

CALDWELL COUNTY BOARD OF EDUCATION

LENOIR, NORTH CAROLINA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2021**

**CALDWELL COUNTY
BOARD OF EDUCATION
LENOIR, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

PREPARED BY

**CALDWELL COUNTY SCHOOLS
FINANCIAL SERVICES DEPARTMENT**

CALDWELL COUNTY BOARD OF EDUCATION

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CALDWELL COUNTY BOARD OF EDUCATION

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Introductory Section



LETTER OF TRANSMITTAL

December 22, 2021

To the 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, 2021, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and Chief 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 presentation of the comprehensive annual financial report has four sections: introductory, financial, statistical, and compliance.

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.

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 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 requires 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).

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-third largest system in North Carolina out of one hundred fifteen. The system includes eleven elementary, three 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 school systems building ages, as well as enrollment, are listed under the operating information in detail. The system employees over one thousand five hundred full-time employees and has a student population of ten thousand seven hundred and ninety. There are approximately eight hundred certified teachers, of which one hundred and sixty-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 82,029. 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 due to a faction in the state legislature that 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 and it was rejected on December 5, 1840. It was reintroduced and passed by the casting vote of the Speaker, Robert B. Gilliam on December 14, 1840. 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 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. The County has not fully recovered from the loss of manufacturing jobs but is appearing to do so in the coming years.

The local economy has started improving. Caldwell County has the lowest unemployment rate in over 10 years. Several retail establishments have opened and more are planning to open in the coming year. 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. Caldwell County Schools has over 70 school/business partnerships which enhance the opportunity for schools and businesses to work together. Volunteers also offer 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 nine 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 that provides childcare from 6:00 am 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.

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 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 Applied Science Academy offers a strong academic foundation with an emphasis on advanced college and technical coursework. The vision of CASA is to become a national model for blended technical and academic education.

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 holds 22.56% of the nation's teachers certified by the National Board of Professional Teaching Standards. This is more than any other state in the nation. Currently, 16% of Caldwell County Schools' teaching staff is NBPTS certified.

Long Term Financial Planning

Caldwell County Schools Board of Education currently holds a work session each month to guide our school system in long-range financial planning, share information on short and long range planning and collaborate district needs. This includes each board member, the superintendent, and the executive cabinet members. Financial planning and direction are given to the superintendent and chief finance officer 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 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 chief finance officer. 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.

Fiscal Management Standards Policy

In recognition of the trust and responsibility placed with the Caldwell County Board of Education to manage financial resources for the local educational program, the Board establishes the following standards.

1. The Board and all employees of the school system will manage and use available funds efficiently and effectively to meet the goals of the local and State Board.
2. Effective accounting, financial reporting, and management control systems will be designed, maintained, and periodically reviewed to (a) enable the Board and school system to have access to accurate, reliable, and relevant data; (b) provide assurance that school system obligations are paid in a timely manner and that accounts are not overspent; (c) provide assurance that funds and records are safeguarded at all times; and (d) permit audits and periodic reports adequate to show that those in charge have handled funds within legal requirements and in accordance with Board policy. An encumbrance accounting system shall be utilized for funds entrusted to the Board.
3. The Superintendent and Finance Officer shall keep the Board sufficiently informed regarding the budget through periodic financial statements showing the financial condition of the school system, other period reports, and any other appropriate means so that the Board can deliberate upon and evaluate the budget.
4. No moneys will be expended, regardless of the source (including moneys derived from federal, state, local or private sources), except in accordance with the Board's budget resolution or amendments to the budget resolution. The Superintendent is authorized to transfer moneys from one appropriation to another within the same fund, subject to such limitations and procedures as may be prescribed by Board resolution or state or federal law or regulation. Any such transfers must be reported to the Board at its next regular meeting and recorded in the minutes.
5. All receipts and disbursements shall be accounted for according to generally accepted accounting principles for governmental entities.
6. Each employee responsible for handling school system funds or funds of individual schools shall comply with all applicable state and federal laws and regulations, Board policies, administrative procedures, and any applicable procedures, requirements, or guidelines established by the finance officer.
7. Principals and school improvement teams shall be familiar with state and local Board requirements related to managing and using fiscal resources and shall comply with these requirements in developing and implementing school improvement plans.

Legal References: [G.S. 115C-105.25](#), [-425](#), [-433](#)

This policy was adopted on May 13, 2013, and revised June 11, 2018.

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 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 Planning Session consists of a monthly meeting and provides updates of financial topics to all board members.

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 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 recent 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 Anderson, Smith and Wike, PLLC, 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, 2020. This was the eighteenth 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.

Acknowledgments

The preparation of this report would not have been possible without the dedication and support of the financial services department. We would like to thank all financial services staff for ensuring that Caldwell County Schools receives a satisfactory audit report. We would also like to thank the Board's independent accounting firm, Anderson, Smith and Wike, PLLC, for their assistance.

Additionally, we would like to express our appreciation and thanks to the Board of Education for their continuing support and guidance in conducting the financial affairs of the school system.

Respectfully Submitted,



Dr. Donald W. Phipps
Superintendent



David C. Johnson
Chief Finance Officer



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, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Caldwell County Schools

**for its Comprehensive Annual Financial Report
(CAFR) for the Fiscal Year Ended June 30, 2020.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



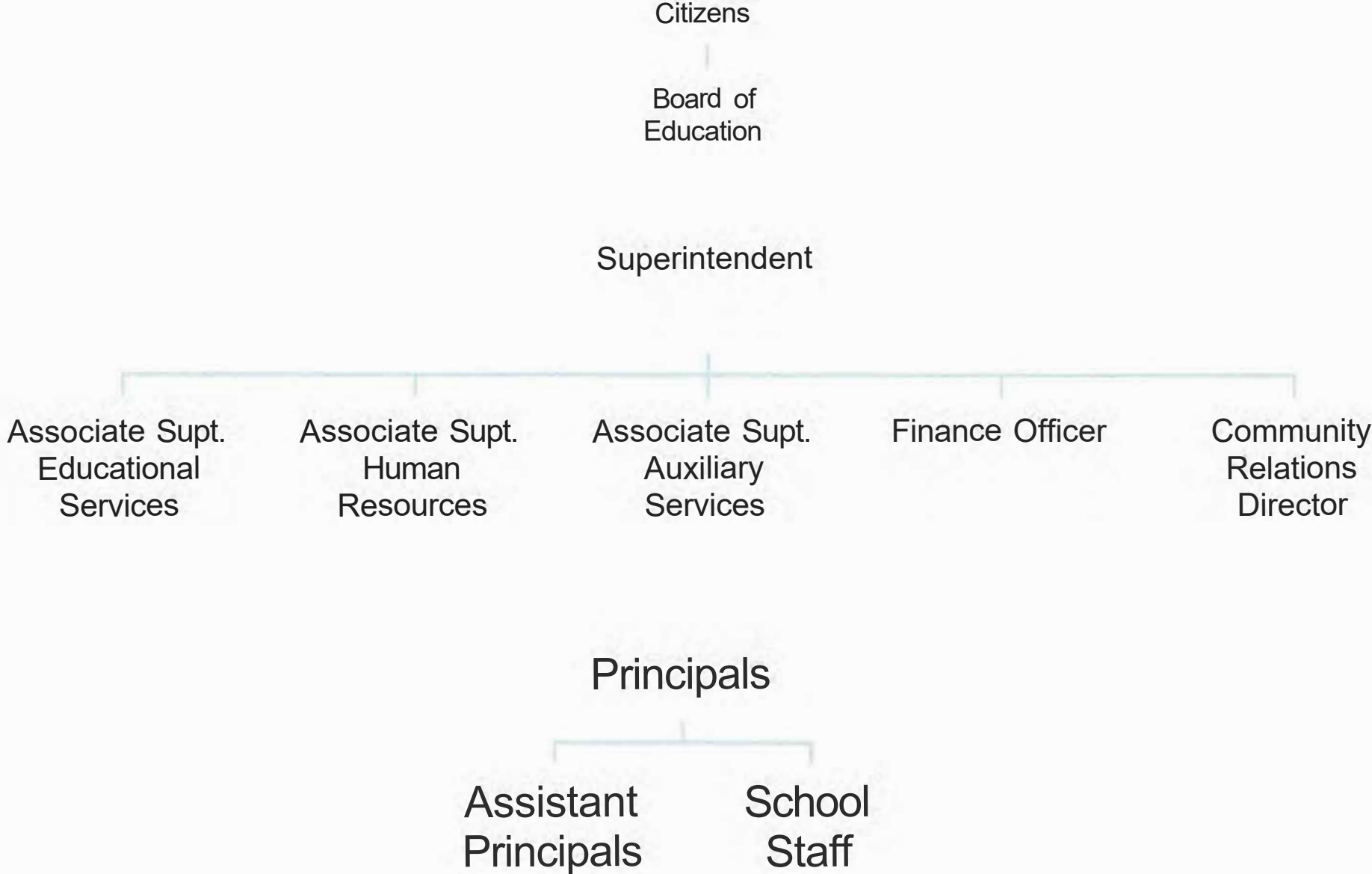
A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

**Caldwell County Board of Education
Organizational Chart**



**CALDWELL COUNTY
BOARD OF EDUCATION
LENOIR, NORTH CAROLINA**

JULY 1, 2020 – JUNE 30, 2021

SCHOOL BOARD MEMBERS

**DARRELL PENNELL, CHAIRMAN
TERESA BRANCH, VICE CHAIRMAN
CHRIS BUMGARNER
ANN EDWARDS
DUANE KNIGHT
JOE SIMS**

PRINCIPAL OFFICERS

**DR. DONALD W. PHIPPS, SUPERINTENDENT
DR. RALPH W. GRIFFIN, ASSISTANT SUPERINTENDENT
DR. KATRINA McELLEN, ASSISTANT SUPERINTENDENT
DR. JEFFERY R. CHURCH, ASSOCIATE SUPERINTENDENT
DAVID C. JOHNSON, FINANCE OFFICER
LIBBY BROWN, COMMUNITY RELATIONS DIRECTOR**



Financial Section



INDEPENDENT AUDITORS' REPORT

Caldwell County Board of Education
Lenoir, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell County Board of Education, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board'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 the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' 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 auditors' 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 as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, and the Federal Grants 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 4 through 12 and the Schedule of Proportionate Share of the Net Pension and OPEB Liabilities and the Schedule of Board Contributions on pages 53 through 58, respectively, 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 individual fund budgetary schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 individual fund budgetary 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 individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021, on our consideration of Caldwell County 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 effectiveness of Caldwell County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Caldwell County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

September 24, 2021
Statesville, North Carolina
(704) 562-5039

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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, 2021. 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 158 students (1.4%) from the previous year.
- At the close of the fiscal year, the Board's governmental funds reported a combined fund balance of \$18 million, an increase of \$2.4 million from the prior year.
- At the close of the fiscal year, the Board's General Fund reported a fund balance of \$12.3 million, an increase of \$2.4 million from the prior year.
- The Board continues to navigate through these uncertain times due to COVID-19.

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 Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents budgetary statements for certain governmental funds and budgetary statements for the 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 type of statement included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental 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.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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 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 Caldwell County's (the "County") 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 a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants fund.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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 the reader determine whether there are more or fewer financial resources that can be spent in the coming year 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 Fund, 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 fund: 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 Schools as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$94,662,786 as of June 30, 2021. A significant component of net position is net investment in capital assets of \$72,848,634.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Following is a summary of the Statement of Net Position:

Table 1						
Condensed Statement of Net Position						
As of June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current assets	\$ 25,335,869	\$ 25,006,118	\$ 6,483,590	\$ 5,974,394	\$ 31,819,459	\$ 30,980,512
Capital assets	78,855,962	72,830,131	503,947	540,354	79,359,909	73,370,485
Total assets	<u>104,191,831</u>	<u>97,836,249</u>	<u>6,987,537</u>	<u>6,514,748</u>	<u>111,179,368</u>	<u>104,350,997</u>
Deferred outflow s of resources	<u>30,230,563</u>	<u>30,774,856</u>	<u>1,026,706</u>	<u>1,094,160</u>	<u>31,257,269</u>	<u>31,869,016</u>
Current liabilities	7,130,256	9,355,779	160,550	312,198	7,290,806	9,667,977
Long-term liabilities	<u>163,319,287</u>	<u>177,719,791</u>	<u>5,222,273</u>	<u>5,979,155</u>	<u>168,541,560</u>	<u>183,698,946</u>
Total liabilities	<u>170,449,543</u>	<u>187,075,570</u>	<u>5,382,823</u>	<u>6,291,353</u>	<u>175,832,366</u>	<u>193,366,923</u>
Deferred inflow s of resources	<u>59,254,618</u>	<u>52,196,115</u>	<u>2,012,439</u>	<u>1,855,763</u>	<u>61,267,057</u>	<u>54,051,878</u>
Net investment in						
capital assets	72,344,687	66,111,617	503,947	540,354	72,848,634	66,651,971
Restricted net position	5,873,649	8,872,636	5,971	5,760	5,879,620	8,878,396
Unrestricted net position	<u>(173,500,103)</u>	<u>(185,644,833)</u>	<u>109,063</u>	<u>(1,084,322)</u>	<u>(173,391,040)</u>	<u>(186,729,155)</u>
Total net position	<u>\$ (95,281,767)</u>	<u>\$ (110,660,580)</u>	<u>\$ 618,981</u>	<u>\$ (538,208)</u>	<u>\$ (94,662,786)</u>	<u>\$ (111,198,788)</u>

Note that net position of governmental activities increased during the year, indicating an improvement in the financial condition of the Board. The increase is primarily due to a decrease in the Board's proportionate share of the net OPEB liability during the year. Also note that the Board carries capital assets for which Caldwell County carries the offsetting debt.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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						
For the Fiscal Years Ended June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 23,984	\$ 49,340	\$ 1,009,681	\$ 2,122,603	\$ 1,033,665	\$ 2,171,943
Operating grants and contributions	87,771,640	84,478,950	6,983,612	6,388,470	94,755,252	90,867,420
Capital grants and contributions	229,375	367,677	-	-	229,375	367,677
General revenues:						
County	16,844,657	19,676,583	-	-	16,844,657	19,676,583
State	9,894,588	6,573,785	-	-	9,894,588	6,573,785
Other	7,263,013	7,479,406	2,123	5,415	7,265,136	7,484,821
Total revenues	<u>122,027,257</u>	<u>118,625,741</u>	<u>7,995,416</u>	<u>8,516,488</u>	<u>130,022,673</u>	<u>127,142,229</u>
Expenses:						
Governmental activities:						
Instructional services	89,833,177	99,186,387	-	-	89,833,177	99,186,387
System-wide support	16,090,089	16,420,402	-	-	16,090,089	16,420,402
Ancillary services	179,483	102,114	-	-	179,483	102,114
Non-programmed charges	80,047	107,594	-	-	80,047	107,594
Interest expense	203,639	211,266	-	-	203,639	211,266
Depreciation	217,008	203,547	-	-	217,008	203,547
Business-type activities:	<u>-</u>	<u>-</u>	<u>6,883,228</u>	<u>7,540,089</u>	<u>6,883,228</u>	<u>7,540,089</u>
Total expenses	<u>106,603,443</u>	<u>116,231,310</u>	<u>6,883,228</u>	<u>7,540,089</u>	<u>113,486,671</u>	<u>123,771,399</u>
Increase (decrease) in						
net position before transfer	15,423,814	2,394,431	1,112,188	976,399	16,536,002	3,370,830
Transfers	(45,001)	(49,537)	45,001	49,537	-	-
Increase (decrease) in						
net position	15,378,813	2,344,894	1,157,189	1,025,936	16,536,002	3,370,830
Beginning net position						
	(110,660,580)	(113,005,474)	(538,208)	(1,564,144)	(111,198,788)	(114,569,618)
Ending net position	<u>\$ (95,281,767)</u>	<u>\$ (110,660,580)</u>	<u>\$ 618,981</u>	<u>\$ (538,208)</u>	<u>\$ (94,662,786)</u>	<u>\$ (111,198,788)</u>

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Total governmental activities generated revenues of \$122 million while expenses in this category totaled \$106.6 million for the year ended June 30, 2021. Comparatively, revenues were \$118.6 million and expenses totaled \$116.2 for the year ended June 30, 2020. Governmental activities transferred \$45,001 to the business-type activities in 2021 and transferred \$49,537 in 2020. The increase in net position stands at \$15.4 million at June 30, 2021, compared to an increase of \$2.3 million in 2020. Instructional services comprised 84.3% of total governmental-type expenses while system-wide support services made up 15.1% of those expenses for 2021. County funding comprised 14% of total governmental revenue in the current year. In 2020, county funding was 17%. Much of the remaining 86% of total governmental revenue for 2021 consists of restricted State and federal money. Business-type activities generated revenue of \$8 million and had expenses of \$6.9 million in 2021, as compared to revenue of \$8.5 million and expenses of \$7.5 million in 2020. Net position, after transfers, increased in the business-type activities by approximately \$1.2 million in 2021 as compared to an increase of approximately \$1.0 million during 2020.

Financial Analysis of the Board's Funds

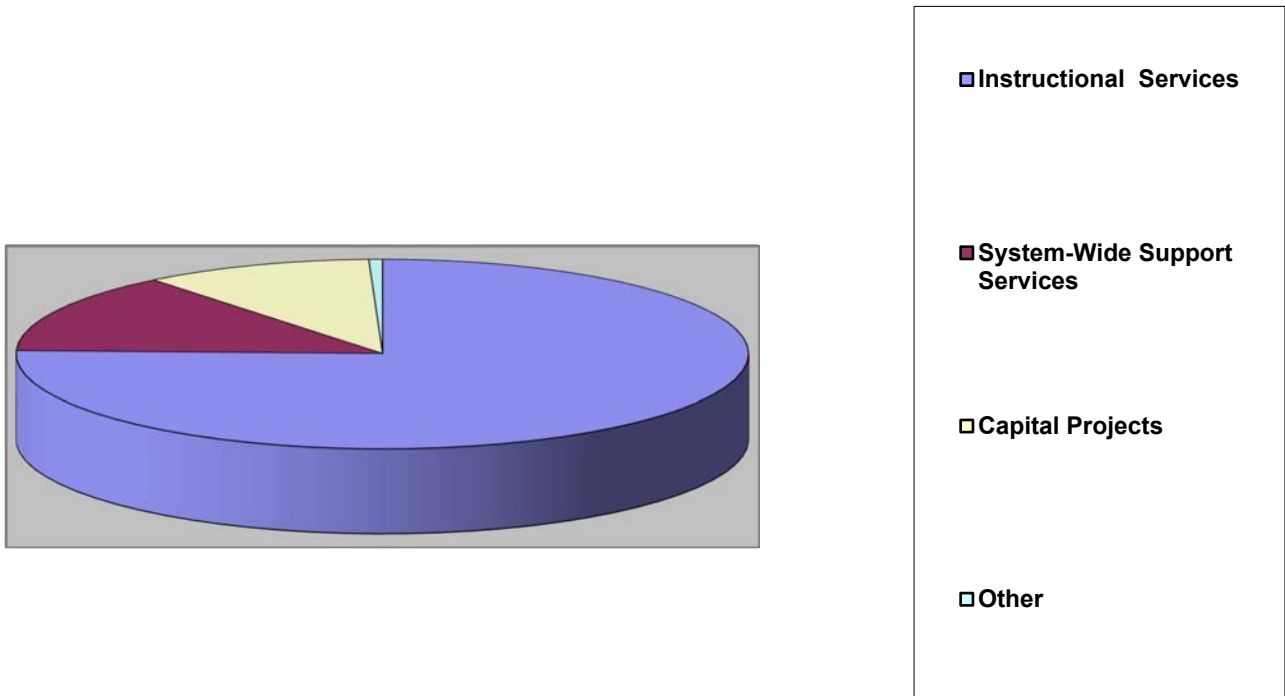
Governmental Funds: The focus of Caldwell County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$18 million, an increase of \$2.5 million from the prior year. The Board's General Fund reported an approximate \$5.5 million increase in fund balance. The Capital Outlay Fund reported a decrease in fund balance of about \$3.1 million while the Individual School Fund had an increase in fund balance of \$60,000. The General Fund increase in fund balance is primarily due to increased revenues from certain grants, indirect cost revenue received from the Board's business type funds, and cost savings from the district's implementation of remote learning or a combination of traditional and remote learning for some students in response to the COVID 19 pandemic. The Capital Outlay Fund decrease in fund balance is mostly from capital expenditures related to the district's guaranteed energy contract.

Proprietary Funds: The Board's business-type funds showed a combined increase in net position of \$1.2 million in 2021 as compared to a combined increase of \$1.0 million in 2020. The School Food Service Fund reported an increase in net position of \$1.5 million while the Child Care Fund reported a decrease in net position of \$370,000 in 2021.

The following chart summarizes expenditures by category.

Categorization of Expenditures for Governmental Funds



Expenditures are presented on the modified accrual basis of accounting.

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 to change appropriations in light of the adjusted revenue estimates. None of these adjustments to the budget during the year were significant with the exception of budget amendments for the Federal Grants Fund. The budget for the Federal Grants Fund was increased by about \$34.6 million because of anticipated COVID 19 ESSER II and ESSER III funding.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Capital Assets

Capital assets increased by approximately \$6 million (or 8.3%) from the previous year. Capital additions relating to instructional facilities for the year exceeded depreciation expense. The following is a summary of the capital assets, net of depreciation at year-end.

A more detailed description of the capital assets is available in Note 3 of the basic financial statements.

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Land	\$ 3,063,925	\$ 3,063,925	\$ -	\$ -	\$ 3,063,925	\$ 3,063,925
Construction in progress	19,272,181	10,950,422	-	-	19,272,181	10,950,422
Buildings/improvements	53,220,454	55,408,349	-	-	53,220,454	55,408,349
Equipment and furniture	1,216,343	1,052,076	503,947	540,354	1,720,290	1,592,430
Vehicles	2,083,059	2,355,359	-	-	2,083,059	2,355,359
Total	<u>\$ 78,855,962</u>	<u>\$ 72,830,131</u>	<u>\$ 503,947</u>	<u>\$ 540,354</u>	<u>\$ 79,359,909</u>	<u>\$ 73,370,485</u>

Debt Outstanding

During the year the Board's outstanding debt decreased by about \$207,000. This decrease is due to principal payments exceeding new installment purchase agreements. 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.

A more detailed description of the long-term debt is available in Note 3 of the basic financial statements.

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 effect 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.
- Caldwell County Schools is the leading employer in Caldwell County.

**CALDWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Impact of Coronavirus on School

During the fiscal year, the state and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

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:

David Johnson, Finance Officer
Caldwell County Board of Education
1914 Hickory Boulevard SW
Lenoir, NC 28645

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2021

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 20,035,870	\$ 5,517,924	\$ 25,553,794
Due from other governments	4,371,892	344,809	4,716,701
Receivables (net)	3,747	7,720	11,467
Net OPEB asset	175,811	5,971	181,782
Inventories	748,549	607,166	1,355,715
Capital assets:			
Land, improvements, and construction in progress	22,336,106	-	22,336,106
Other capital assets, net of depreciation	56,519,856	503,947	57,023,803
Total capital assets	78,855,962	503,947	79,359,909
Total assets	104,191,831	6,987,537	111,179,368
DEFERRED OUTFLOWS OF RESOURCES	30,230,563	1,026,706	31,257,269
LIABILITIES			
Accounts payable and accrued expenses	1,021,435	24,006	1,045,441
Accrued salaries and wages payable	3,954,849	42,399	3,997,248
Unearned revenues	2,153,972	94,145	2,248,117
Long-term liabilities:			
Net pension liability	49,944,625	1,696,247	51,640,872
Net OPEB liability	99,557,951	3,381,244	102,939,195
Due within one year	3,775,499	93,178	3,868,677
Due in more than one year	10,041,212	51,604	10,092,816
Total liabilities	170,449,543	5,382,823	175,832,366
DEFERRED INFLOWS OF RESOURCES	59,254,618	2,012,439	61,267,057
NET POSITION			
Net investment in capital assets	72,344,687	503,947	72,848,634
Restricted for:			
Individual schools	1,567,959	-	1,567,959
Stabilization by State statute	16,469	-	16,469
School capital outlay	4,113,410	-	4,113,410
DIPNC OPEB plan	175,811	5,971	181,782
Unrestricted	(173,500,103)	109,063	(173,391,040)
Total net position	\$ (95,281,767)	\$ 618,981	\$ (94,662,786)

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

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CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 55,180,519	\$ 4,609	\$ 48,901,554	\$ -	\$ (6,274,356)	\$ -	\$ (6,274,356)
Special populations	11,902,095	-	12,238,236	-	336,141	-	336,141
Alternative programs	8,716,385	-	6,228,272	-	(2,488,113)	-	(2,488,113)
School leadership	6,758,014	-	6,284,757	-	(473,257)	-	(473,257)
Co-curricular	755,597	-	-	-	(755,597)	-	(755,597)
School-based support	6,520,567	-	6,151,635	-	(368,932)	-	(368,932)
System-wide support services:							
Support and development	737,326	-	333,070	-	(404,256)	-	(404,256)
Special populations	437,273	-	383,843	-	(53,430)	-	(53,430)
Alternative programs	366,666	-	162,943	-	(203,723)	-	(203,723)
Technology support	919,112	-	842,040	-	(77,072)	-	(77,072)
Operational support	9,795,156	19,375	4,845,950	229,375	(4,700,456)	-	(4,700,456)
Financial and human resource services	1,314,019	-	666,642	-	(647,377)	-	(647,377)
Accountability	197,740	-	-	-	(197,740)	-	(197,740)
System-wide pupil support services	723,732	-	-	-	(723,732)	-	(723,732)
Policy, leadership and public relations	1,599,065	-	543,330	-	(1,055,735)	-	(1,055,735)
Ancillary services	179,483	-	189,366	-	9,883	-	9,883
Non-programmed charges	80,047	-	2	-	(80,045)	-	(80,045)
Interest expense	203,639	-	-	-	(203,639)	-	(203,639)
Unallocated depreciation expense*	217,008	-	-	-	(217,008)	-	(217,008)
Total governmental activities	106,603,443	23,984	87,771,640	229,375	(18,578,444)	-	(18,578,444)
Business-type activities:							
School food service	5,675,616	242,008	6,930,635	-	-	1,497,027	1,497,027
Child care	1,207,612	767,673	52,977	-	-	(386,962)	(386,962)
Total business-type activities	6,883,228	1,009,681	6,983,612	-	-	1,110,065	1,110,065
Total primary government	\$ 113,486,671	\$ 1,033,665	\$ 94,755,252	\$ 229,375	(18,578,444)	1,110,065	(17,468,379)
General revenues:							
Unrestricted county appropriations - operating					14,859,155	-	14,859,155
Unrestricted county appropriations - capital					1,985,502	-	1,985,502
Unrestricted State appropriations - operating					1,530,445	-	1,530,445
Unrestricted State appropriations - capital					8,364,143	-	8,364,143
Investment earnings, unrestricted					143,352	2,123	145,475
Miscellaneous, unrestricted					7,119,661	-	7,119,661
Transfers					(45,001)	45,001	-
Total general revenues and transfers					33,957,257	47,124	34,004,381
Change in net position					15,378,813	1,157,189	16,536,002
Net position-beginning					(110,660,580)	(538,208)	(111,198,788)
Net position-ending					\$ (95,281,767)	\$ 618,981	\$ (94,662,786)

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

**CALDWELL COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021**

Exhibit 3

	Major Funds					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
ASSETS						
Cash and cash equivalents	\$ 14,870,217	\$ -	\$ 1,001,058	\$ 4,164,595	\$ -	\$ 20,035,870
Receivables (net)	3,747	-	-	-	-	3,747
Due from other governments	256,949	3,535,438	-	326,754	252,751	4,371,892
Due from other funds	-	-	566,901	-	-	566,901
Inventories	748,549	-	-	-	-	748,549
Total assets	<u>\$ 15,879,462</u>	<u>\$ 3,535,438</u>	<u>\$ 1,567,959</u>	<u>\$ 4,491,349</u>	<u>\$ 252,751</u>	<u>\$ 25,726,959</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 643,496	\$ -	\$ -	\$ 377,939	\$ -	1,021,435
Due to other funds	566,901	-	-	-	-	566,901
Accrued salaries and wages payable	166,660	3,535,438	-	-	252,751	3,954,849
Unearned revenue	2,153,972	-	-	-	-	2,153,972
Total liabilities	<u>3,531,029</u>	<u>3,535,438</u>	<u>-</u>	<u>377,939</u>	<u>252,751</u>	<u>7,697,157</u>
Fund balances:						
Nonspendable:						
Inventories	748,549	-	-	-	-	748,549
Restricted:						
Stabilization by State statute	16,469	-	-	-	-	16,469
School capital outlay	-	-	-	1,451,297	-	1,451,297
School capital outlay	-	-	-	2,662,113	-	2,662,113
Individual schools	-	-	1,567,959	-	-	1,567,959
Assigned:						
Subsequent year's expenditures	250,000	-	-	-	-	250,000
Special revenues	2,974,902	-	-	-	-	2,974,902
Unassigned	8,358,513	-	-	-	-	8,358,513
Total fund balances	<u>12,348,433</u>	<u>-</u>	<u>1,567,959</u>	<u>4,113,410</u>	<u>-</u>	<u>18,029,802</u>
Total liabilities and fund balances	<u>\$ 15,879,462</u>	<u>\$ 3,535,438</u>	<u>\$ 1,567,959</u>	<u>\$ 4,491,349</u>	<u>\$ 252,751</u>	

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

Net OPEB asset	175,811
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	78,855,962
Deferred outflows of resources related to OPEB	10,908,219
Deferred outflows of resources related to pensions	19,322,344
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(13,816,711)
Net pension liability	(49,944,625)
Net OPEB liability	(99,557,951)
Deferred inflows of resources related to pensions	(1,425,763)
Deferred inflows of resources related to OPEB	(57,828,855)
Net position of governmental activities	<u>\$ (95,281,767)</u>

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit 4

	Major Funds					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
REVENUES						
State of North Carolina	\$ 1,650,445	\$ 77,658,682	\$ -	\$ 8,364,143	\$ -	\$ 87,673,270
Caldwell County	14,859,155	-	-	1,985,502	-	16,844,657
U.S. Government	279,217	2,477,272	-	-	7,725,688	10,482,177
Other	5,519,775	-	1,258,675	69,255	-	6,847,705
Total revenues	22,308,592	80,135,954	1,258,675	10,418,900	7,725,688	121,847,809
EXPENDITURES						
Current:						
Instructional services:						
Regular instructional	2,852,511	47,844,091	1,199,801	285,227	1,082,547	53,264,177
Special populations	444,514	9,815,990	-	-	2,378,487	12,638,991
Alternative programs	3,058,061	2,976,633	-	-	3,192,897	9,227,591
School leadership	822,839	6,284,757	-	95,311	-	7,202,907
Co-curricular	805,339	-	-	-	-	805,339
School-based support	798,055	6,035,281	-	-	114,252	6,947,588
System-wide support services:						
Support and development	452,794	331,341	-	-	1,698	785,833
Special populations	82,213	380,448	-	-	3,334	465,995
Alternative programs	227,726	48,881	-	-	112,001	388,608
Technology support	136,815	199,523	-	-	630,910	967,248
Operational support	5,009,648	4,841,551	-	584,386	4,320	10,439,905
Financial and human resource services	733,877	663,132	-	-	3,447	1,400,456
Accountability	210,758	-	-	-	-	210,758
System-wide pupil support services	51,035	-	-	-	-	51,035
Policy, leadership and public relations	1,160,929	479,959	-	-	62,226	1,703,114
Ancillary services	1,933	189,366	-	-	-	191,299
Non-programmed charges	94,503	-	-	-	139,569	234,072
Capital outlay	-	-	-	12,108,349	-	12,108,349
Debt service						
Principal	-	-	-	492,161	-	492,161
Interest	-	-	-	203,639	-	203,639
Total expenditures	16,943,550	80,090,953	1,199,801	13,769,073	7,725,688	119,729,065
Revenues over (under) expenditures	5,365,042	45,001	58,874	(3,350,173)	-	2,118,744
OTHER FINANCING USES						
Transfers to other funds	-	(45,001)	-	-	-	(45,001)
Installment purchase obligations issued	-	-	-	284,922	-	284,922
Total other financing sources (uses)	-	(45,001)	-	284,922	-	239,921
Net change in fund balance	5,365,042	-	58,874	(3,065,251)	-	2,358,665
Fund balances-beginning	6,800,599	-	1,509,085	7,178,661	-	15,488,345
Change in reserve for inventories	182,792	-	-	-	-	182,792
Fund balances-ending	\$ 12,348,433	\$ -	\$ 1,567,959	\$ 4,113,410	\$ -	\$ 18,029,802

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

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit 4
(Continued)

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

Net changes in fund balances - total governmental funds	\$ 2,358,665
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 expense in the current period.	6,029,175
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	9,354,275
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	4,284,738
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in fund balance due to change in reserve for inventory	182,792
OPEB nonemployer contributions	1,705,426
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 amounts 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.	207,239
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.	
Pension expense	(13,746,672)
Net OPEB expense	4,799,604
Compensated absences	206,915
Loss on disposal of assets	(3,344)
	<hr/>
Total changes in net position of governmental activities	<u>\$ 15,378,813</u>

**CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021**

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ 2,079,923	\$ 1,650,445	\$ (429,478)
Caldwell County	14,900,000	14,900,000	14,859,155	(40,845)
U.S. Government	165,000	165,000	279,217	114,217
Other	1,670,633	5,205,170	5,519,775	314,605
Total revenues	<u>16,735,633</u>	<u>22,350,093</u>	<u>22,308,592</u>	<u>(41,501)</u>
Expenditures:				
Current:				
Instructional services	8,429,877	13,567,411	8,781,319	4,786,092
System-wide support services	9,041,313	9,231,372	8,065,795	1,165,577
Ancillary services	-	145,000	1,933	143,067
Non-programmed charges	110,000	510,000	94,503	415,497
Total expenditures	<u>17,581,190</u>	<u>23,453,783</u>	<u>16,943,550</u>	<u>6,510,233</u>
Revenues over expenditures	(845,557)	(1,103,690)	5,365,042	6,468,732
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues under expenditures and other	(845,557)	(1,103,690)	5,365,042	6,468,732
Appropriated fund balance	<u>845,557</u>	<u>1,103,690</u>	<u>-</u>	<u>(1,103,690)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,365,042</u>	<u>\$ 5,365,042</u>
Fund balances, beginning of year			6,800,599	
Increase in reserve for inventories			<u>182,792</u>	
Fund balances, end of year			<u>\$ 12,348,433</u>	

**CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021**

**Exhibit 5
(Continued)**

	State Public School Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ 78,783,059	\$ 82,321,913	\$ 77,658,682	\$ (4,663,231)
Caldwell County	-	-	-	-
U.S. Government	-	-	2,477,272	2,477,272
Other	-	-	-	-
Total revenues	<u>78,783,059</u>	<u>82,321,913</u>	<u>80,135,954</u>	<u>(2,185,959)</u>
Expenditures:				
Current:				
Instructional services	72,416,505	74,792,060	72,956,752	1,835,308
System-wide support services	5,780,441	7,191,076	6,944,835	246,241
Ancillary services	535,131	287,795	189,366	98,429
Non-programmed charges	1,500	1,500	-	1,500
Total expenditures	<u>78,733,577</u>	<u>82,272,431</u>	<u>80,090,953</u>	<u>2,181,478</u>
Revenues over expenditures	49,482	49,482	45,001	(4,481)
Other financing uses:				
Transfers to other funds	<u>(49,482)</u>	<u>(49,482)</u>	<u>(45,001)</u>	<u>4,481</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

**CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021**

**Exhibit 5
(Continued)**

	Federal Grants Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Caldwell County	-	-	-	-
U.S. Government	5,233,342	39,785,352	7,725,688	(32,059,664)
Other	-	-	-	-
Total revenues	<u>5,233,342</u>	<u>39,785,352</u>	<u>7,725,688</u>	<u>(32,059,664)</u>
Expenditures:				
Current:				
Instructional services	4,777,091	20,941,200	6,768,183	14,173,017
System-wide support services	210,800	16,818,359	817,936	16,000,423
Ancillary services	70,000	66,000	-	66,000
Non-programmed charges	175,451	1,959,793	139,569	1,820,224
Total expenditures	<u>5,233,342</u>	<u>39,785,352</u>	<u>7,725,688</u>	<u>32,059,664</u>
Revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2021

Exhibit 6

	Major Funds		
	School Food Service	Child Care	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,808,727	\$ 709,197	\$ 5,517,924
Due from other governments	344,809	-	344,809
Accounts receivable	7,720	-	7,720
OPEB asset	4,589	1,382	5,971
Inventories	607,166	-	607,166
Total current assets	<u>5,773,011</u>	<u>710,579</u>	<u>6,483,590</u>
Noncurrent assets:			
Capital assets, net	503,947	-	503,947
Total assets	<u>6,276,958</u>	<u>710,579</u>	<u>6,987,537</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>789,120</u>	<u>237,586</u>	<u>1,026,706</u>
LIABILITIES			
Current liabilities:			
Accounts payable	20,611	3,395	24,006
Accrued salaries and wages payable	42,399	-	42,399
Compensated absences	55,105	38,073	93,178
Unearned revenues	94,145	-	94,145
Total current liabilities	<u>212,260</u>	<u>41,468</u>	<u>253,728</u>
Noncurrent liabilities:			
Net pension liability	1,303,725	392,522	1,696,247
Net OPEB liability	2,598,803	782,441	3,381,244
Compensated absences	30,518	21,086	51,604
Total noncurrent liabilities	<u>3,933,046</u>	<u>1,196,049</u>	<u>5,129,095</u>
Total liabilities	<u>4,145,306</u>	<u>1,237,517</u>	<u>5,382,823</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,546,748</u>	<u>465,691</u>	<u>2,012,439</u>
NET POSITION			
Net investment in capital assets	503,947	-	503,947
Restricted for DIPNC OPEB plan	4,589	1,382	5,971
Unrestricted	865,488	(756,425)	109,063
Total net position	<u>\$ 1,374,024</u>	<u>\$ (755,043)</u>	<u>\$ 618,981</u>

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit 7

	Major Funds		
	School Food Service	Child Care	Total
OPERATING REVENUES			
Food sales	\$ 242,008	\$ -	\$ 242,008
Child care fees	-	767,673	767,673
Total operating revenues	<u>242,008</u>	<u>767,673</u>	<u>1,009,681</u>
OPERATING EXPENSES			
Food cost:			
Purchase of food	2,448,763	20,665	2,469,428
Salaries and benefits	2,616,539	1,035,662	3,652,201
Supplies and materials	67,531	22,374	89,905
Repairs and maintenance	68,471	849	69,320
Contracted services	23,512	-	23,512
Indirect costs	338,009	108,871	446,880
Depreciation	105,441	-	105,441
Field trips	-	4,375	4,375
Other	7,350	14,816	22,166
Total operating expenses	<u>5,675,616</u>	<u>1,207,612</u>	<u>6,883,228</u>
Operating loss	<u>(5,433,608)</u>	<u>(439,939)</u>	<u>(5,873,547)</u>
NONOPERATING REVENUES			
Federal reimbursements	6,261,410	-	6,261,410
Federal commodities	669,225	-	669,225
Federal grants	-	52,977	52,977
Interest earned	1,918	205	2,123
Total nonoperating revenues	<u>6,932,553</u>	<u>53,182</u>	<u>6,985,735</u>
Income (loss) before transfers	1,498,945	(386,757)	1,112,188
Transfers from other funds	45,001	-	45,001
Change in net position	1,543,946	(386,757)	1,157,189
Total net position - beginning	<u>(169,922)</u>	<u>(368,286)</u>	<u>(538,208)</u>
Total net position - ending	<u>\$ 1,374,024</u>	<u>\$ (755,043)</u>	<u>\$ 618,981</u>

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit 8

	<u>Major Funds</u>		
	<u>School Food Service</u>	<u>Child Care</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 242,505	\$ 767,673	\$ 1,010,178
Cash paid for goods and services	(2,544,454)	(168,905)	(2,713,359)
Cash paid to employees for services	<u>(3,157,962)</u>	<u>(982,201)</u>	<u>(4,140,163)</u>
Net cash used by operating activities	<u>(5,459,911)</u>	<u>(383,433)</u>	<u>(5,843,344)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal and State reimbursements	6,354,994	-	6,354,994
Federal grants	-	52,977	52,977
(Increase) decrease in due from other funds	<u>58,347</u>	<u>-</u>	<u>58,347</u>
Net cash provided from noncapital financing activities	<u>6,413,341</u>	<u>52,977</u>	<u>6,466,318</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>(69,034)</u>	<u>-</u>	<u>(69,034)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>1,918</u>	<u>205</u>	<u>2,123</u>
Net increase (decrease) in cash and cash equivalents	886,314	(330,251)	556,063
Balances-beginning of the year	<u>3,922,413</u>	<u>1,039,448</u>	<u>4,961,861</u>
Balances-end of the year	<u>\$ 4,808,727</u>	<u>\$ 709,197</u>	<u>\$ 5,517,924</u>

CALDWELL COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2021

Exhibit 8
(Continued)

Reconciliation of operating loss to net cash used by operating activities			
Operating loss	<u>\$ (5,433,608)</u>	<u>\$ (439,939)</u>	<u>\$ (5,873,547)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	105,441	-	105,441
Expenses paid by other funds	45,001	-	45,001
Donated commodities consumed	669,225	-	669,225
Changes in assets, deferred outflows of resources and liabilities:			
(Increase) decrease in accounts receivable	(7,720)	-	(7,720)
(Increase) decrease in net OPEB asset	(18)	(193)	(211)
(Increase) decrease in inventories	(97,133)	-	(97,133)
Increase (decrease) in accounts payable	(161,199)	3,045	(158,154)
Increase (decrease) in accrued salaries and wages	(1,711)	-	(1,711)
(Increase) decrease in deferred outflows	79,183	(11,729)	67,454
Increase (decrease) in net pension liability	46,363	65,468	111,831
Increase (decrease) in net OPEB liability	(756,625)	(90,345)	(846,970)
Increase (decrease) in deferred inflows	74,051	82,625	156,676
Increase (decrease) in unavailable revenues	8,217	-	8,217
Increase (decrease) in compensated absences	<u>(29,378)</u>	<u>7,635</u>	<u>(21,743)</u>
Total adjustments	<u>(26,303)</u>	<u>56,506</u>	<u>30,203</u>
Net cash used by operating activities	<u>\$ (5,459,911)</u>	<u>\$ (383,433)</u>	<u>\$ (5,843,344)</u>

Noncash investing, capital, and financing activities:

The School Food Service Fund received donated commodities with a value of \$669,225 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue on Exhibit 7.

The State Public School Fund contributed \$45,001 to the School Food Service Fund during the fiscal year to provide assistance with the payment of administrative wages. This payment is reflected as a transfer in and an operating expense on Exhibit 7.

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – 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:

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.

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. 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.

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

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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].

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-through the North Carolina Department of Public Instruction for the current operating expenditures of the 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. The Individual Schools Fund is reported as a special revenue fund.

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, 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 before and after school care program operated by the school system.

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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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.

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. Amendments which alter the county appropriations or transfer monies to or from the Capital Projects Fund also requires the approval of the Caldwell County Board of Commissioners. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The primary revenue sources of the Board are the State of North Carolina, the Federal government and Caldwell County appropriations. Unexpended allocations from the State of North Carolina revert back to the State at the end of the fiscal year.

Encumbrance accounting is employed in all governmental funds except the Individual Schools Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. There were no outstanding encumbrances at June 30, 2021.

Assets, Liabilities, and Fund Equity

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.

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It 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 amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. 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.

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.

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 reported as expenditures when consumed. 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.

Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 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. In addition, other items that are purchased and used in large quantities

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

such as student desks are capitalized. 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.

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

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. The Board carries certain capital assets for which Caldwell County carries the offsetting debt.

Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as revenue until then. The Board has several items that meet this criterion – unavailable grant revenue in the General Fund and pension and OPEB related deferrals.

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.

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. 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, 2021 is recorded in

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the government-wide and proprietary fund financial statements on a FIFO 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.

Net Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represent 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 Balances

In the governmental fund financial statements, fund balance is composed of three 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 Balances – 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.

Assigned fund balance – portion of fund balance that the 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. The Board of Education approves the appropriation.

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Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

Reconciliation of Government-wide and Fund Financial Statements

A. 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 \$(113,311,569) consists of several elements as follows:

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Description	Amount
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)	\$ 154,109,625
Less Accumulated Depreciation	<u>75,253,663</u>
Net capital assets	78,855,962
Net OPEB asset	175,811
Pension related deferred outflows of resources	19,322,344
OPEB related deferred outflows of resources	10,908,219
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:	
Compensated absences	(7,305,436)
Installment purchases	(6,511,275)
Net pension liability	(49,944,625)
Net OPEB liability	(99,557,951)
Deferred inflows of resources related to pensions	(1,425,763)
Deferred inflows of resources related to OPEB	<u>(57,828,855)</u>
Total adjustment	<u>\$ (113,311,569)</u>

B. 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 \$13,020,148 as follows:

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Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 9,848,765
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in fund balance due to change in reserve for inventory	182,792
OPEB nonemployer contributions	1,705,426
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(3,819,590)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	9,354,275
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	4,284,738
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.	
Pension expense	(13,746,672)
Net OPEB expense	4,799,604
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	206,915
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 assets. This amount is the net effect of these differences in the treatment of long-term debt.	207,239
Loss on disposal of fixed assets	<u>(3,344)</u>
Total adjustment	<u>\$ 13,020,148</u>

Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF),

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and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

NOTE 2 – DETAIL NOTES ON ALL FUNDS

Assets

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, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$17,303,794 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$17,683,806 and \$242,264, respectively. Of these balances, \$1,540,839 was covered by federal depository insurance and \$16,385,231 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2021, the Board had \$8,250,000 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Board has no policy for managing interest rate risk or credit risk.

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Accounts Receivable

Receivables at the government-wide level at June 30, 2021, were as follows:

	Due from other governments	Other
Governmental activities:		
General Fund	\$ 256,949	\$ 3,747
Other Government Funds	<u>4,114,943</u>	<u>-</u>
Total	<u>\$ 4,371,892</u>	<u>\$ 3,747</u>
Business-type activities:		
School Food Service	<u>\$ 344,809</u>	<u>\$ 7,720</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 13,178	Caldwell County fines and forfeitures
General Fund	226,904	N.C. DPI - NC Pre-K
General Fund	16,867	N.C. DPI - other
State Public School Fund	3,535,438	Operating funds from DPI
Capital Outlay Fund	326,754	Caldwell County
Federal Grants Fund	<u>252,751</u>	Federal grant funds
Total	<u>\$ 4,371,892</u>	
Business-type activities:		
School Food Service	<u>\$ 344,809</u>	USDA Grant Reimbursement

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Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Retirements	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,063,925	\$ -	\$ -	\$ -	\$ 3,063,925
Construction in progress	10,950,422	8,807,066	-	(485,307)	19,272,181
Total capital assets not being depreciated	<u>14,014,347</u>	<u>8,807,066</u>	<u>-</u>	<u>(485,307)</u>	<u>22,336,106</u>
Capital assets being depreciated:					
Buildings and improvements	113,722,846	253,531	-	485,307	114,461,684
Equipment and furniture	4,417,770	381,275	8,092	-	4,790,953
Vehicles	12,308,617	406,893	194,628	-	12,520,882
Total capital assets being depreciated	<u>130,449,233</u>	<u>1,041,699</u>	<u>202,720</u>	<u>485,307</u>	<u>131,773,519</u>
Less accumulated depreciation for:					
Buildings and improvements	58,314,497	2,926,733	-	-	61,241,230
Equipment and furniture	3,365,694	217,008	8,092	-	3,574,610
Vehicles	9,953,258	675,849	191,284	-	10,437,823
Total accumulated depreciation	<u>71,633,449</u>	<u>3,819,590</u>	<u>199,376</u>	<u>-</u>	<u>75,253,663</u>
Total capital assets being depreciated, net	<u>58,815,784</u>				<u>56,519,856</u>
Governmental activity capital assets, net	<u>\$ 72,830,131</u>				<u>\$ 78,855,962</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 3,314,046	\$ 69,034	\$ -	\$ 3,383,080
Less accumulated depreciation for:				
Furniture and office equipment	<u>2,773,692</u>	<u>105,441</u>	<u>-</u>	<u>2,879,133</u>
School Food Service capital assets, net:	<u>\$ 540,354</u>			<u>\$ 503,947</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 2,926,733
System-wide support services	675,849
Unallocated depreciation	<u>217,008</u>
Total	<u>\$ 3,819,590</u>

Construction Commitments

Caldwell County Board of Education has an active construction project as of June 30, 2021 for the benefit of Caldwell County Board of Education. At year end, commitments with contractors for school construction and renovations are as follows:

	<u>Spent-to-date</u>	<u>Total Commitment</u>
Granite Falls Middle School	<u>\$ 19,272,181</u>	<u>\$ 24,591,526</u>

Liabilities

Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in 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 membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which

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consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) 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, by calling (919) 981-5454 or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined at 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021 was 14.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by the employees during the year. Contributions to the pension plan from the Board were \$9,671,975 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Board reported a liability of \$51,640,872 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportionate share of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2020 and at June 30, 2019, the Boards proportion was .43% and .45%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of (\$14,169,547). At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,845,690	\$ -
Changes of assumptions	1,749,964	-
Net difference between projected and actual earnings on pension plan investments	5,710,951	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,474,185
Board contributions subsequent to the measurement date	<u>9,671,975</u>	<u>-</u>
Total	<u>\$ 19,978,580</u>	<u>\$ 1,474,185</u>

\$9,671,975 reported as deferred outflows of resources related to pensions resulted from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2022		\$ 2,960,316
2023		2,253,051
2024		1,917,712
2025		1,701,341
2026		-
Thereafter		-
	Total	<u>\$ 8,832,420</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5% to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

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

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

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discounted Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 92,941,440	\$ 51,640,872	\$ 16,998,241

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

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b. Other Post-employment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly 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 or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 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 noncontributory premium.

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Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, 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 current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$4,371,366. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 million, which was isolated from the OPEB expense and allocated to participating employers as a separate contribution. The Board's proportionate share of this contribution totaled \$1,763,346.

At June 30, 2021, Board reported a liability of \$102,939,195 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Boards proportion was 0.37% and 0.39%, respectively.

\$4,371,366 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$ (17,038,704)
2023	(17,027,398)
2024	(9,515,706)
2025	(4,880,072)
2026	(4,615,801)
Thereafter	--
Total	<u>\$ (53,077,681)</u>

CALDWELL COUNTY BOARD OF EDUCATION
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For the Year Ended June 30, 2021

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.5% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	7.0%
Healthcare cost trend rate – medical	5.00% - 6.50%
Healthcare cost trend rate – prescription drug	5.00% - 9.50%
Healthcare cost trend rate – administrative	3.00%
Post-retirement mortality rates	PR-2014 Health Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected mortality improvements using Scale MP-2015

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.21%, a decrease of 1.29% from the prior year discount rate of 3.50%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan’s fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(1.21%)</u>	<u>Discounted</u> <u>Rate (2.21%)</u>	<u>1% Increase</u> <u>(3.21%)</u>
Net OPEB liability	\$ 122,077,927	\$ 102,939,195	\$ 87,517,557

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

	Healthcare Trend Rates		
	1% Decrease (Medical- 5.50%, Pharmacy- 6.25%, Administrative - 2.00%)	(Medical - 6.50%, Pharmacy - 7.25%, Administrative - 3.00%)	1% Increase (Medical- 7.50%, Pharmacy- 8.25%, Administrative - 4.00%)

Net OPEB liability	\$	82,986,622	\$	102,939,195	\$	129,605,649
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OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

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, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina’s ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB 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. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, 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 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 TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

CALDWELL COUNTY BOARD OF EDUCATION
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Contributions. 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 does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$58,896 for the year ended June 30, 2021.

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.

At June 30, 2021, Board reported an OPEB asset of \$181,782 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Boards proportion was .37% and .39%, respectively.

\$58,986 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$	41,444
2023		29,082
2024		16,511
2025		24,513
2026		5,788
Thereafter		<u>15,898</u>
	Total	<u>\$ 133,236</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.5% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan investment expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

rate that is 1-percentage-point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(2.75%)</u>	<u>Discounted</u> <u>Rate (3.75%)</u>	<u>1% Increase</u> <u>(4.75%)</u>
Net OPEB asset	\$ 156,994	\$ 181,782	\$ 205,849

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2020 is 1.2%.

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

Following is information related to the proportionate share and pension expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ (5,356,611)	\$ 144,056	\$ (5,212,555)
OPEB liability (asset)	102,939,195	(181,782)	102,757,413
Proportionate share of the net OPEB liability (asset)	0.371%	0.370%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	93,255	131,686	224,941
Changes of assumptions	4,514,471	14,134	4,528,605
Net difference between projected and actual earnings on plan investments	216,852	-	216,852
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,845,502	32,527	1,878,029
Board contributions subsequent to the measurement date	4,371,366	58,896	4,430,262
Deferred of Inflows of Resources			
Differences between expected and actual experience	4,027,108	-	4,027,108
Changes of assumptions	41,774,351	14,315	41,788,666
Changes in proportion and differences between Board contributions and proportionate share of contributions	13,946,302	-	13,946,302
Net difference between projected and actual earnings on plan investments	-	30,796	30,796

Accounts Payable

Accounts payable at June 30, 2021, are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental Activities		
General	\$ 643,496	\$ 166,660
Other Governmental	377,939	3,788,189
Total - governmental activities	<u>\$ 1,021,435</u>	<u>\$ 3,954,849</u>
Business-type Activities		
School Food Service	20,611	42,399
Child Care	3,395	-
Total - business-type activities	<u>\$ 24,006</u>	<u>\$ 42,399</u>

**CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

Unearned Revenues

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

	<u>Unearned Revenues</u>
Prepaid lunch balances (School Food Service Fund)	\$ <u>94,145</u>

Unearned revenues of \$2,153,972 in governmental activities consists of private grant revenues for which eligibility requirements other than time requirements have not been met.

Deferred Outflows and Deferred Inflows of Resources

The balance in deferred outflows and deferred inflows of resources at year-end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 1,878,029	\$ 15,420,487
Changes of assumptions	6,278,569	41,788,666
Difference between projected and actual earnings on plan investments	5,927,803	30,796
Board contributions subsequent to the measurement date	14,102,237	-
Difference between expected and actual experience	<u>3,070,631</u>	<u>4,027,108</u>
Totals	<u>\$ 31,257,269</u>	<u>\$ 61,267,057</u>

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 through a private insurance company. The policy has an annual aggregate limit of \$2 million for general liability and an annual aggregate limit of \$2 million for errors and omissions claims. Statutory workers' compensation 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

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, insuring 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 provides coverage up to \$10 million per occurrence and \$20 million in aggregate annually. Excess reinsurance is purchased through commercial insurers, who participate in property losses in excess of the Fund's self-insured retention of \$10 million. 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.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing 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. 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 moneys at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. 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 from the prior year, and claims have not exceed coverage in any of the past three fiscal years.

Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized by State Law to enter into installment purchase contracts to finance energy conservation measures that will reduce its operating costs. The Board entered into a direct placement contract to reduce the energy costs at twenty-six locations. The total amount financed for this project is \$6,631,600, and the interest rate on the installment contract is 3.06%. This installment contract will be paid quarterly (principle and interest) with seventy quarterly payments that began on December 15, 2020. The Board is responsible for the payments, which will be offset by utility payment savings from the contract. The quarterly payments range from \$111,956 to \$123,565.

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 moneys 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 third party direct placement financing arrangements with various companies. The property is pledged as collateral for debt while the debt is outstanding. At June 30,

CALDWELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

2021 the Board has such an installment purchase agreement that requires an annual payment of \$71,230.

The future minimum payments of the installment purchases as of June 30, 2021, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 371,043	\$ 191,500
2023	383,161	182,154
2024	321,345	172,502
2025	331,045	162,558
2026	341,038	152,314
2027-2031	1,865,960	596,755
2032-2037	2,134,829	290,318
Thereafter	762,854	23,500
Total	\$ 6,511,275	\$ 1,771,601

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, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Governmental activities:					
Direct placement					
installment purchases	\$ 6,718,514	\$ 284,922	\$ 492,161	\$ 6,511,275	\$ 371,043
Net pension liability	44,564,093	5,380,532	-	49,944,625	-
Net OPEB liability	118,924,833	-	19,366,882	99,557,951	-
Compensated absences	7,512,351	6,168,671	6,375,586	7,305,436	3,404,456
Total	\$ 177,719,791	\$ 11,834,125	\$ 26,234,629	\$ 163,319,287	\$ 3,775,499
Business-type activities:					
Net pension liability	\$ 1,584,416	\$ 111,831	\$ -	\$ 1,696,247	\$ -
Net OPEB liability	4,228,214		846,970	3,381,244	-
Compensated absences	166,525	239,683	261,426	144,782	93,178
Total	\$ 5,979,155	\$ 351,514	\$ 1,108,396	\$ 5,222,273	\$ 93,178

CALDWELL COUNTY BOARD OF EDUCATION
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For the Year Ended June 30, 2021

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the general and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

Due to/from other Funds

As of June 30, 2021, there was \$566,901 due to the Individual Schools Fund from the General Fund. This item occurred in the normal operating cycle of the Board.

Transfers to/from other Funds

During the year ended June 30, 2021, the State Public School Fund transferred \$45,001 to the School Food Service Fund to pay for administrative costs.

Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund's fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 12,348,433
Less:	
Inventories	(748,549)
Stabilization by State statute	(16,469)
Appropriated fund balance in 2022 budget	(250,000)
Assigned Special Revenue	<u>(2,974,902)</u>
Remaining fund balance	<u>\$ 8,358,513</u>

NOTE 3 – 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.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
*Last Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net pension liability (asset)	0.427%	0.445%	0.457%	0.462%	0.473%
Board's proportionate share of the net pension liability (asset)	\$ 51,460,872	\$ 46,148,509	\$ 45,500,322	\$ 36,685,681	\$ 43,482,777
Board's covered payroll	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797	\$ 64,314,908
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.20%	66.13%	67.34%	55.93%	67.61%
Plan fiduciary net position as a percentage of the total pension liability	85.98%	87.56%	87.61%	89.51%	87.32%

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.473%	0.474%	0.482%
Board's proportionate share of the net pension liability (asset)	\$ 17,446,833	\$ 5,556,221	\$ 29,244,099
Board's covered payroll	\$ 64,459,153	\$ 61,687,445	\$ 62,183,677
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.07%	9.01%	47.03%
Plan fiduciary net position as a percentage of the total pension liability	94.64%	98.24%	90.60%

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

This schedule is required supplementary information.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
*Last Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 9,671,975	\$ 8,759,240	\$ 8,576,803	\$ 7,284,373	\$ 6,545,862
Contributions in relation to the contractually required contribution	<u>9,671,975</u>	<u>8,759,240</u>	<u>8,576,803</u>	<u>7,284,373</u>	<u>6,545,862</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 65,439,617	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797
Contributions as a percentage of covered payroll	14.78%	12.97%	12.29%	10.78%	9.98%

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,884,814	\$ 5,898,013	\$ 5,360,639
Contributions in relation to the contractually required contribution	<u>5,884,814</u>	<u>5,898,013</u>	<u>5,360,639</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 64,314,908	\$ 64,459,153	\$ 61,687,445
Contributions as a percentage of covered payroll	9.15%	9.15%	8.69%

This schedule is required supplementary information.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
*Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.371%	0.389%	0.408%	0.419%	0.406%
Board's proportionate share of the net OPEB liability (asset)	\$ 102,939,195	\$ 123,153,047	\$ 116,263,550	\$ 137,331,100	\$ 176,513,543
Board's covered payroll	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797	\$ 64,314,908
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	152.42%	176.47%	172.06%	209.38%	274.45%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	3.52%	2.41%

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

This schedule is required supplementary information.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,371,366	\$ 4,369,490	\$ 4,375,635	\$ 4,088,168	\$ 3,809,318
Contributions in relation to the contractually required contribution	<u>4,371,366</u>	<u>4,369,490</u>	<u>4,375,635</u>	<u>4,088,168</u>	<u>3,809,318</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 65,439,617	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 3,601,635	\$ 3,538,808	\$ 3,331,122	\$ 3,306,510	\$ 3,140,454
Contributions in relation to the contractually required contribution	<u>3,601,635</u>	<u>3,538,808</u>	<u>3,331,122</u>	<u>3,306,510</u>	<u>3,140,454</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 64,314,908	\$ 64,459,153	\$ 61,687,445	\$ 62,387,045	\$ 62,809,038
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

This schedule is required supplementary information.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
*Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.370%	0.389%	0.418%	0.418%	0.130%
Board's proportionate share of the net OPEB asset	\$ 181,782	\$ 167,754	\$ 121,917	\$ 247,267	\$ 259,441
Board's covered payroll	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797	\$ 64,314,908
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.27%	0.24%	0.18%	0.38%	0.40%
Plan fiduciary net position as a percentage of the total OPEB asset	115.57%	113.00%	108.47%	116.23%	116.06%

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

This schedule is required supplementary information.

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 58,896	\$ 67,535	\$ 97,702	\$ 94,602	\$ 249,241
Contributions in relation to the contractually required contribution	<u>58,896</u>	<u>67,535</u>	<u>97,702</u>	<u>94,602</u>	<u>249,241</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Board's covered payroll	\$ 65,439,617	\$ 67,534,619	\$ 69,786,843	\$ 67,573,029	\$ 65,589,797
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 263,391	\$ 264,283	\$ 270,973	\$ 274,503	\$ 326,607
Contributions in relation to the contractually required contribution	<u>263,391</u>	<u>264,283</u>	<u>270,973</u>	<u>274,503</u>	<u>326,607</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Board's covered payroll	\$ 64,314,908	\$ 64,459,153	\$ 61,687,445	\$ 62,387,045	\$ 62,809,038
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%

This schedule is required supplementary information.

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021**

	Budget	Actual	Positive (Negative) Variance
Exhibit A-1			
Revenues:			
State of North Carolina:			
Smart Start		\$ 120,000	
NC Pre-Kindergarten Program		1,530,445	
Total	<u>\$ 2,079,923</u>	<u>1,650,445</u>	<u>\$ (429,478)</u>
 Caldwell County:			
Regular appropriation		14,800,000	
Forest Service		59,155	
Total	<u>14,900,000</u>	<u>14,859,155</u>	<u>(40,845)</u>
 U.S. Government:			
N.C. Outdoor Heritage Advisory Council		143,258	
ROTC		135,959	
Total	<u>165,000</u>	<u>279,217</u>	<u>114,217</u>
 Other :			
ABC revenues		53,221	
Sales tax refund		72,969	
Tuition and fees		4,609	
Fines and forfeitures		158,455	
Rental of school property		19,375	
Interest		4,877	
Miscellaneous		142,206	
Reimbursements		559,267	
Indirect cost allocated		601,590	
Private grants and donations		2,333,523	
Medicaid reimbursements		1,478,795	
Insurance settlements		90,888	
Total	<u>5,205,170</u>	<u>5,519,775</u>	<u>314,605</u>
 Total revenues	<u>22,350,093</u>	<u>22,308,592</u>	<u>(41,501)</u>
 Expenditures:			
Instructional services	13,567,411	8,781,319	4,786,092
System-wide support services	9,231,372	8,065,795	1,165,577
Ancillary services	145,000	1,933	143,067
Non-Programmed charges	510,000	94,503	415,497
Total expenditures	<u>23,453,783</u>	<u>16,943,550</u>	<u>6,510,233</u>

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Revenues over (under) expenditures	(1,103,690)	5,365,042	6,468,732
Appropriated fund balance	<u>1,103,690</u>	<u>-</u>	<u>(1,103,690)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	5,365,042	<u>\$ 5,365,042</u>
Fund balances:			
Beginning of year, July 1		6,800,599	
Change in reserve for inventories		<u>182,792</u>	
End of year, June 30		<u>\$ 12,348,433</u>	

Exhibit A-1
(Continued)

CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL OUTLAY FUND
For the Year Ended June 30, 2021

	<i>Exhibit B-1</i>		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 229,375	\$ 229,375	\$ -
State appropriations - lottery proceeds	15,300,000	8,134,768	(7,165,232)
Total State of North Carolina	<u>15,529,375</u>	<u>8,364,143</u>	<u>(7,165,232)</u>
Caldwell County:			
Appropriations - operating	<u>1,442,692</u>	<u>1,985,502</u>	<u>542,810</u>
Other:			
Interest earned		1,146	
Local Grants		63,083	
Other		5,026	
Total other	<u>410,000</u>	<u>69,255</u>	<u>(340,745)</u>
Total revenues	<u>17,382,067</u>	<u>10,418,900</u>	<u>(6,963,167)</u>
Expenditures:			
Current:			
Instructional services	780,896	380,538	400,358
System-wide support services	942,808	584,386	358,422
Capital Outlay	33,252,122	12,108,349	21,143,773
Debt Service			
Principal	6,025,736	492,161	5,533,575
Interest	<u>203,639</u>	<u>203,639</u>	<u>-</u>
Total expenditures	<u>41,205,201</u>	<u>13,769,073</u>	<u>27,436,128</u>

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL OUTLAY FUND
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	(23,823,134)	(3,350,173)	20,472,961
Other financing sources:			
Installment purchase obligations issued	<u>21,609,000</u>	<u>284,922</u>	<u>(21,324,078)</u>
Revenues and other financing sources over (under) expenditures	(2,214,134)	(3,065,251)	(851,117)
Appropriated fund balance	<u>2,214,134</u>	<u>-</u>	<u>(2,214,134)</u>
Revenues, other sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(3,065,251)</u>	<u>\$ (3,065,251)</u>
Fund balance:			
Beginning of year, July 1		<u>7,178,661</u>	
End of year, June 30		<u>\$ 4,113,410</u>	

**Exhibit B-1
(Continued)**

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2021**

Exhibit C-1

	Budget	Actual	Variance Positive (Negative)
Operating revenues	\$ 1,590,189	\$ 242,008	\$ (1,348,181)
Operating expenditures:			
Business support services:			
Food cost:			
Purchase of food		2,545,896	
Salaries and benefits		3,202,963	
Supplies and materials		67,531	
Repairs and maintenance		68,471	
Contracted services		23,512	
Indirect costs		338,009	
Other		7,350	
Total business support services	6,949,519	6,253,732	695,787
Capital outlay	99,703	69,034	30,669
Total operating expenditures	7,049,222	6,322,766	726,456
Operating loss	(5,459,033)	(6,080,758)	(621,725)
Nonoperating revenues:			
Federal reimbursements	4,793,561	6,261,410	1,467,849
Federal commodities	423,541	669,225	245,684
State reimbursements	18,000	-	(18,000)
Interest earned	2,035	1,918	(117)
Total nonoperating revenues	5,237,137	6,932,553	1,695,416
Revenues over (under) expenditures before other financing sources	(221,896)	851,795	1,073,691
Transfers from other funds	48,793	45,001	(3,792)
Revenues and other sources over (under) expenditures	(173,103)	896,796	1,069,899
Appropriated fund balance	173,103	-	(173,103)
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ 896,796	\$ 896,796

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2021**

**Exhibit C-1
(Continued)**

Reconciliation of modified accrual to full accrual basis:

Revenues under expenditures	\$ 896,796
Depreciation	(105,441)
Capital outlay	69,034
Net pension liability	(46,363)
Net OPEB liability	756,643
Deferred outflows	(79,183)
Deferred inflows	(74,051)
Increase (decrease) in inventories	97,133
(Increase) decrease in compensated absences	29,378
Change in net position (full accrual)	<u><u>\$ 1,543,946</u></u>

**CALDWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - CHILD CARE FUND
For the Year Ended June 30, 2021**

Exhibit D-1

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating revenues	<u>\$ 1,407,825</u>	<u>\$ 767,673</u>	<u>\$ (640,152)</u>
Operating expenditures:			
Business support services:			
Food cost:			
Purchase of food		20,665	
Salaries and benefits		982,201	
Supplies and materials		22,374	
Repairs and maintenance		849	
Field trips		4,375	
Indirect costs		108,871	
Other		14,816	
Total operating expenditures	<u>1,407,825</u>	<u>1,154,151</u>	<u>253,674</u>
Operating loss	<u>-</u>	<u>(386,478)</u>	<u>(386,478)</u>
Nonoperating revenues:			
Federal grants	-	52,977	52,977
Interest earned	-	205	205
Total nonoperating revenues	<u>-</u>	<u>53,182</u>	<u>53,182</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (333,296)</u>	<u>\$ (333,296)</u>
Reconciliation of modified accrual to full accrual basis:			
Revenues over (under) expenditures		\$ (333,296)	
Net pension liability		(65,468)	
Net OPEB liability		90,538	
Deferred outflows		11,729	
Deferred inflows		(82,625)	
(Increase) decrease in compensated absences		<u>(7,635)</u>	
Change in net position (full accrual)		<u>\$ (386,757)</u>	



Statistical Section

STATISTICAL SECTION (Unaudited)

The Statistical Section of the District's 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 says about the District's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

Revenue Capacity

Since the District's local revenues are primarily provided by Caldwell County, these schedules on the county's revenue sources are relevant to an understanding of Caldwell County's most significant local revenue source, the property tax.

Debt Capacity

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

Demographic and Economic Information

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

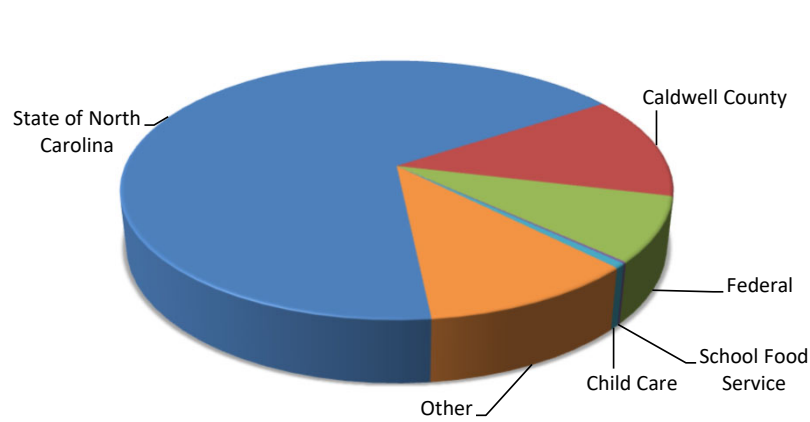
Operating Information

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

Financial Perspective

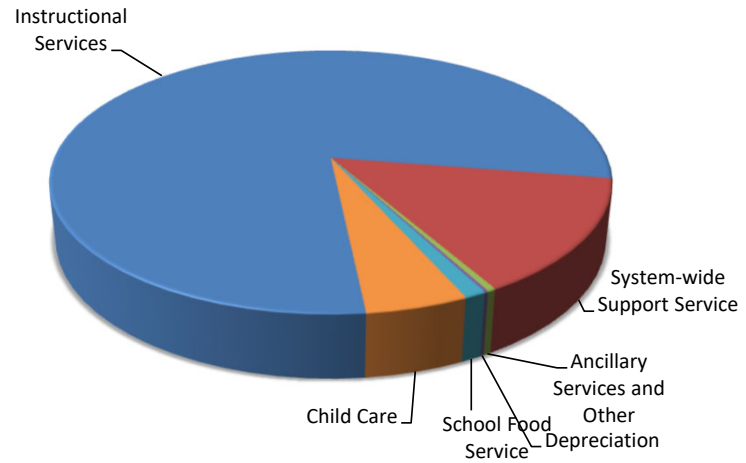
Governmental and Business-type Activities for Fiscal Year 2020-2021

Revenue Sources



State of North Carolina	\$87,673,270
Caldwell County	16,844,657
Federal	10,482,177
School Food Service	242,008
Child Care	767,673
Other	<u>14,012,888</u>
 Total	 <u><u>\$130,022,673</u></u>

Expenses



Instructional Services	\$89,833,177
System-wide Support Service	16,090,089
Ancillary Services and Other	463,169
Depreciation	217,008
School Food Service	1,207,612
Child Care	<u>5,675,616</u>
 Total	 <u><u>\$113,486,671</u></u>

CALDWELL COUNTY BOARD OF EDUCATION

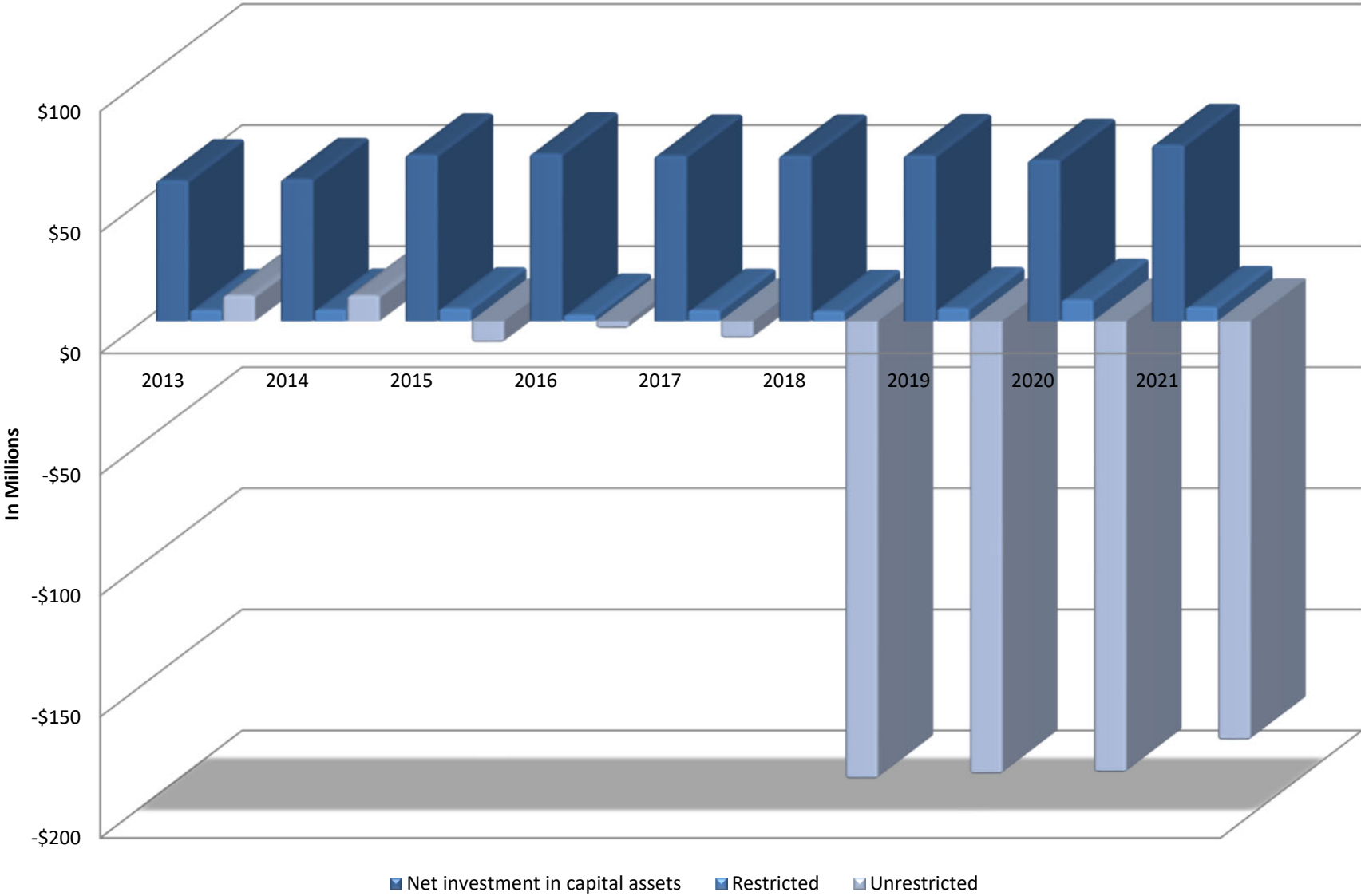
Net Position by Component Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 57,537,448	\$ 57,485,628	\$ 57,947,547	\$ 67,874,534	\$ 68,434,954	\$ 67,677,405	\$ 67,698,981	\$ 67,903,014	\$ 66,111,617	\$ 72,344,687
Restricted	4,912,610	4,651,438	4,805,333	5,336,302	2,655,382	4,693,229	4,216,105	5,403,198	8,872,636	5,873,649
Unrestricted	7,606,061	7,314,194	7,093,003	(12,115,562)	(6,891,763)	(11,334,841)	(186,928,074)	(185,162,635)	(185,644,833)	(173,500,103)
	<u>\$ 70,056,119</u>	<u>\$ 69,451,260</u>	<u>\$ 69,845,883</u>	<u>\$ 61,095,274</u>	<u>\$ 64,198,573</u>	<u>\$ 61,035,793</u>	<u>\$ (115,012,988)</u>	<u>\$ (111,856,423)</u>	<u>\$ (110,660,580)</u>	<u>\$ (95,281,767)</u>
Business-type activities										
Net investment in capital assets	\$ 828,345	\$ 756,862	\$ 788,112	\$ 924,505	\$ 813,241	\$ 747,119	\$ 721,524	\$ 641,539	\$ 540,354	\$ 503,947
Restricted	-	-	-	-	-	-	8,926	4,401	5,760	5,971
Unrestricted	3,123,697	3,390,931	3,579,506	2,851,062	3,504,513	3,859,741	(2,406,033)	(2,175,176)	(1,084,322)	109,063
	<u>\$ 3,952,042</u>	<u>\$ 4,147,793</u>	<u>\$ 4,367,618</u>	<u>\$ 3,775,567</u>	<u>\$ 4,317,754</u>	<u>\$ 4,606,860</u>	<u>\$ (1,675,583)</u>	<u>\$ (1,529,236)</u>	<u>\$ (538,208)</u>	<u>\$ 618,981</u>
District-wide										
Net investment in capital assets	\$ 58,365,793	\$ 58,242,490	\$ 58,735,659	\$ 68,799,039	\$ 69,248,195	\$ 68,424,524	\$ 68,420,505	\$ 68,544,553	\$ 66,651,971	\$ 72,848,634
Restricted	4,912,610	4,651,438	4,805,333	5,336,302	2,655,382	4,693,229	4,225,031	5,407,599	8,878,396	5,879,620
Unrestricted	10,729,758	10,705,125	10,672,509	(9,264,500)	(3,387,250)	(7,475,100)	(189,334,107)	(187,337,811)	(186,729,155)	(173,391,040)
	<u>\$ 74,008,161</u>	<u>\$ 73,599,053</u>	<u>\$ 74,213,501</u>	<u>\$ 64,870,841</u>	<u>\$ 68,516,327</u>	<u>\$ 65,642,653</u>	<u>\$ (116,688,571)</u>	<u>\$ (113,385,659)</u>	<u>\$ (111,198,788)</u>	<u>\$ (94,662,786)</u>

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Net position for 2014 and before is not comparable to 2015 (and after) net position due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

Net Position by Component Government-wide



CALDWELL COUNTY BOARD OF EDUCATION

Changes in Net Position Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instructional services	\$ 82,391,721	\$ 84,353,606	\$ 83,794,656	\$ 82,753,411	\$ 83,683,689	\$ 89,550,006	\$ 96,256,925	\$ 90,685,913	\$ 99,186,387	\$ 89,833,177
System-wide support services	15,213,975	15,157,435	15,727,382	15,655,779	16,316,529	17,509,711	19,107,566	17,137,781	16,420,402	16,090,089
Ancillary services & non-programmed charges	9,317	-	54,643	8,240	30,590	17,572	12,746	14,242	420,974	463,169
Unallocated depreciation expense	2,446,437	1,960,649	2,447,107	2,540,169	2,946,843	2,933,688	3,046,006	3,135,395	203,547	217,008
Total governmental activities	100,061,450	101,471,690	102,023,788	100,957,599	102,977,651	110,010,977	118,423,243	110,973,331	116,231,310	106,603,443
Business-type activities:										
Child Care	1,183,572	1,181,496	1,180,074	1,107,414	1,123,377	1,198,430	1,247,944	1,316,289	873,271	5,675,616
School food service	7,200,620	7,287,269	7,155,561	6,867,366	6,975,140	6,923,099	6,971,591	6,965,227	6,666,818	1,207,612
Total business type activities	8,384,192	8,468,765	8,335,635	7,974,780	8,098,517	8,121,529	8,219,535	8,281,516	7,540,089	6,883,228
Total government-wide	\$ 108,445,642	\$ 109,940,455	\$ 110,359,423	\$ 108,932,379	\$ 111,076,168	\$ 118,132,506	\$ 126,642,778	\$ 119,254,847	\$ 123,771,399	\$ 113,486,671
Program Revenues:										
Governmental activities:										
Charges for services	\$ 778,379	\$ 847,943	\$ 815,384	\$ 862,317	\$ 969,250	\$ 904,404	\$ 901,254	\$ 979,307	\$ 49,340	\$ 23,984
Operating grants and contributions	77,055,973	75,997,322	75,382,142	78,411,262	78,557,140	80,840,548	82,133,218	85,505,963	84,478,950	87,771,640
Capital grants and contributions	198,439	35,104	12,312	14,625	79,571	91,339	67,039	28,751	367,677	229,375
Total governmental activities program revenues	78,032,791	76,880,369	76,209,838	79,288,204	79,605,961	81,836,291	83,101,511	86,514,021	84,895,967	88,024,999
Business-type activities:										
Charges for services										
Student meal services	2,304,577	2,152,268	2,044,941	1,888,529	1,790,430	1,547,227	1,486,664	1,566,972	1,223,269	242,008
Child care services	1,253,632	1,308,555	1,234,847	1,162,652	1,285,296	1,301,709	1,328,260	1,321,458	899,334	767,673
Operating grants and contributions	4,829,402	5,146,882	5,208,065	5,126,264	5,518,566	5,512,757	5,284,073	5,482,767	6,388,470	6,983,612
Capital grants and contributions	-	4,953	-	-	-	-	-	-	-	-
Total business-type activities program revenues	8,387,611	8,612,658	8,487,853	8,177,445	8,594,292	8,361,693	8,098,997	8,371,197	8,511,073	7,993,293
Total government-wide	\$ 86,420,402	\$ 85,493,027	\$ 84,697,691	\$ 87,465,649	\$ 88,200,253	\$ 90,197,984	\$ 91,200,508	\$ 94,885,218	\$ 93,407,040	\$ 96,018,292
Net (Expense)/Revenue										
Governmental activities	\$ (22,028,659)	\$ (24,591,321)	\$ (25,813,950)	\$ (21,669,395)	\$ (23,371,690)	\$ (28,174,686)	\$ (35,321,732)	\$ (24,459,310)	\$ (31,335,343)	\$ (18,578,444)
Business-type activities	3,419	143,893	152,218	202,665	495,775	240,164	(120,538)	89,681	970,984	1,110,065
Total government-wide	\$ (22,025,240)	\$ (24,447,428)	\$ (25,661,732)	\$ (21,466,730)	\$ (22,875,915)	\$ (27,934,522)	\$ (35,442,270)	\$ (24,369,629)	\$ (30,364,359)	\$ (17,468,379)

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

CALDWELL COUNTY BOARD OF EDUCATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 14,400,000	\$ 14,485,000	\$ 14,649,205	\$ 14,778,726	\$ 14,750,000	\$ 14,800,000	\$ 14,809,121	\$ 14,800,000	\$ 15,207,701	\$ 14,859,155
Unrestricted county appropriations - capital	3,516,055	1,974,016	3,287,036	13,179,436	3,815,152	1,636,789	1,963,714	4,582,614	4,468,882	1,985,502
Unrestricted state appropriations - operating	5,418,666	5,347,151	5,668,950	5,308,566	5,055,774	4,816,164	4,652,640	4,286,992	1,224,014	1,530,445
Unrestricted state appropriations - capital	277,227	906,671	881,797	894,085	945,928	1,866,809	1,563,273	1,397,648	5,349,771	8,364,143
Unrestricted federal appropriations - operating	292,559	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	19,969	22,328	23,100	23,149	39,433	79,325	151,205	202,845	56,753	143,352
Miscellaneous, unrestricted	1,530,473	1,501,757	1,564,685	1,821,026	1,908,582	1,858,818	2,161,867	2,394,569	7,422,653	7,119,661
Transfers	(46,480)	(50,461)	(66,200)	(64,935)	(39,880)	(45,999)	(49,602)	(48,793)	(49,537)	(45,001)
Total governmental activities	25,408,469	24,186,462	26,008,573	35,940,053	26,474,989	25,011,906	25,252,218	27,615,875	33,680,237	33,957,257
Business-type activities:										
Investment earnings, unrestricted	899	1,397	1,407	2,542	6,532	2,943	4,752	7,873	5,415	2,123
Miscellaneous, unrestricted	183	-	-	-	-	-	-	-	-	-
Transfers	46,480	50,461	66,200	64,935	39,880	45,999	49,602	48,793	49,537	45,001
Total business-type activities	47,562	51,858	67,607	67,477	46,412	48,942	54,354	56,666	54,952	47,124
Total government-wide	\$ 25,456,031	\$ 24,238,320	\$ 26,076,180	\$ 36,007,530	\$ 26,521,401	\$ 25,060,848	\$ 25,306,572	\$ 27,672,541	\$ 33,735,189	\$ 34,004,381
Change in Net Position										
Governmental activities	\$ 3,379,810	\$ (404,859)	\$ 194,623	\$ 14,270,658	\$ 3,103,299	\$ (3,162,780)	\$ (10,069,514)	\$ 3,156,565	\$ 2,344,894	\$ 15,378,813
Business-type activities	50,981	195,751	219,825	270,142	542,187	289,106	(66,184)	146,347	1,025,936	1,157,189
Total government-wide	\$ 3,430,791	\$ (209,108)	\$ 414,448	\$ 14,540,800	\$ 3,645,486	\$ (2,873,674)	\$ (10,135,698)	\$ 3,302,912	\$ 3,370,830	\$ 16,536,002

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Expenses for 2014 and before are not comparable to 2015 (and after) expenses due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

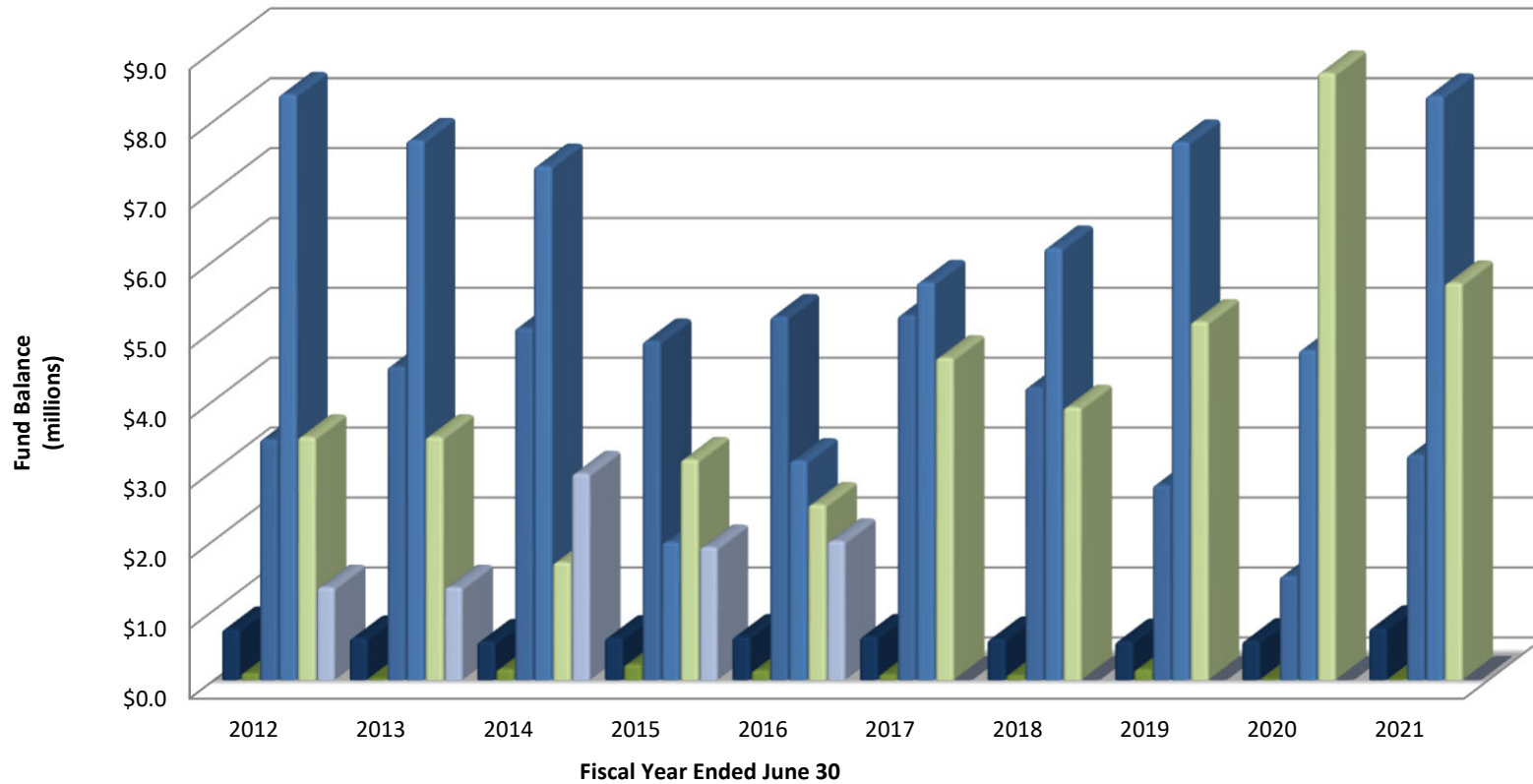
CALDWELL COUNTY BOARD OF EDUCATION

Governmental Funds Fund Balances Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$733,149	\$603,008	\$553,287	\$607,815	\$623,459	\$625,650	\$588,698	\$557,395	\$565,757	\$748,549
Restricted	103,065	31,358	161,256	229,174	143,473	82,873	75,005	157,651	22,896	16,469
Assigned	3,446,806	4,485,711	5,040,007	4,849,700	5,201,217	5,221,247	4,189,740	2,791,887	1,492,183	3,224,902
Unassigned	8,379,818	7,721,104	7,353,117	1,974,897	3,138,040	5,690,146	6,181,107	7,698,762	4,719,763	8,358,513
Total General Fund	<u>\$ 12,662,838</u>	<u>\$ 12,841,181</u>	<u>\$ 13,107,667</u>	<u>\$ 7,661,586</u>	<u>\$ 9,106,189</u>	<u>\$ 11,619,916</u>	<u>\$ 11,034,550</u>	<u>\$ 11,205,695</u>	<u>\$ 6,800,599</u>	<u>\$ 12,348,433</u>
All other governmental funds:										
Restricted	\$3,479,211	\$3,479,211	\$1,687,125	\$3,156,646	\$2,511,909	\$4,610,356	\$3,902,559	\$5,128,031	\$8,687,746	\$5,681,369
Assigned, reported in:										
Other Special Revenue Fund	1,330,334	1,330,334	2,956,952	1,903,903	1,990,975	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,809,545</u>	<u>\$ 4,809,545</u>	<u>\$ 4,644,077</u>	<u>\$ 5,060,549</u>	<u>\$ 4,502,884</u>	<u>\$ 4,610,356</u>	<u>\$ 3,902,559</u>	<u>\$ 5,128,031</u>	<u>\$ 8,687,746</u>	<u>\$ 5,681,369</u>

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Governmental Funds Fund Balances - After GASB 54 Implementation



- Nonspendable, General
- Restricted, General
- Assigned, General
- Unassigned, General
- Restricted, all other governmental funds
- Assigned, Other Special Revenue

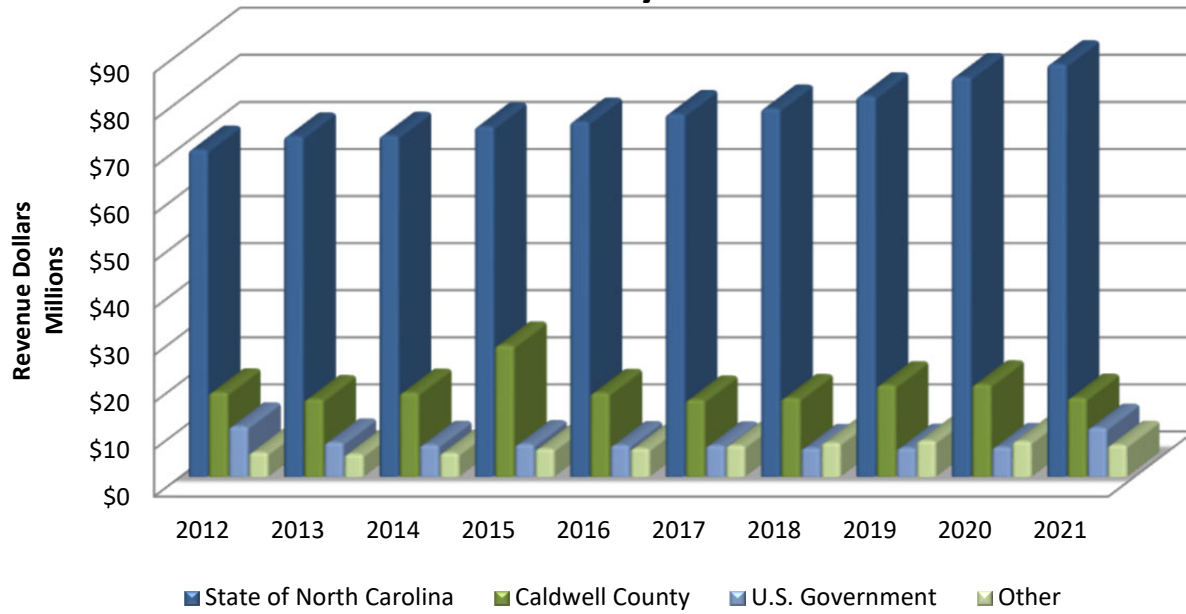
CALDWELL COUNTY BOARD OF EDUCATION

Governmental Funds Changes in Fund Balances Last Ten Fiscal Years

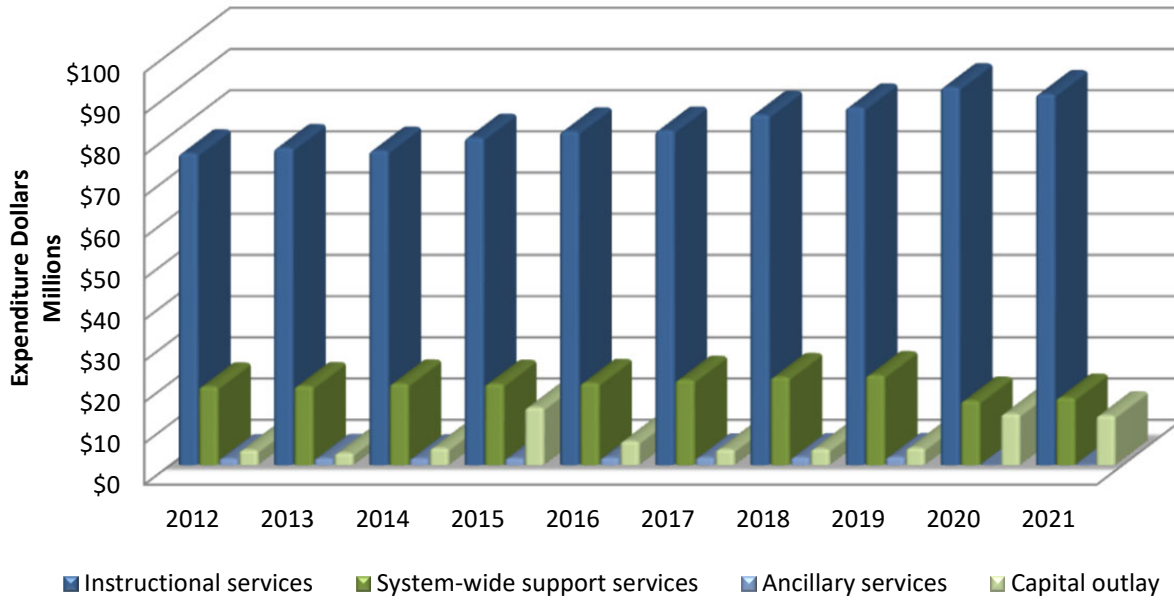
Year Ended June 30	2012	2013	2014	2015	2016
Revenues					
State of North Carolina	\$ 69,536,085	\$ 72,353,783	\$ 72,478,336	\$ 74,455,863	\$ 75,484,601
Caldwell County	17,995,918	16,545,310	17,936,241	27,958,162	17,869,940
U.S. Government	10,770,347	7,356,720	6,845,387	6,984,361	6,789,305
Other	5,269,556	4,877,254	5,132,845	6,037,572	6,129,163
Total revenues	<u>103,571,906</u>	<u>101,133,067</u>	<u>102,392,809</u>	<u>115,435,958</u>	<u>106,273,009</u>
Expenditures					
Instructional services	75,705,802	76,986,111	76,360,158	79,487,088	81,046,689
System-wide support services	19,110,777	19,209,687	19,814,554	19,764,490	19,995,304
Ancillary services	1,625,069	1,679,944	1,650,847	1,702,240	1,800,077
Non-programmed charges	-	-	-	-	-
Capital outlay	3,730,695	2,988,910	4,222,692	14,046,256	5,860,608
Debt service - principle	175,246	451,547	138,153	545,085	681,874
Total expenditures	<u>100,347,589</u>	<u>101,316,199</u>	<u>102,186,404</u>	<u>115,545,159</u>	<u>109,384,552</u>
Revenues over (under) expenditures	3,224,317	(183,132)	206,405	(109,201)	(3,111,543)
Other financing sources (uses)					
Installment purchase obligations issued	-	552,612	-	813,864	1,341,919
Transfers in (out)	(46,480)	(50,461)	(66,200)	(64,935)	(39,880)
Total other financing sources (uses)	<u>(46,480)</u>	<u>502,151</u>	<u>(66,200)</u>	<u>748,929</u>	<u>1,302,039</u>
Net change in fund balance	<u>\$ 3,177,837</u>	<u>\$ 319,019</u>	<u>\$ 140,205</u>	<u>\$ 639,728</u>	<u>\$ (1,809,504)</u>
Ratio of debt service expenditures to total non-capital expenditures	0.18%	0.46%	0.14%	0.54%	0.66%
Year Ended June 30	2017	2018	2019	2020	2021
Revenues					
State of North Carolina	\$ 77,112,444	\$ 78,267,708	\$ 80,861,294	\$ 84,950,193	\$ 87,673,270
Caldwell County	16,447,364	16,772,835	19,504,879	19,676,583	16,844,657
U.S. Government	6,725,396	6,176,274	6,193,504	6,399,093	10,482,177
Other	6,740,025	7,312,948	7,754,469	7,611,381	6,847,705
Total revenues	<u>107,025,229</u>	<u>108,529,765</u>	<u>114,314,146</u>	<u>118,637,250</u>	<u>121,847,809</u>
Expenditures					
Instructional services	81,245,507	85,028,088	86,848,510	91,758,616	90,086,593
System-wide support services	20,732,507	21,410,229	21,856,153	15,663,259	16,412,952
Ancillary services	1,879,720	1,943,297	1,997,565	101,842	191,299
Non-programmed charges	-	-	-	206,466	234,072
Capital outlay	3,892,760	4,020,394	4,233,841	12,494,312	12,108,349
Debt service	863,570	725,088	582,162	578,943	695,800
Total expenditures	<u>108,614,064</u>	<u>113,127,096</u>	<u>115,518,231</u>	<u>120,803,438</u>	<u>119,729,065</u>
Revenues over (under) expenditures	(1,588,835)	(4,597,331)	(1,204,085)	(2,166,188)	2,118,744
Other financing sources (uses)					
Installment purchase obligations issued	1,210,775	347,655	-	6,631,600	284,922
Transfers in (out)	(45,999)	(49,602)	(48,793)	(49,537)	(45,001)
Total other financing sources (uses)	<u>1,164,776</u>	<u>298,053</u>	<u>(48,793)</u>	<u>6,582,063</u>	<u>239,921</u>
Net change in fund balance	<u>\$ (424,059)</u>	<u>\$ (4,299,278)</u>	<u>\$ (1,252,878)</u>	<u>\$ 4,415,875</u>	<u>\$ 2,358,665</u>
Ratio of debt service expenditures to total non-capital expenditures	0.83%	0.67%	0.53%	0.54%	0.65%

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Governmental Funds Revenue by Source



Governmental Funds Expenditures by Function



CALDWELL COUNTY BOARD OF EDUCATION
Full-time Equivalent Governmental Employees by Function/Program
Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Officials, admins, mgrs	26	25	26	26	26	28	28	25	23	28
Principals	26	26	25	26	26	26	26	26	25	25
Asst. Principals, non-teaching	16	18	18	18	18	18	18	18	19	18
Total administrators	68	69	69	70	70	72	72	69	67	71
Elementary teachers	404	401	399	398	397	376	376	399	399	388
Secondary teachers	196	197	194	192	198	187	187	186	170	166
Other teachers	225	221	228	225	223	221	221	230	223	211
Total teachers	825	819	821	815	818	784	784	815	792	765
Guidance	36	37	35	34	34	35	35	36	32	33
Psychological	3	6	5	4	5	6	6	4	4	3
Librarian, audiovisual	18	19	19	18	18	17	17	18	20	19
Consultant, supervisor	-	-	-	-	-	-	-	-	1	1
Other professionals	73	71	74	68	68	70	70	74	66	57
Total professionals	1,023	1,021	1,023	1,009	1,013	984	984	1,016	982	949
Teacher Assistants	281	282	271	262	253	247	247	246	233	213
Technicians	7	7	8	8	8	8	8	8	9	8
Clerical, secretarial	85	85	83	83	87	81	81	92	86	84
Service workers	135	124	116	111	108	102	102	138	127	126
Skilled crafts	20	22	21	21	23	22	22	24	24	25
Laborers, Unskilled	1	-	-	-	-	1	1	-	-	0
Total employees	1,552	1,541	1,522	1,494	1,492	1,445	1,445	1,524	1,461	1,405

Source: North Carolina Public Schools Statistical Profile (2012-2021 Editions)

CALDWELL COUNTY BOARD OF EDUCATION

Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS						
Year Ended June 30	2012	2013	2014	2015	2016	
Average Daily Membership	12,333	12,224	12,060	11,918	11,964	
Instructional	\$ 6,138	\$ 6,298	\$ 6,332	\$ 6,669	\$ 6,774	
Support	1,550	1,571	1,643	1,658	1,671	
Ancillary	132	137	137	143	150	
Total Expenditures	\$ 7,820	\$ 8,006	\$ 8,112	\$ 8,470	\$ 8,595	

EXPRESSED IN NOMINAL DOLLARS						
Year Ended June 30	2017	2018	2019	2020	2021	
Average Daily Membership	11,666	11,445	11,236	11,096	10,539	
Instructional	\$ 6,964	\$ 7,429	\$ 7,729	\$ 8,270	\$ 8,548	
Support	1,777	1,871	1,945	1,412	1,557	
Ancillary	161	170	178	9	18	
Total Expenditures	\$ 8,902	\$ 9,470	\$ 9,852	\$ 9,691	\$ 10,123	

EXPRESSED IN CONSTANT DOLLARS						
Year Ended June 30	2012	2013	2014	2015	2016	
Instructional	\$ 2,675	\$ 2,697	\$ 2,657	\$ 2,795	\$ 2,810	
Support	675	673	689	695	693	
Ancillary	58	59	57	60	62	
Total Expenditures	\$ 3,408	\$ 3,429	\$ 3,403	\$ 3,550	\$ 3,565	

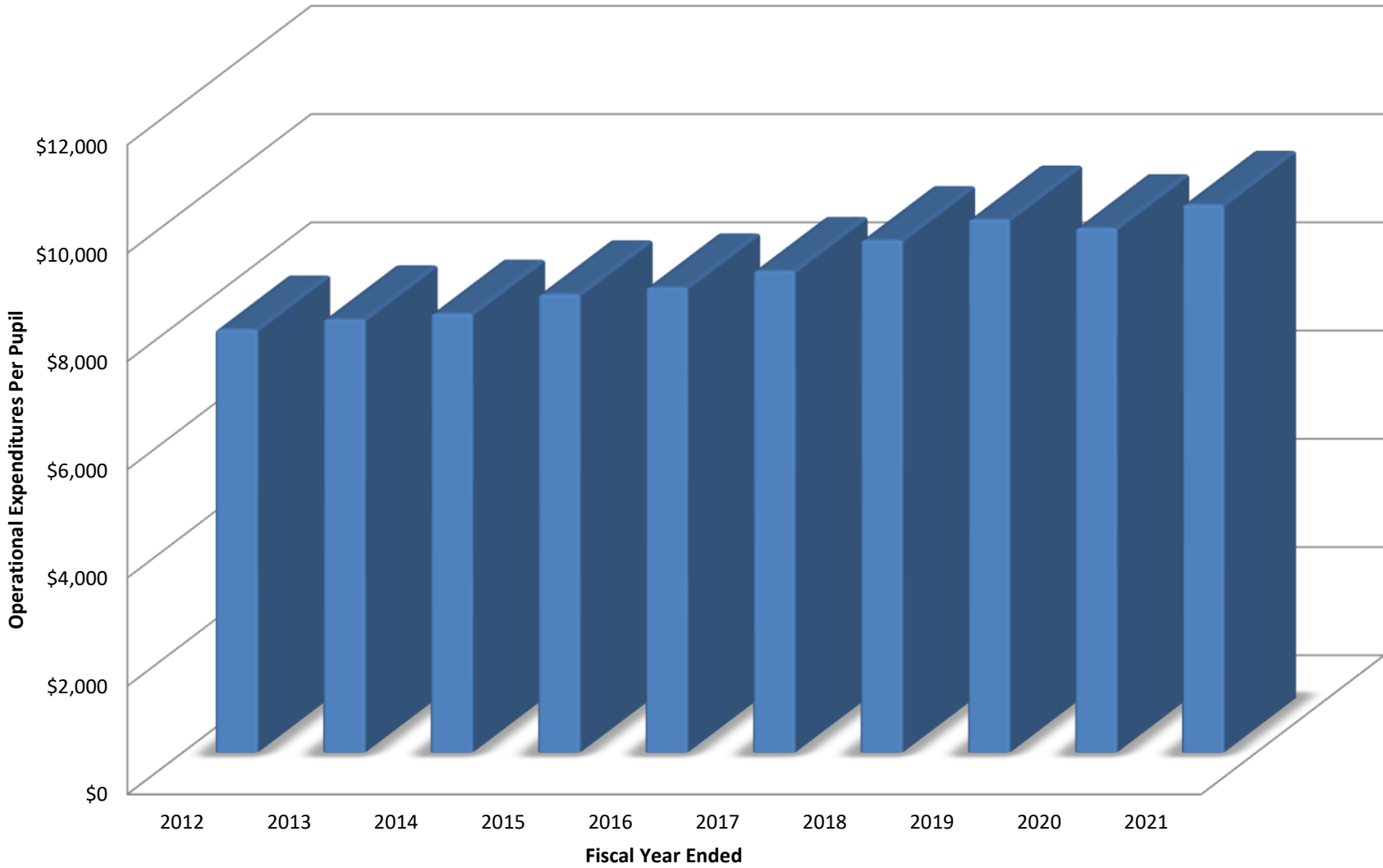
EXPRESSED IN CONSTANT DOLLARS						
Year Ended June 30	2017	2018	2019	2020	2021	
Instructional	\$ 2,843	\$ 2,948	\$ 3,017	\$ 3,206	\$ 3,146	
Support	725	742	759	547	573	
Ancillary	66	67	69	3	7	
Total Expenditures	\$ 3,634	\$ 3,757	\$ 3,845	\$ 3,756	\$ 3,726	

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

The above operational expenditures per pupil include all governmental funds.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Operational Expenditures Per Pupil Expenditures by Function



Caldwell County Board of Education Student Statistics Last Ten Fiscal Years
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Year Ended June 30,	Teaching Staff	Students	Pupil/ Teacher ratio	Student Attendance Percentage	Students receiving free/ reduced lunch percentage
2021	765	10,539	13.8	94.11%	57.45%
2020	792	11,096	14.0	95.63%	67.91%
2019	815	11,236	13.8	94.89%	60.84%
2018	784	11,445	14.6	94.89%	60.80%
2017	784	11,666	14.9	94.96%	62.13%
2016	818	11,964	14.6	95.53%	58.97%
2015	815	11,918	14.6	95.69%	62.15%
2014	821	12,060	14.7	95.79%	61.39%
2013	819	12,224	14.9	95.09%	60.27%
2012	825	12,333	14.9	96.10%	59.72%

Source: North Carolina Department of Public Instruction

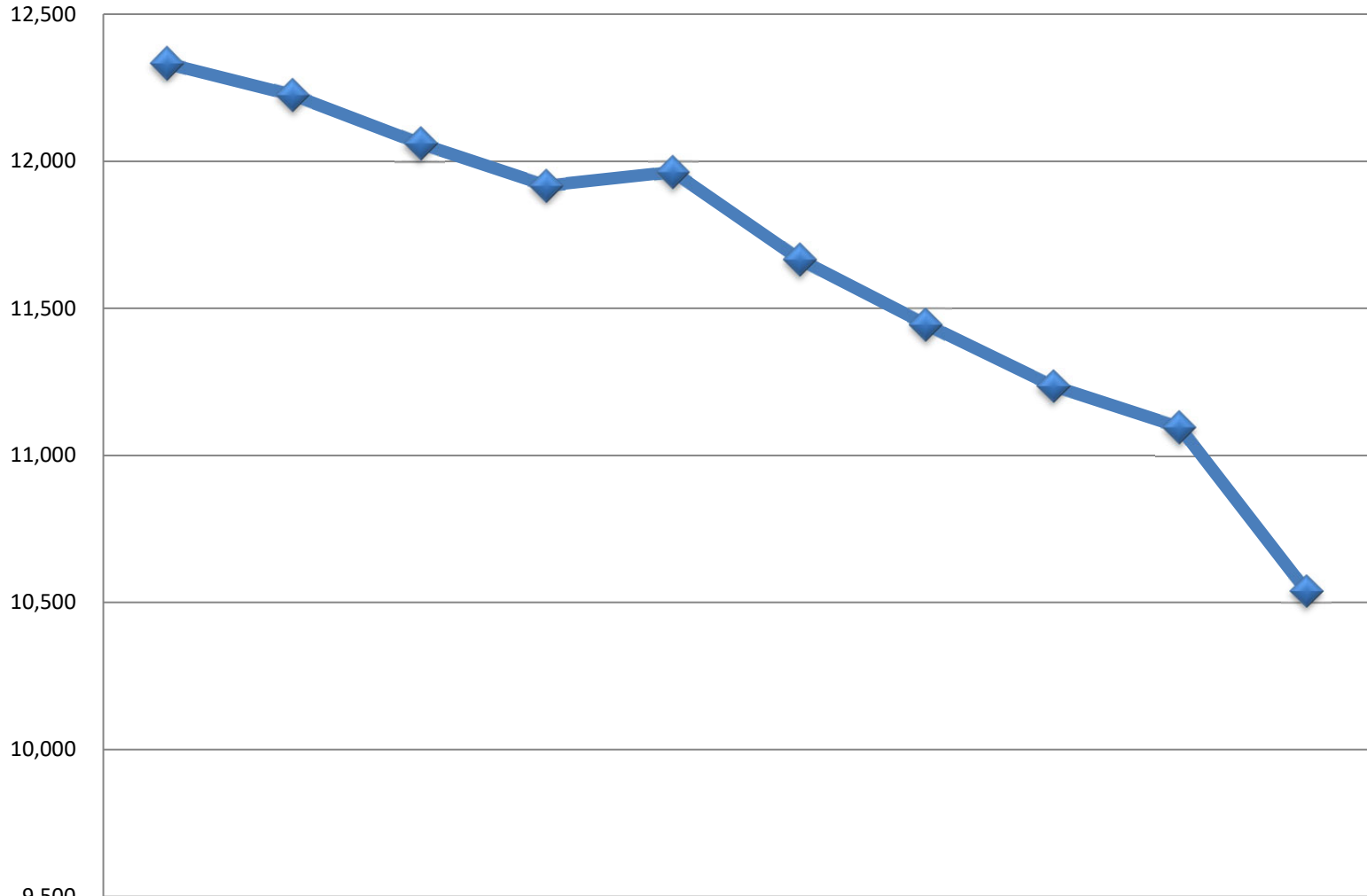
CALDWELL COUNTY BOARD OF EDUCATION

School Building Data June 30, 2021

Site	Square Footage	Capacity	Current Membership	Over/(Under) Capacity
Baton Elementary	72,446	642	336	306
Caldwell Applied Sciences Academy	N/A	N/A	220	N/A
Caldwell Early College	N/A	N/A	409	N/A
Collettsville School	60,032	477	331	146
Davenport A+ School	76,115	523	469	54
Dudley Shoals Elementary	73,390	653	426	227
Gamewell Elementary	85,047	707	429	278
Gamewell Middle	95,759	676	491	185
Gateway School	27,098	95	53	42
Granite Falls Elementary	68,355	773	521	252
Granite Falls Middle	96,561	765	578	187
Happy Valley Elementary	54,525	485	200	285
Hibriten High	184,509	1,093	831	262
Horizons Elementary	26,042	125	29	96
Hudson Elementary	107,403	940	632	308
Hudson Middle	98,534	920	679	241
Kings Creek Elementary	54,496	307	158	149
Lower Creek Elementary	48,950	410	368	42
Sawmills Elementary	57,420	532	291	241
South Caldwell High	272,427	1,900	1,359	541
Valmead Elementary	38,085	330	133	197
West Caldwell High	193,809	1,186	699	487
West Lenoir Elementary	43,327	287	140	147
Whitnel Elementary	72,339	544	262	282
William Lenoir Middle	100,699	750	593	157

Source: Facilities Director, Caldwell County Board of Education

CALDWELL COUNTY SCHOOLS Average Daily Membership Last Ten Fiscal Years



CALDWELL COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Services Operations
Revenues by Source
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Food sales	\$ 2,304,577	\$ 2,152,268	\$ 2,044,941	\$ 1,888,529	\$ 1,790,430
Federal reimbursements	4,116,803	4,309,688	4,319,853	4,339,584	4,668,628
Federal commodities	349,769	435,315	469,897	387,898	445,505
Other	363,912	408,229	419,433	400,998	409,375
Total revenues	<u>\$ 7,135,061</u>	<u>\$ 7,305,500</u>	<u>\$ 7,254,124</u>	<u>\$ 7,017,009</u>	<u>\$ 7,313,938</u>

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2017	2018	2019	2020	2021
Food sales	\$ 1,547,227	\$ 1,486,664	\$ 1,566,972	\$ 1,223,269	\$ 242,008
Federal reimbursements	4,655,276	4,262,250	4,405,258	5,496,333	6,261,410
Federal commodities	468,432	642,743	557,503	565,446	669,225
Other	390,921	380,943	407,116	328,717	1,918
Total revenues	<u>\$ 7,061,856</u>	<u>\$ 6,772,600</u>	<u>\$ 6,936,849</u>	<u>\$ 7,613,765</u>	<u>\$ 7,174,561</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Food sales	\$ 1,004,269	\$ 921,726	\$ 857,982	\$ 791,378	\$ 742,800
Federal reimbursements	1,793,986	1,845,659	1,812,452	1,818,480	1,936,885
Federal commodities	152,419	186,427	197,152	162,547	184,828
Other	158,583	174,827	175,979	168,036	169,838
Total revenues	<u>\$ 3,109,257</u>	<u>\$ 3,128,639</u>	<u>\$ 3,043,565</u>	<u>\$ 2,940,441</u>	<u>\$ 3,034,351</u>

EXPRESSED IN CONSTANT DOLLARS

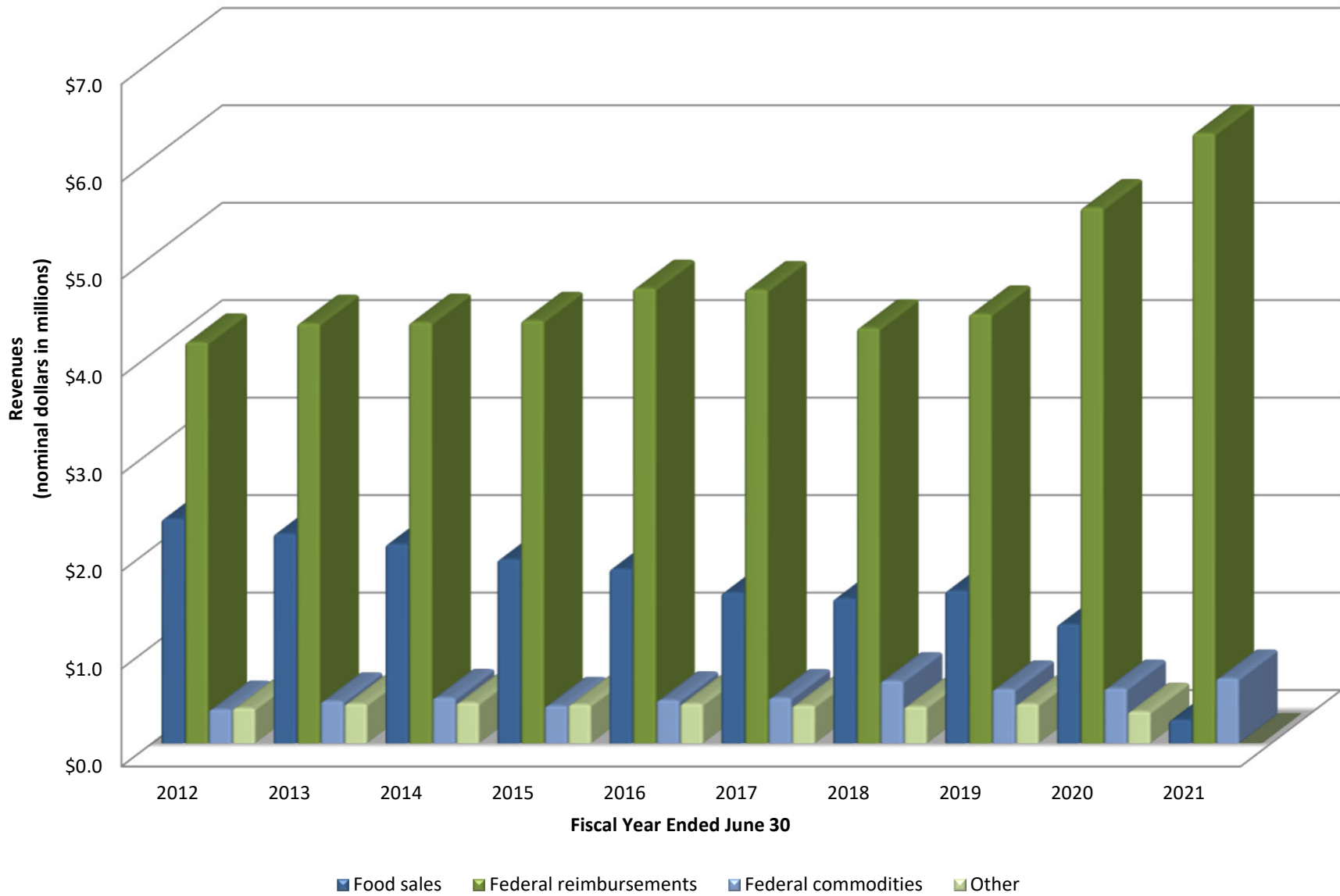
Year Ended June 30	2017	2018	2019	2020	2021
Food sales	\$ 631,637	\$ 589,972	\$ 611,757	\$ 474,190	\$ 89,073
Federal reimbursements	1,900,462	1,691,443	1,719,843	2,130,609	2,304,565
Federal commodities	191,232	255,068	217,653	219,191	246,314
Other	159,589	151,174	158,941	127,425	706
Total revenues	<u>\$ 2,882,920</u>	<u>\$ 2,687,657</u>	<u>\$ 2,708,194</u>	<u>\$ 2,951,415</u>	<u>\$ 2,640,658</u>

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenue.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Service Operations Revenues by Source



CALDWELL COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Purchase of food	\$ 2,276,318	\$ 2,260,963	\$ 2,240,615	\$ 2,269,629	\$ 2,232,097
Donated commodities	349,769	435,315	470,459	387,898	445,505
Salaries and benefits	3,539,638	3,637,901	3,594,321	3,317,628	3,302,724
Other	1,034,895	953,090	850,166	892,211	994,814
Total expenses	<u>\$ 7,200,620</u>	<u>\$ 7,287,269</u>	<u>\$ 7,155,561</u>	<u>\$ 6,867,366</u>	<u>\$ 6,975,140</u>

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2017	2018	2019	2020	2021
Purchase of food	\$ 2,053,835	\$ 1,948,753	\$ 2,229,658	\$ 2,810,444	\$ 2,448,763
Donated commodities	468,432	495,769	423,542	-	-
Salaries and benefits	3,464,504	3,568,518	3,343,325	3,314,817	2,616,539
Other	936,328	958,551	968,702	541,557	610,314
Total expenses	<u>\$ 6,923,099</u>	<u>\$ 6,971,591</u>	<u>\$ 6,965,227</u>	<u>\$ 6,666,818</u>	<u>\$ 5,675,616</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Purchase of food	\$ 991,955	\$ 968,276	\$ 940,080	\$ 951,076	\$ 926,035
Donated commodities	152,419	186,427	197,387	162,547	184,828
Salaries and benefits	1,542,474	1,557,961	1,508,046	1,390,235	1,370,209
Other	450,978	408,169	356,699	373,876	412,721
Total expenses	<u>\$ 3,137,826</u>	<u>\$ 3,120,833</u>	<u>\$ 3,002,212</u>	<u>\$ 2,877,734</u>	<u>\$ 2,893,793</u>

EXPRESSED IN CONSTANT DOLLARS

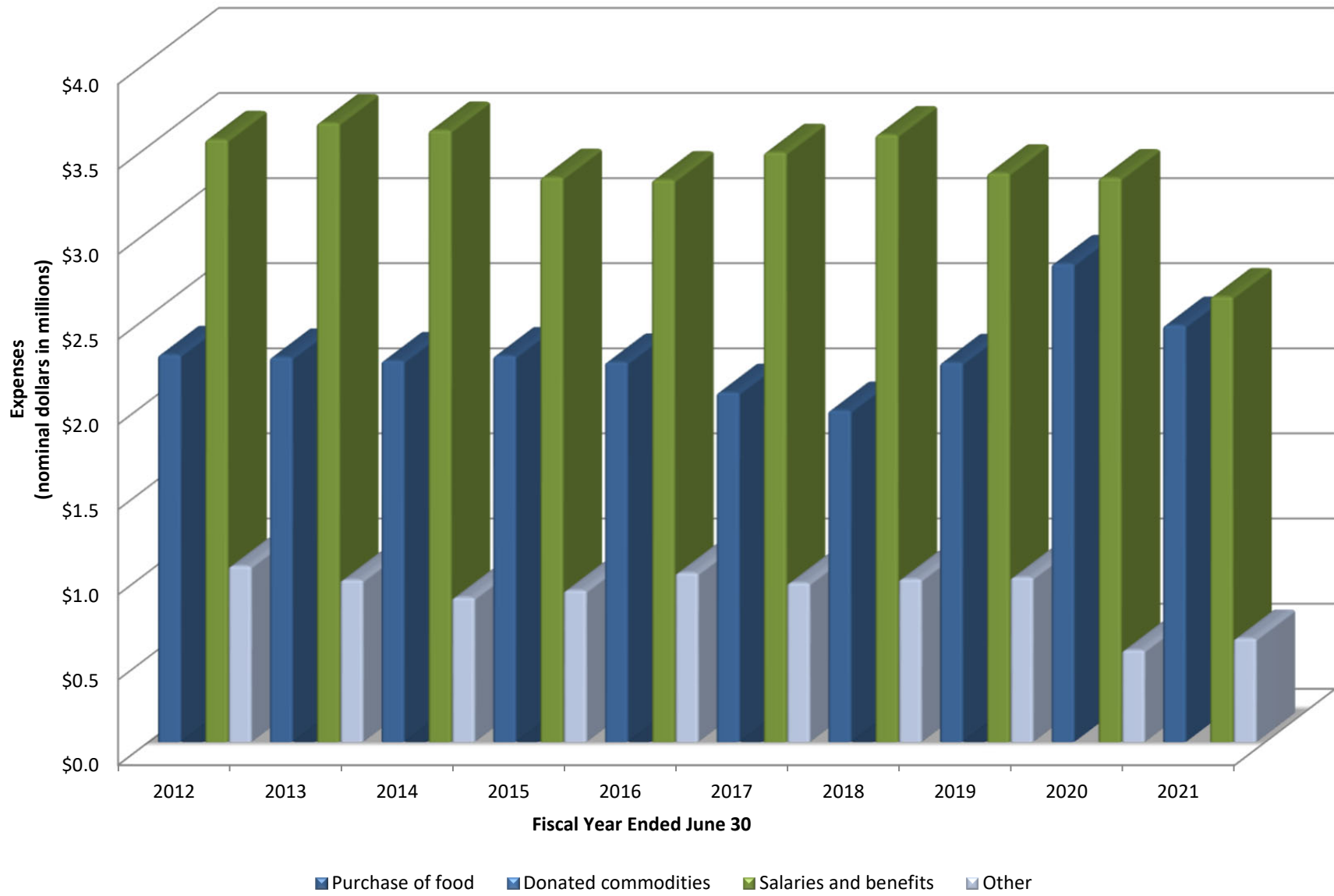
Year Ended June 30	2017	2018	2019	2020	2021
Purchase of food	\$ 838,454	\$ 773,348	\$ 870,474	\$ 1,089,446	\$ 901,288
Donated commodities	191,232	196,742	165,354	-	-
Salaries and benefits	1,414,343	1,416,140	1,305,257	1,284,962	963,039
Other	382,245	380,394	378,188	209,930	224,631
Total expenses	<u>\$ 2,826,274</u>	<u>\$ 2,766,624</u>	<u>\$ 2,719,273</u>	<u>\$ 2,584,338</u>	<u>\$ 2,088,958</u>

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Other expense includes indirect costs, materials and supplies, repairs and maintenance, depreciation, and other expenses.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Services Operations Expenses by Category



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

Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2021	\$ 6,511,275	\$ 6,511,275	N/A	N/A
2020	6,718,514	6,718,514	0.23%	82
2019	454,591	454,591	0.02%	6
2018	1,036,756	1,036,756	0.04%	13
2017	1,414,186	1,414,186	0.08%	17
2016	1,066,981	1,066,981	0.07%	13
2015	406,936	406,936	0.03%	5
2014	138,157	138,157	0.01%	2
2013	276,310	276,310	0.02%	3
2012	175,245	175,245	0.01%	2

Source: Caldwell County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Note: Caldwell County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, current year county level annual population estimates and personal income are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

CALDWELL COUNTY
North Carolina
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016
Population Estimate (1)	83,117	83,117	82,590	82,321	82,445
Personal Income	\$1,609,311,354	\$1,549,300,880	\$1,587,544,980	\$1,609,540,192	\$1,611,964,640
Per Capita Income (2)	\$19,362	\$18,640	\$19,222	\$19,552	\$19,552
Median Age (3)	42	42	42	44	43
School Enrollment	12,333	12,224	12,060	11,918	11,964
Unemployment Rate (2)	13.2%	10.0%	7.4%	7.1%	6.3%
Year Ended June 30	2017	2018	2019	2020	2021
Population Estimate (1)	82,292	81,623	81,981	82,247	N/A
Personal Income	\$1,725,827,824	\$2,653,400,484	\$2,772,178,515	\$2,909,405,378	N/A
Per Capita Income (2)	\$20,972	\$32,508	\$33,815	\$35,374	N/A
Median Age (3)	43	44	44	44	44
School Enrollment	11,666	11,445	12,236	11,096	10,539
Unemployment Rate (2)	4.2%	4.0%	3.8%	8.2%	5.1%

Sources:

1 Based upon estimates issued by the U.S. Census Bureau

2 Bureau of Economic Analysis

3 Office of State Budget and Management

Note: This table is a ten year schedule. However, current year county level annual population estimates and personal income are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (1)</u>
2012	3,945,000	5,540,557,372	0.07	47
2013	2,445,000	5,674,721,362	0.04	29
2014	1,385,000	6,307,655,358	0.02	17
2015	825,000	6,433,533,768	0.01	10
2016	500,000	6,621,942,767	0.01	6
2017	185,000	6,680,868,162	0.00	2
2018	-	6,797,653,494	-	-
2019	-	7,027,817,450	-	-
2020	-	7,653,239,428	-	-
2021	-	7,656,294,211	-	-

(1) Population based on estimates issued by the Bureau of the Census

CALDWELL COUNTY
North Carolina
Principal Employers
For Year Ended June 30, 2021 and 2012

Employer	2021			2012		
	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment
Merchants Distributors Inc	1000+	1	2.87%	1000+	2	3.04%
Caldwell County Schools	1000+	2	2.87%	1000+	1	3.04%
Caldwell Memorial Hospital Inc	1000+	3	2.87%	500-999	4	1.52 - 3.03%
Bernhardt Furniture Co Inc	1000+	4	2.87%	500-999	3	1.52 - 3.03%
Wal-Mart Associates Inc	500-999	5	1.44 - 2.88%	500-999	6	1.52 - 3.03%
Caldwell County	500-999	6	1.44 - 2.88%	500-999	7	1.52 - 3.03%
Caldwell Community Coll & Tech Inst	500-999	7	1.44 - 2.88%	500-999	5	1.52 - 3.03%
Stallergenes Greer	250-499	8	0.72 - 1.43%			
Sealed Air	250-499	9	0.72 - 1.43%			
Fairfield Chair Co	250-499	10	0.72 - 1.43%	250-499	10	0.76 - 1.51%
Broyhill Furniture Industries Inc	-			500-999	8	1.52 - 3.03%
Thomasville Furniture Ind Inc	-			250-499	9	0.76 - 1.51%
Total County Emplment (2)	<u>34,802</u>		<u>17.96 - 24.41%</u>	<u>32,880</u>		<u>16.72 - 27.28%</u>

Sources:

(1) North Carolina Chamber of Commerce

(2) Labor estimates provided by the Employment Security Commission of North Carolina

CALDWELL COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2019 and December 31, 2010

Taxpayer	December 31, 2020			December 31, 2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Google	\$1,174,903,747	1	15.35	\$ 123,844,904	1	2.24
Tapaha Dynamics LLC	358,194,916	2	4.68	54,340,254	4	0.98
MDI/Merchant Distributors	143,581,648	3	1.88	116,970,917	2	2.11
Duke Energy	98,595,457	4	1.29	61,181,153	3	1.10
Blue Ridge Electric Membership/Energies	71,048,591	5	0.93	49,397,318	5	0.89
Greer Laboratories Inc	40,481,853	6	0.53			-
Walmart	35,243,242	7	0.46	20,691,166	9	0.37
Bernhardt Industries	29,827,813	8	0.39	28,122,241	7	0.51
Exela	29,193,457	9	0.38			-
Sealed Air Corporation	36,037,840	10	0.47			-
Broyhill Industries		-	-	42,033,981	6	0.76
BellSouth		-	-	22,932,017	8	0.41
Neptco		-	-	19,332,194	10	0.35
	<u>\$ 2,017,108,564</u>		<u>26.36</u>	<u>\$ 538,846,145</u>		<u>9.72</u>
Total Assessed Valuation	<u>\$ 7,656,294,211</u>			<u>\$ 5,540,557,372</u>		

Source: Caldwell County Tax Department

CALDWELL COUNTY
North Carolina
Property Tax Levies and Current Collections
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS			
FISCAL YEAR ENDED June 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
2021	N/A	N/A	N/A
2020	48,292,192	47,007,689	97.34
2019	44,275,250	42,775,463	96.61
2018	42,839,522	41,194,901	96.16
2017	42,109,895	40,529,324	96.25
2016	39,744,478	38,217,503	96.16
2015	38,611,973	37,065,023	95.99
2014	37,906,403	35,909,696	94.73
2013	35,746,118	34,386,100	96.20
2012	36,566,382	35,461,834	96.98

EXPRESSED IN CONSTANT DOLLARS			
FISCAL YEAR ENDED June 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	
2021	N/A	N/A	
2020	18,720,081	18,222,153	
2019	17,285,364	16,699,837	
2018	17,000,552	16,347,897	
2017	17,190,870	16,545,620	
2016	16,488,885	15,855,385	
2015	16,180,144	15,531,903	
2014	15,904,139	15,066,394	
2013	15,308,568	14,726,129	
2012	15,934,592	15,453,261	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Source: Caldwell County, North Carolina, Annual Financial Report for the year ended June 30, 2021.

Note: Total tax levy and current tax collections were not received from Caldwell County prior to the completion of this report. Therefore, this information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

CALDWELL COUNTY
North Carolina
Property Tax Rates - All Overlapping Governments
(PER \$100 OF ASSESSED VALUE)
Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016
CALDWELL COUNTY	0.6599	0.6299	0.6000	0.6000	0.6000
CITIES AND TOWNS					
Blowing Rock	0.2800	0.2800	0.2800	0.3100	0.3300
Cedar Rock	0.1500	0.1500	0.1500	0.1500	0.1500
Granite Falls	0.4200	0.4400	0.4400	0.4400	0.4400
Hickory	0.5000	0.5000	0.5000	0.5665	0.5665
Hudson	0.3700	0.3700	0.3900	0.3900	0.3900
Lenoir	0.5400	0.5600	0.5600	0.5800	0.5800
Rhodhiss	0.5500	0.5500	0.5500	0.5500	0.5500
Rutherford College	N/A	N/A	N/A	N/A	N/A
Sawmills	0.2000	0.2000	0.2000	0.2000	0.2000
FIRE DISTRICTS					
All Districts	.0310 - .1300	.0310 - .1300	.0310 - .1300	.0310 - .1300	.0310 - .1300
RESCUE SERVICES	0.0085	0.0085	0.0085	0.0085	0.0085
SPECIAL DISTRICTS					
Lenior Special District	0.2500	0.2500	0.2500	0.2500	0.2500

Year Ended June 30	2017	2018	2019	2020	2021
CALDWELL COUNTY	0.6300	0.6300	0.6300	0.6300	0.6300
CITIES AND TOWNS					
Blowing Rock	0.3700	0.3700	0.3900	0.3900	0.3900
Cedar Rock	0.1500	0.1500	0.1500	0.1500	0.1500
Granite Falls	0.4500	0.4500	0.4485	0.4485	0.4485
Hickory	0.5665	0.5665	0.5875	0.5875	0.5875
Hudson	0.4300	0.4300	0.4300	0.4300	0.4300
Lenoir	0.5800	0.5800	0.5800	0.5800	0.5800
Rhodhiss	0.5500	0.5500	0.5500	0.5500	0.5500
Rutherford College	N/A	N/A	0.1200	0.1200	0.1200
Sawmills	0.2000	0.2000	0.2000	0.2000	0.2000
FIRE DISTRICTS					
All Districts	.0395 - .1300	.0395 - .1385	.0395 - .1580	.0395 - .1580	.0310 - .1400
RESCUE SERVICES	0.0085	N/A	N/A	N/A	N/A
SPECIAL DISTRICTS					
Lenior Special District	0.2500	0.2500	0.2500	0.2500	0.2500

Source: Caldwell County, North Carolina, Tax Department.

CALDWELL COUNTY, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assessed value (after exemption)	N/A	\$ 7,653,239,428	\$ 7,027,817,450	\$ 6,797,653,494
Debt limit rate	8%	8%	8%	8%
Debt limit	N/A	612,259,154	562,225,396	543,812,280
Less: Total net debt applicable to limit	N/A	43,970,245	46,947,869	34,099,526
Legal debt margin	<u>N/A</u>	<u>568,288,909</u>	<u>515,277,527</u>	<u>509,712,754</u>
Total net debt applicable to the limit as a percentage of debt limit	N/A	7%	8%	6%
Legal Debt Margin Calculation for Fiscal Year 2020				
Assessed value (after exemptions)				N/A
Debt limit (8% of assessed value)				8%
Debt applicable to limit:				N/A
Outstanding general obligation debt				<u>N/A</u>
Total net debt applicable to limit				<u>N/A</u>
Legal debt margin				<u>N/A</u>

Note: Caldwell County Board of Education does not have debt levy authority.

N/A: This information was not available from Caldwell County as of the completion of this report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 6,680,868,162	\$ 6,621,942,767	\$ 6,433,533,768	\$ 6,307,655,358	\$ 5,674,721,362	\$ 5,540,557,372
8%	8%	8%	8%	8%	8%
<u>534,469,453</u>	<u>529,755,421</u>	<u>514,682,701</u>	<u>504,612,429</u>	<u>453,977,709</u>	<u>443,244,590</u>
<u>36,537,387</u>	<u>40,735,195</u>	<u>44,596,174</u>	<u>47,200,967</u>	<u>35,780,074</u>	<u>39,909,568</u>
<u><u>497,932,066</u></u>	<u><u>489,020,226</u></u>	<u><u>470,086,527</u></u>	<u><u>457,411,462</u></u>	<u><u>418,197,635</u></u>	<u><u>403,335,022</u></u>
7%	8%	9%	9%	8%	9%

