,502,949	99.45%
2006	27,418,976	25,997,284	94.81%	1,310,881	27,308,165	99.60%
2005	25,124,558	23,802,590	94.74%	1,247,783	25,050,373	99.70%
2004	24,985,656	23,649,465	94.65%	1,273,769	24,923,234	99.75%

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

CALDWELL COUNTY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 15

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			
2013	\$2,445,000	\$ -	\$33,335,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$35,780,074	n/a	\$430.48
2012	3,945,000	-	35,964,568	-	-	-	-	-	39,909,568	n/a	479.82
2011	5,485,000	-	38,759,815	-	-	-	1,444,683	-	45,689,498	n/a	570.98
2010	7,090,000	-	43,825,627	112,113	-	-	1,606,775	-	52,634,515	n/a	657.77
2009	8,660,077	-	43,912,135	155,366	29,923	-	2,005,525	-	54,763,026	n/a	707.66
2008	10,238,325	-	45,993,498	-	96,675	-	2,378,310	-	58,706,808	n/a	737.58
2007	11,753,389	-	46,904,879	-	536,611	-	2,779,745	-	61,974,624	n/a	781.54
2006	13,367,034	-	12,915,570	-	857,970	-	3,171,029	-	30,311,603	n/a	385.90
2005	14,998,374	-	13,598,220	-	1,166,626	-	2,781,495	-	32,544,715	n/a	412.92
2004	16,617,417	-	7,049,752	-	1,467,585	-	3,114,435	-	28,249,189	n/a	361.09

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

CALDWELL COUNTY
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 16

Fiscal Year	General Obligation Bonds	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita	Population
2013	\$ 2,445,000	0.16%	0.04%	\$ 29.42	83,117
2012	3,945,000	0.24%	0.07%	47.43	83,176
2011	5,485,000	0.32%	0.10%	68.55	80,020
2010	7,090,000	0.43%	0.13%	88.60	80,020
2009	8,660,077	n/a	0.16%	111.91	77,386
2008	10,238,325	n/a	0.20%	128.63	79,594
2007	11,753,389	n/a	0.23%	148.22	79,298
2006	13,367,034	n/a	0.26%	170.18	78,548
2005	14,998,374	n/a	0.35%	190.30	78,816
2004	16,617,417	0.82%	0.00%	212.41	78,234

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

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

Table 17

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
Caldwell County	\$2,445,000	100.00%	\$2,445,000
Underlying			
City of Lenoir	-	25.00%	0
Overlapping			
City of Hickory	-	1.93%	0
Totals	\$2,445,000		\$2,445,000

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013
Note: Applicable percentage is determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

CALDWELL COUNTY
Legal Debt Margin Information
Last Ten Fiscal Years

Table 18

Fiscal Year ended June 30,	2013	2012	2011	2010	2009
Assessed Value of Property	\$5,674,721,362	\$5,540,557,372	\$5,389,529,112	\$5,377,766,127	\$5,515,369,206
Debt Limit 8% of Assessed Value (statutory limitation)	453,977,709	443,244,590	431,162,329	430,221,290	441,229,536
Amount of Debt Applicable to Limit	0	0	0	0	0
Net Debt					
Bonds and Installment Purchase Contracts	35,780,074	39,909,568	45,689,498	52,634,496	54,763,025
Legal Debt Margin	418,197,635	403,335,022	385,472,831	377,586,794	386,466,511
Total net debt applicable to the limit as a percentage of debt limit	7.88%	9.00%	10.60%	12.23%	12.41%
Fiscal Year ended June 30,	2008	2007	2006	2005	2004
Assessed Value of Property	\$5,209,394,180	\$5,115,958,568	\$5,055,109,442	\$4,292,186,000	\$4,260,632,000
Debt Limit 8% of Assessed Value (statutory limitation)	416,751,534	409,276,685	404,408,755	343,374,880	340,850,560
Amount of Debt Applicable to Limit	0	0	0	0	0
Net Debt					
Bonds and Installment Purchase Contracts	56,231,823	61,317,651	32,282,602	33,101,907	23,667,169
Legal Debt Margin	360,519,711	347,959,034	372,126,153	310,272,973	317,183,391
Total net debt applicable to the limit as a percentage of debt limit	13.49%	14.98%	7.98%	9.64%	6.94%

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

DEMOGRAPHIC AND ECONOMIC
INFORMATION

CALDWELL COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Table 19

Taxpayer	Fiscal Year ended June 30, 2013			Fiscal Year ended June 30, 2004		
	Assessed Value	Rank	% of	Assessed Value	Rank	% of
			Total County Assessed Value			Total County Assessed Value
Google	\$163,942,083	1	2.89%			
Tapaha Dynamics	\$119,774,300	2	2.11%			
MDI/Merchant Distributors Inc.	117,089,265	3	2.06%	\$72,990,287	2	2.08%
Duke Energy	62,950,036	4	1.11%	54,070,877	3	1.54%
Blue Ridge Electric Membership	52,606,371	5	0.93%	32,473,072	5	0.92%
Wal Mart	31,283,434	6	0.55%			
Bernhardt Industires	27,284,172	7	0.48%	37,009,796	4	1.05%
Broyhill Industries	21,446,261	8	0.38%	79,848,973	1	2.27%
Neptco	21,226,467	9	0.37%	22,113,485	8	0.63%
Kincaid Furniture	19,449,618	10	0.34%	29,989,235	6	0.85%
BellSouth				27,601,975	7	0.78%
Shuford Mills				18,827,082	9	0.54%
Nacco/Yale				18,307,020	10	0.52%

Sources: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal years ended June 30, 2013 and June 30, 2004

CALDWELL COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 20

Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Median Age	Public School Enrollment	Private School Enrollment	Unemployment Rate
2013	83,117	\$ 1,549,301	\$ 18,640	42.0	12,333	400	10.00%
2012	83,176	1,610,454	19,362	42.0	12,555	400	13.20%
2011	83,209	1,765,445	21,217	42.0	12,452	400	13.30%
2010	80,020	1,656,654	20,703	40.0	12,888	400	12.70%
2009	77,386	2,107,995	27,240	n/a	12,741	400	15.60%
2008	79,594	2,366,568	29,733	n/a	12,817	400	7.50%
2007	79,298	2,244,213	28,301	n/a	12,872	395	7.50%
2006	78,548	2,161,641	27,520	n/a	12,850	411	7.20%
2005	78,816	2,113,372	26,814	39.1	12,872	440	13.10%
2004	78,234	2,030,016	25,948	38.9	12,612	425	8.40%

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013

CALDWELL COUNTY BOARD OF EDUCATION
Principal Employers
Current Year and Nine Years Ago

Table 21

Employer	Fiscal Year ended June 30, 2013			Fiscal Year ended June 30, 2004		
	Employees	Rank	Total County Employment	Employees	Rank	Total County Employment
Caldwell County Schools	1000+	1	33,923	1000+	2	36,994
Merchant Distributors Inc.	1000+	2	33,923	1000+	4	36,994
Bernhardt Furniture, Inc.	500-999	3	33,923	1000+	3	36,994
Caldwell Memorial Hospital	500-999	4	33,923	500-999	5	36,994
Caldwell Community College	500-999	5	33,923	500-999	6	36,994
Wal Mart Associates, Inc.	500-999	6	33,923			
Caldwell County	500-999	7	33,923	500-999	8	36,994
Broyhill Furniture Industries, Inc.	500-999	8	33,923	1000+	1	36,994
Thomasville Furniture Industries, Inc.	250-499	9	33,923	250-499	9	36,994
Fairfield Chair Company	250-499	10	33,923	250-499	10	36,994
Kincaid Furniture Co., Inc.				500-999	7	36,994

Source: County of Caldwell, North Carolina Comprehensive Annual Financial Report for fiscal year ended June 30, 2013
 NC Department of Commerce, Employment Security Commission

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OPERATING INFORMATION

CALDWELL COUNTY BOARD OF EDUCATION

Table 22

**Full-Time Employees by Function
Last Ten Fiscal Years**

Position	Fiscal Year Ended June 30,				
	2013	2012	2011	2010	2009
Officials, Adm., Mgrs.	25	26	29	28	30
Principals	26	26	26	26	27
Asst. Principals, Teaching	0	0	0	0	0
Asst. Principals, Non-Teach.	18	16	19	21	22
Elementary Teachers	401	404	422	447	483
Secondary Teachers	197	196	201	206	229
Other Teachers	221	225	242	236	251
Guidance	37	36	39	35	37
Psychological	6	3	4	3	5
Librarian, Audiovisual	19	18	20	20	21
Consultant, Supervisor	0	0	0	1	1
Other Professionals	74	73	78	64	63
Teacher Assistants	282	281	310	347	388
Technicians	7	7	8	8	8
Clerical, Secretarial	85	85	88	89	89
Service Workers	124	135	159	158	186
Skilled Crafts	22	20	19	20	18
Laborers, Unskilled	0	1	1	1	1
Total	1,544	1,552	1,665	1,710	1,859

Position	Fiscal Year Ended June 30,				
	2008	2007	2006	2005	2004
Officials, Adm., Mgrs.	22	23	23	25	24
Principals	24	26	24	23	25
Asst. Principals, Teaching	0	0	0	0	0
Asst. Principals, Non-Teach.	19	17	17	17	17
Elementary Teachers	460	456	451	452	433
Secondary Teachers	193	180	165	165	141
Other Teachers	243	257	265	264	272
Guidance	36	38	33	32	35
Psychological	4	5	7	5	5
Librarian, Audiovisual	22	22	24	25	24
Consultant, Supervisor	4	4	3	2	2
Other Professionals	53	56	37	27	20
Teacher Assistants	326	333	328	306	296
Technicians	10	9	7	7	5
Clerical, Secretarial	88	87	88	86	84
Service Workers	178	186	184	185	216
Skilled Crafts	20	20	21	14	15
Laborers, Unskilled	1	0	0	1	1
Total	1,703	1,719	1,677	1,636	1,615

Source: NC Department of Public Instruction Statistical Profile

CALDWELL COUNTY BOARD OF EDUCATION
Operating Statistics
Last Ten Fiscal Years

Table 23

Fiscal Year Ended June 30,	Average Daily Membership	Percentage Increase in ADM	Operating Expenditures (excl. Capital)	Cost Per Pupil	Percentage Change	Schools	Graduating Class
2013	12,224	-0.88%	\$ 98,327,289	8,044	1.96%	26	865
2012	12,333	-1.77%	96,441,648	7,820	-1.15%	26	885
2011	12,555	-0.97%	97,562,716	7,771	2.49%	26	908
2010	12,678	-1.71%	95,193,023	7,509	-3.91%	26	773
2009	12,899	-0.58%	99,071,198	7,681	0.76%	26	769
2008	12,974	-0.28%	98,325,646	7,579	6.44%	26	767
2007	13,010	0.68%	92,379,825	7,101	5.46%	26	736
2006	12,922	0.56%	87,601,079	6,779	5.08%	25	760
2005	12,850	0.82%	83,368,459	6,488	7.06%	25	680
2004	12,746	1.14%	77,873,953	6,110	1.12%	25	622

CALDWELL COUNTY BOARD OF EDUCATION
Teachers' Salaries
Last Ten Fiscal Years

Table 24

Fiscal Year Ended June 30,	Minimum	Maximum	Average
2013	\$ 30,800	\$ 65,520	\$ 40,390
2012	30,430	55,910	37,030
2011	30,430	55,910	37,105
2010	30,430	55,910	37,295
2009	30,430	55,910	37,407
2008	29,750	55,910	37,355
2007	28,510	55,910	36,780
2006	26,260	55,910	36,840
2005	25,420	55,910	37,447
2004	25,250	58,440	35,126

Notes: Does not include longevity, supplements, or stipends.

Source: Caldwell County Schools' payroll data system

CALDWELL COUNTY BOARD OF EDUCATION
Capital Asset Information
Last Eight Fiscal Years

Table 25

School Buildings	2013	2012	2011	2010	2009	2008	2007	2006
<u>Elementary & K8 Schools</u>								
Number	16	16	16	16	16	16	16	16
Square Feet	962,636	962,636	962,636	962,636	962,636	962,636	962,636	962,636
Acres	309	309	309	309	309	309	309	309
Portables/Mobiles	8	8	8	8	8	8	8	n/a
Enrollment	5,884	5,930	6,013	6,227	6,508	6,571	6,594	6,502
<u>Middle Schools</u>								
Number	4	4	4	4	4	4	4	4
Square Feet	358,356	358,356	358,356	358,356	358,356	358,356	358,356	358,356
Acres	145	145	145	145	145	145	145	145
Portables/Mobiles	8	8	8	8	8	8	9	n/a
Enrollment	2,497	2,610	2,637	2,612	2,553	2,562	2,573	2,647
<u>High Schools</u>								
Number	6	6	6	6	6	6	4	4
Square Feet	677,843	677,843	677,843	677,843	677,843	677,843	677,843	646,924
Acres	213	213	213	213	213	213	213	207
Portables/Mobiles	9	9	8	8	8	8	8	n/a
Enrollment	3,952	3,685	3,788	3,759	3,332	3,470	3,729	3,773
<u>Support Facilities</u>								
Number	3	3	3	3	3	3	3	3
Square Feet	63,783	63,783	63,783	63,783	63,783	63,783	60,783	60,783
Acres	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Portables/Mobiles	0	0	0	0	0	0	0	0

Note: Elementary school information includes the alternative elementary school. High school information includes the alternative high school.

Caldwell County Schools began compiling this data in 2006.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Education
Caldwell County Board of Education
Lenoir, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell County Board of Education, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprises the Caldwell County Board of Education's basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

Management of the Caldwell County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Caldwell County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

Caldwell County Board of Education
Lenoir, North Carolina

significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompany schedule of findings and questioned costs that we consider to be a significant deficiency (2013-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caldwell County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance that we have reported to management of the Caldwell County Board of Education, in a separate letter dated October 28, 2013.

Caldwell County Board of Education's Response to Findings

The Board's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board's response and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of management, others within the entity, members of the Board of Education, and Federal and State awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.



Boggs, Crump & Brown, P.A.
Certified Public Accountants

October 28, 2013
Morganton, North Carolina

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Independent Auditor's Report

To the Board of Education
Caldwell County Board of Education
Lenoir, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Caldwell County Board of Education, North Carolina, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Caldwell County Board of Education's major federal programs for the year ended June 30, 2013. Caldwell County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Caldwell County Board of Education's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Caldwell County Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Caldwell County Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the Caldwell County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Caldwell County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Caldwell County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Caldwell County Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Boggs, Crump & Brown, P.A.
Certified Public Accountants

October 28, 2013
Morganton, North Carolina

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Independent Auditor's Report

To the Board of Education
Caldwell County Board of Education
Lenoir, North Carolina

Report on Compliance for Each Major State Program

We have audited Caldwell County Board of Education, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Caldwell County Board of Education's major State programs for the year ended June 30, 2013. The Caldwell County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Caldwell County Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Caldwell County Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Caldwell County Board of Education's compliance.

Caldwell County Board of Education
Lenoir, North Carolina

Opinion on Each Major State Program

In our opinion, the Caldwell County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of section OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item (2013-2). Our opinion on each major state program is not modified with respect to these matters.

The Caldwell County Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Caldwell County Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Caldwell County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Caldwell County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine

the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Caldwell County Board of Education
Lenoir, North Carolina

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item(2013-2).

The Board's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Boggs, Crump & Brown, P.A.
Certified Public Accountants

October 28, 2013
Morganton, North Carolina

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II. Financial Statement Findings:

Cause: It appears that an individual school employee, who was knowledgeable and familiar with the school system's internal accounting and oversight safeguards and protections and because of this knowledge, was able to perform these alleged actions, minimizing the risk of detection.

Recommendation: We recommend more training for those approving and monitoring bank reconciliations at individual schools. The internal control system design is appropriate if operationally the approval and monitoring activities include comparing check register and cancelled checks for payee and amount.

Management Response: The Board management agrees with the finding and recommendation. In addition, the Board management presently has an internal audit function for individual schools and audits a minimum of 12 schools annually.

Section III. Federal Awards Findings and Questioned Costs:

None

Section IV. State Awards Findings and Questioned Costs:

2013-2 Criteria: (Internal Control & Immaterial Noncompliance) Management should have a system in place to ensure that state program reports are submitted timely and in accordance with program requirements.

Condition: The Public School Building Capital Fund program requires that project reports be submitted to the grantor within 60 days of the completion date. The Board failed to submit final reports for three projects within 60 days of the project completion dates.

Effect: Financial information was submitted to the grantor in an untimely manner.

Cause: Procedures are in place for approval of reporting but the reports were not filed timely.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section IV. State Awards Findings and Questioned Costs:

Recommendation: Management should adopt policies and procedures requiring supervisors to review reports and submission requirements.

Response: The Board's Management agrees with the finding and recommendation.

**CALDWELL COUNTY BOARD OF EDUCATION
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

II. Financial Statement Findings:

Finding: 2013-1

Name of contact person: Karla Miller, Finance Director

Corrective Action: The finance officer will provide more training for those approving and monitoring bank reconciliations which will include comparing check register and cancelled checks for payee and amount.

Proposed Completion Date: Immediately

III. Financial Awards Findings and Questioned Costs:

None

IV. State Awards Findings and Questioned Costs:

Finding: 2013-2

Name of contact person: Jeff Church, Assistant Superintendent

Corrective Action: Management will adopt policies and procedures requiring supervisors to review reports and submission requirements.

Proposed Completion Date: July 31, 2013

**CALDWELL COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Finding:	10-01 -	"Accounts Receivable - USDA" was not reconciled to detail records on a monthly basis
Status:	Corrected	
Finding:	10-02 -	Same as 2010-01
Status:	Corrected	
Finding:	10-03 -	Child Nutrition program acquired equipment with ARRA funds which were bid in compliance with state law but not placed on IPS which was not in compliance with ARRA directive #3 requirement as to utilizing the state wide Interactive Purchasing System (IPS).
Status:	Corrected	
Finding:	10-04 -	One teaching position was filled and paid with IDEA VI B - ARRA funds but not posted with the local employment security commission office which was a requirement of ARRA directive #3.
Status:	Corrected	
Finding:	12-01	Budget overexpenditure in Capital Outlay Fund.
Status:	Corrected	
Finding:	12-02	Late payroll tax deposits.
Status:	Corrected	
Finding:	12-03	Soft drinks were sold during lunch period in violation of NC General Statute 115-264 as it relates to the National School Lunch and Breakfast Program.
Status:	Corrected	

CALDWELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal - State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL GRANTS:			
<u>U.S. Department of Defense</u>			
<u>Direct Program</u>			
ROTC	12.000	\$ 101,318	
Total U.S. Department of Defense		<u>101,318</u>	
<u>U.S. Department of Education</u>			
Cash Assistance			
Passed thru N.C. Department of Public Instruction:			
Title I, Part A Cluster:			
Title I - Educationally Deprived	84.010A	2,982,073	
Title I - Reward School Mini-Grant	84.010A	<u>8,503</u>	
Total Title I, Part A Cluster		<u>2,990,576</u>	
School Improvement Grants Cluster:			
School Improvement Grant 1003(g)	84.377A	922	
Title I - School Improvement	84.010A	<u>55,793</u>	
Total School Improvement Grants Cluster		<u>56,715</u>	
Special Education Cluster:			
IDEA - Handicapped	84.027	2,801,003	
IDEA - Pre-School Grant	84.173	106,732	
IDEA - Special Needs Targeted Assistance	84.027A	28,580	
IDEA - Pre-School	84.173A	<u>166</u>	
Total Special Education Cluster		<u>2,936,481</u>	
Title IV Part A - Safe and Drug Free Schools and Community Act			
	84.186	323	
Career and Technical Education - Basic Grants to States			
	84.048	162,634	
Improving Teacher Quality	84.367	418,738	
Language Acquisition	84.229	24,456	
Education Technology State Grants Cluster			
ARRA - Education Technology State Grants	84.386	<u>2,318</u>	
Special Education State Improvement			
ARRA - Race To The Top	84.323A	8,717	
ARRA - Race To The Top	84.395	236,194	
ARRA - Education Jobs Fund	84.41	28,781	
Direct Programs			
Elementary & Secondary School Counseling	84.215E	<u>334,798</u>	
Total U.S. Department of Education		<u>7,200,731</u>	
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities)			
Passed-through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	<u>435,315</u>	

CALDWELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal - State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL GRANTS (CONT'D):			
<u>U.S. Department of Agriculture - (Cont'd)</u>			
Cash Assistance			
Passed-through the N.C. Department of Public Instruction:			
School Breakfast Program	10.553	\$ 1,025,152	
National School Lunch Program	10.555	3,160,996	
Fresh Fruit and Vegetable Program	10.582	35,920	
Summer Food Service Program for Children	10.559	87,620	
		4,309,688	
Total Cash Assistance		4,309,688	
		4,745,003	
Total Child Nutrition Cluster		4,745,003	
		4,745,003	
Total U.S. Department of Agriculture		4,745,003	
 <u>U.S. Department Health and Human Services</u>			
Passed thru N.C. Department of Public Instruction:			
Abstinence Education	93.235	54,671	
		54,671	
Total Federal Assistance Programs		\$12,101,723	
 STATE GRANTS:			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund			\$ 67,327,790
Vocational Education - Months of Employment			3,451,762
Driver Training			206,863
State Technology Fund			120,279
Breakfast Program Reduced Price			20,102
 <u>N.C. Department of Health and Human Resources</u>			
Division of Child Development:			
More at Four Pre-Kindergarten Program			295,861
 <u>Office of the Governor</u>			
Passed thru Caldwell County:			
Public School Building Capital Fund			122,539
Public School Building Capital Fund - Lottery			332,585
 Non-Cash Assistance			
<u>N.C. Department of Public Instruction:</u>			
School Buses Appropriation			451,547
Textbooks			44,557
			496,104
Total State Assistance Programs			\$ 72,373,885

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of the Caldwell County board of Education and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

CALDWELL COUNTY BOARD OF EDUCATION
 GASB 34 CALCULATION OF MAJOR FUNDS
 FISCAL YEAR ENDED JUNE 30, 2013

<u>Type of Fund</u>	<u>Assets</u>	<u>Computes</u> <u>"X" if Meets</u>		<u>Liabilities</u>	<u>Computes</u> <u>"X" if Meets</u>	
		<u>10%</u> <u>Rule</u>	<u>5%</u> <u>Rule</u>		<u>10%</u> <u>Rule</u>	<u>5%</u> <u>Rule</u>
General Fund	\$13,256,506	x	x	\$ 415,325	x	x
Special Revenue Funds:						
State Public School Fund	2,926,067	x	x	2,926,067	x	x
Federal Grants Fund	217,601			217,601		x
Individual Schools	1,334,133		x	0		
Capital Projects Funds:						
Capital Outlay Fund	<u>3,910,291</u>	x	x	<u>424,344</u>	x	x
Total Government Funds	<u>\$21,644,598</u>			<u>\$ 3,983,337</u>		
10% of Total Governmental Funds	<u>\$ 2,164,460</u>			<u>\$ 398,334</u>		
Enterprise Funds:						
Child Nutrition Fund	\$ 3,863,427	x	x	\$ 226,890	x	x
Child Care	<u>598,774</u>	x		<u>87,518</u>	x	
Total Enterprise Funds	<u>\$ 4,462,201</u>			<u>\$ 314,408</u>		
10% of Total Enterprise Funds	<u>\$ 446,220</u>			<u>\$ 31,441</u>		
Total Governmental and Enterprise Funds	<u>\$26,106,799</u>			<u>\$ 4,297,745</u>		
5% of Total Governmental and Enterprise Funds	<u>\$ 1,305,340</u>			<u>\$ 214,887</u>		

Revenue	Computes "X" if Meets		Expenditures/ Expenses	Computes "X" if Meets		Computes "MAJOR" if Fund is Major If a "Category" Has an "X" in Both Columns, Then Fund is a Major Fund
	10% Rule	5% Rule		10% Rule	5% Rule	
\$ 17,086,811	x	x	\$ 16,703,203	x	x	Always major
71,151,251	x	x	71,100,790	x	x	Major
6,920,604		x	6,920,604		x	Major - Discretion of Auditee
3,058,223			3,151,145			Major - Discretion of Auditee
<u>2,916,178</u>			<u>3,440,457</u>			Major
<u>\$101,133,067</u>			<u>\$101,316,199</u>			
<u>\$ 10,113,307</u>			<u>\$ 10,131,620</u>			
\$ 7,305,500	x	x	\$ 7,287,269	x	x	Major
1,308,555	x		1,181,496	x		Major - Discretion of Auditee
<u>\$ 8,614,055</u>			<u>\$ 8,468,765</u>			
<u>\$ 861,406</u>			<u>\$ 846,877</u>			
<u>\$109,747,122</u>			<u>\$109,784,964</u>			
<u>\$ 5,487,356</u>			<u>\$ 5,489,248</u>			

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