



**MARTIN STARNES &  
ASSOCIATES, CPAs, P.A.**

**Paula Hodges, Partner**

**CATAWBA COUNTY, NC**

**12-2-13**

# Audit Results

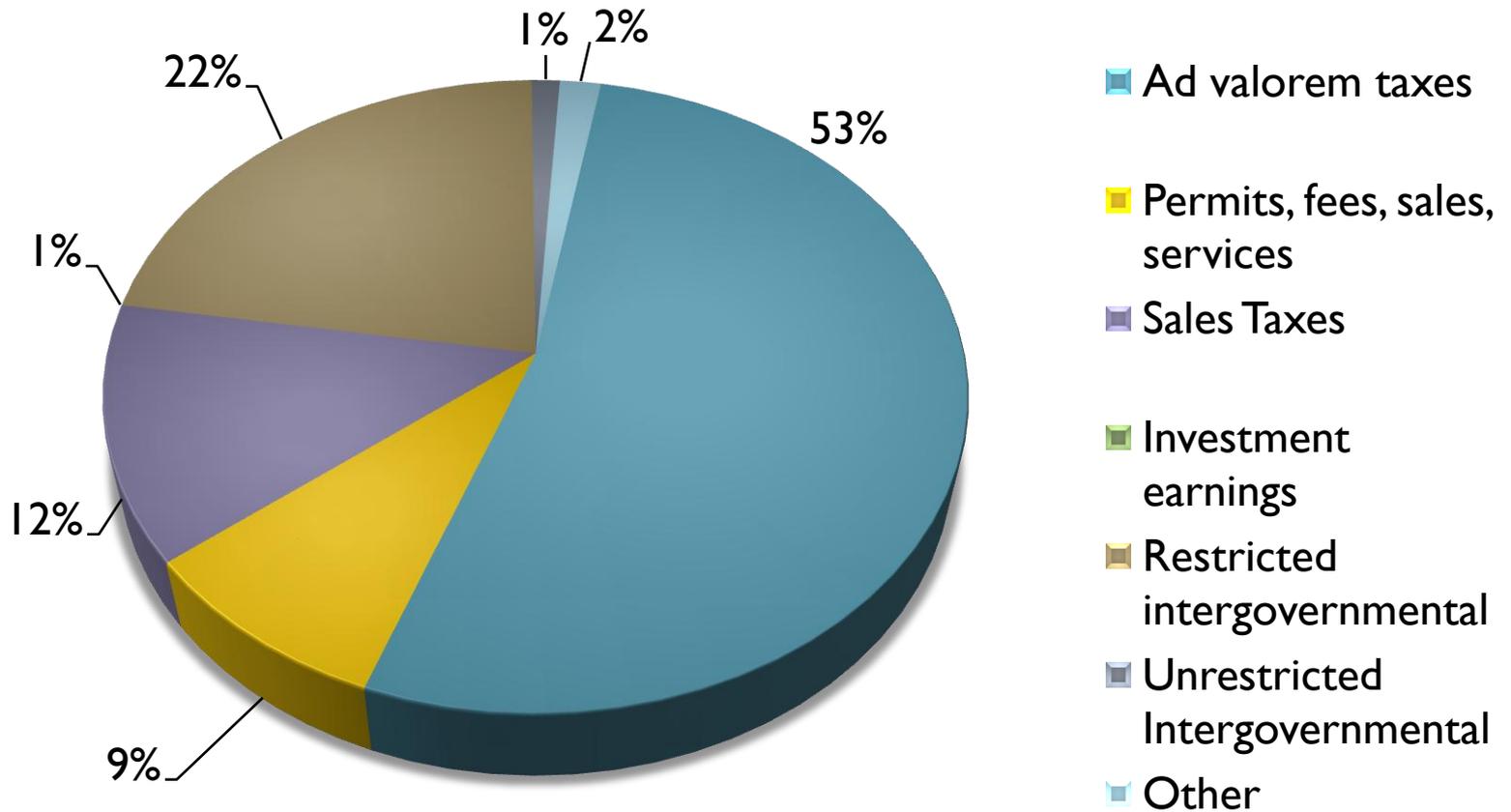
- Unmodified Opinion
- Compliance – Single Audit (State/Federal Grants)
- Management Letter
- Financial Condition

# Fiscal Year 2012-13 Financial Report

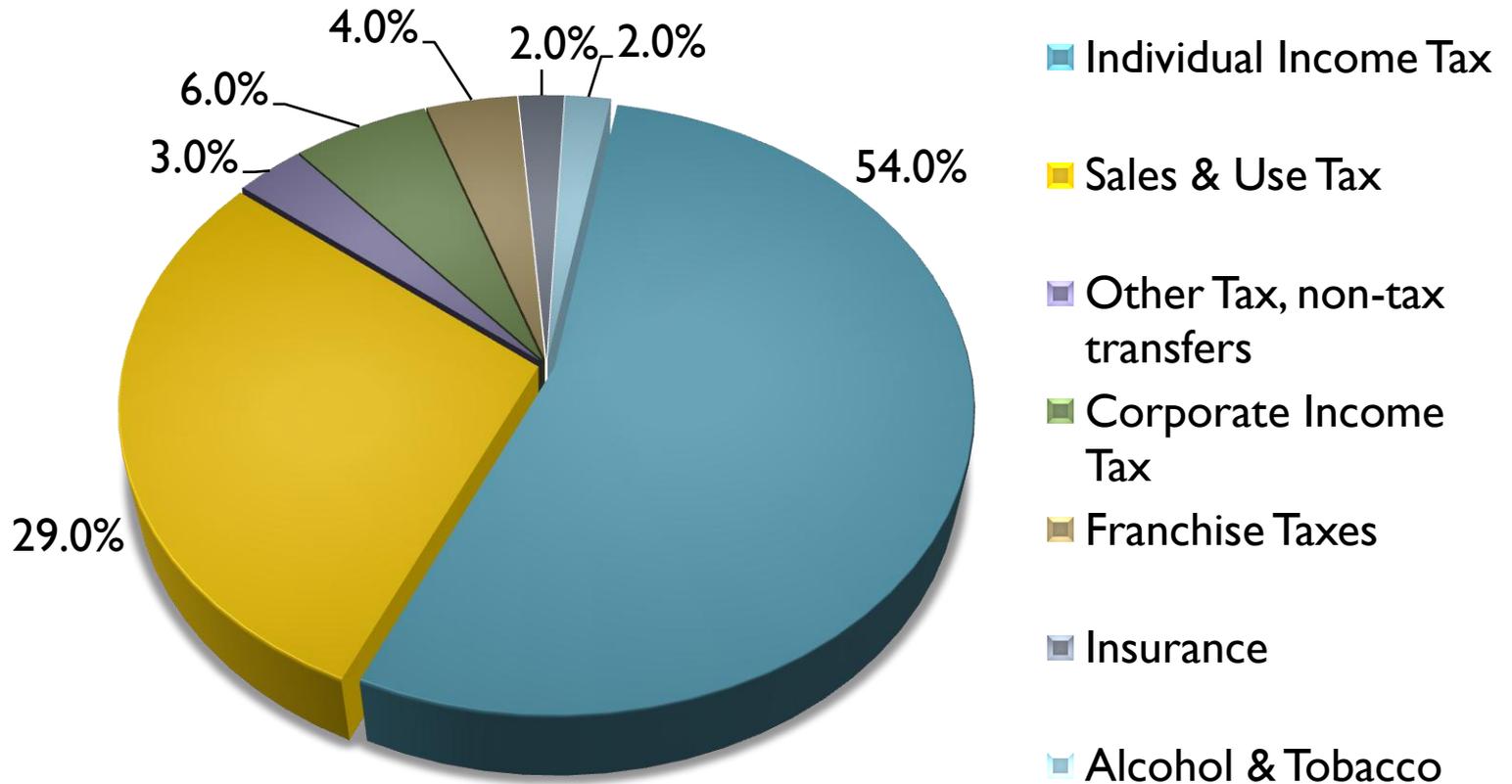


Rodney N. Miller  
Finance Director

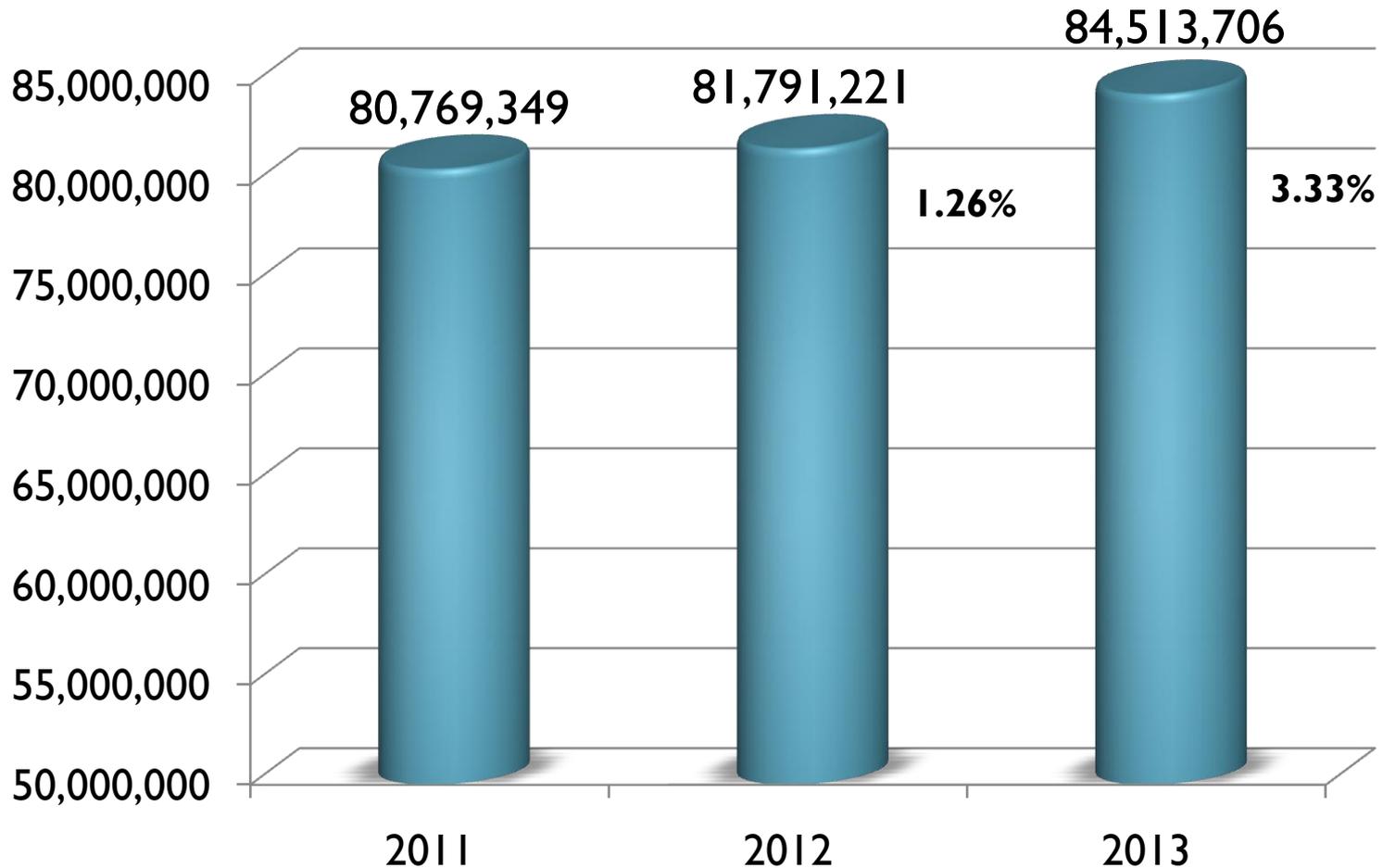
# General Fund Revenues – Actual 2013



# State of NC General Fund Revenues-2012

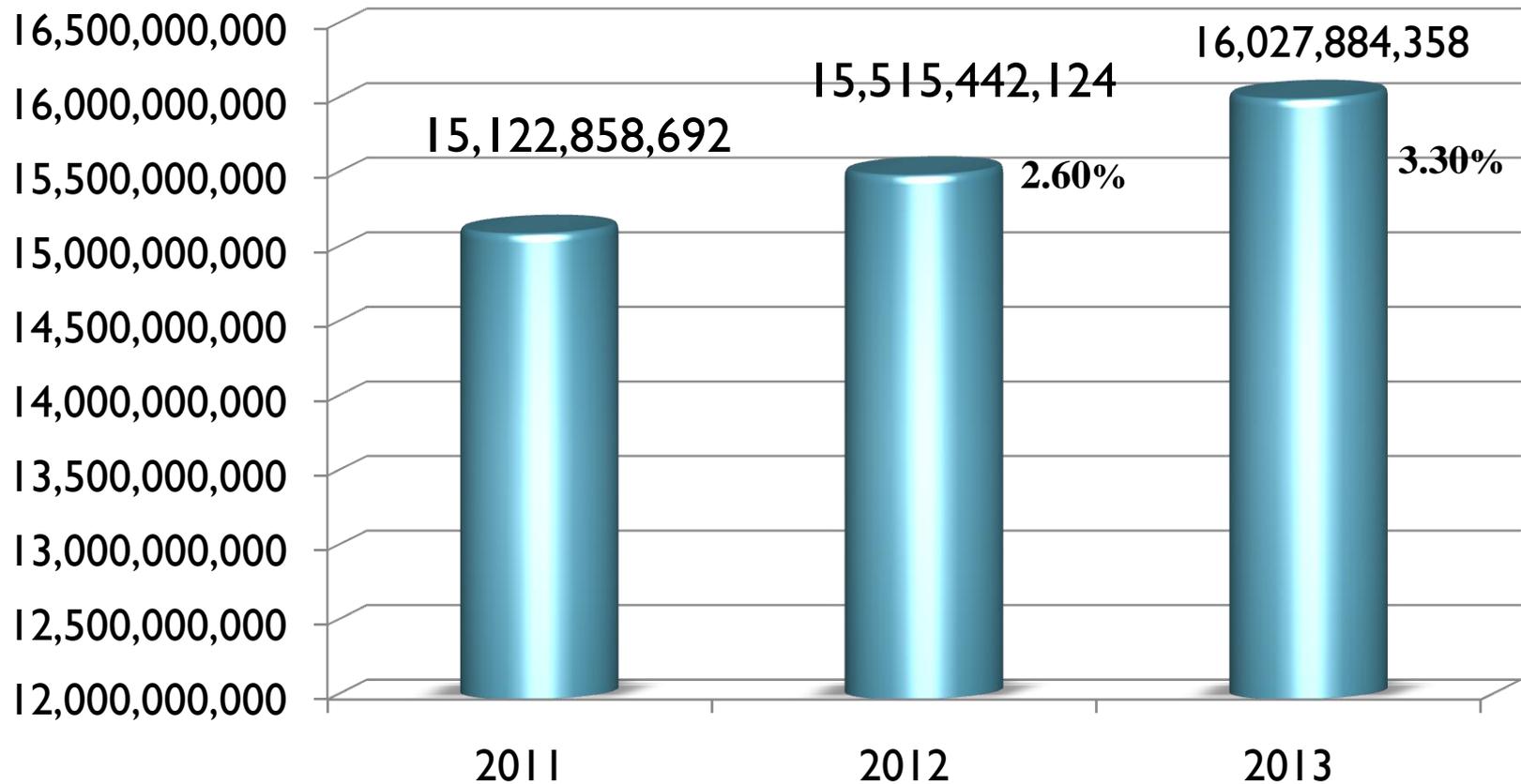


# Property Tax Revenues



- \$1m net growth in 2012 (non-reval); \$2.7m increase in 2013(\*Apple)
- Collection rates of 96.29%/95.94/ 95.87% last three years

# Property Tax Base



- \$110m in new property growth in '11
- \$180m in new growth in '12; revaluation - \$.53 revenue neutral from \$53.5
- New growth of \$85m in real/\$370m in personal/\$55m in utilities for '13  
(\*Apple \$250m, Duke \$50m)

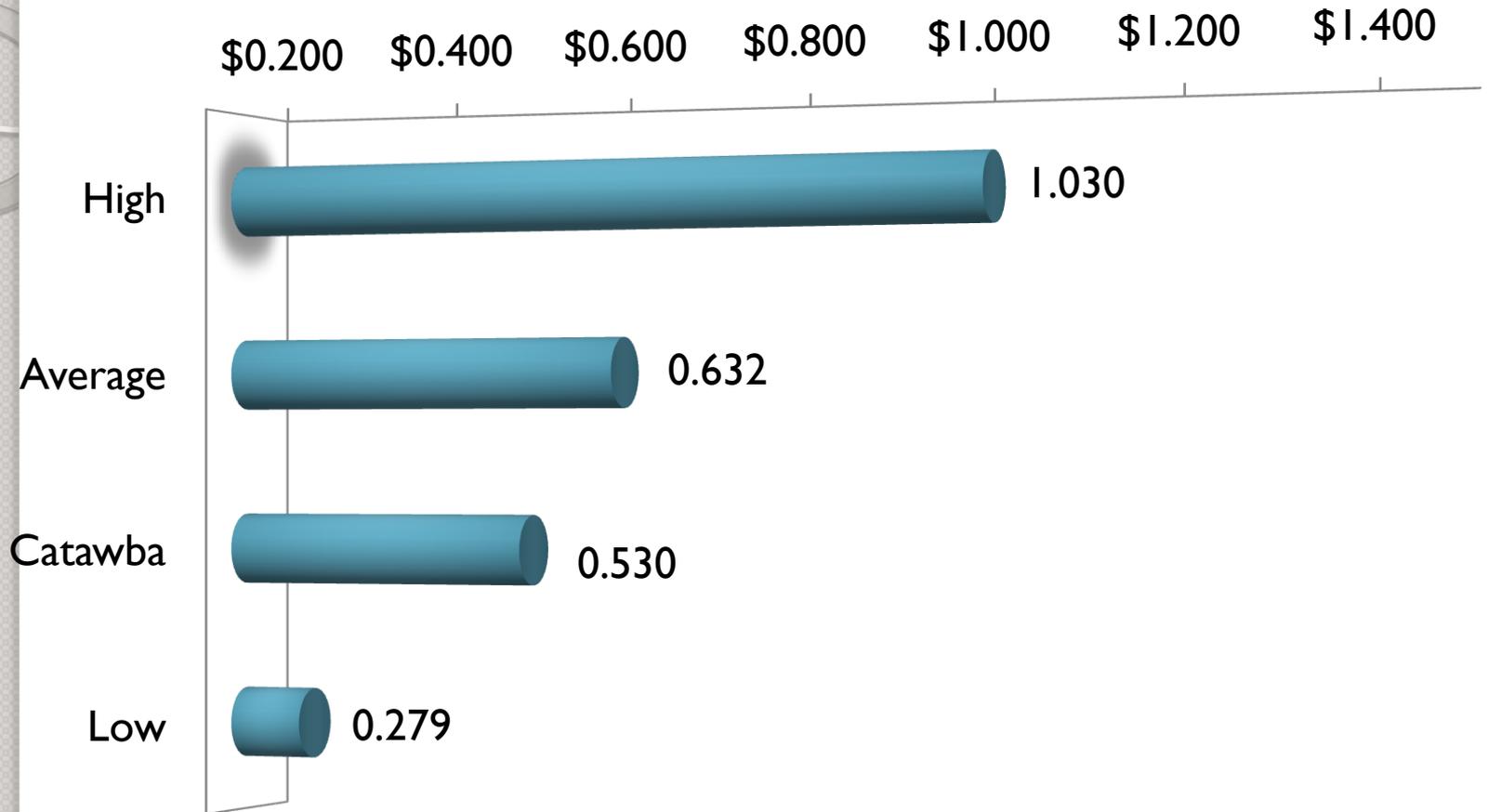
# Top Ten Taxpayers – 2013

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of Total</u>	<u>Last Years Ranking</u>
<b>Apple, Inc.</b>	<b>\$627,330,611</b>	3.91%	2nd
<b>Duke Energy Corporation</b>	<b>506,438,391</b>	3.16%	<b>1st</b>
Target Corporation	111,232,424	0.69%	3rd
<b>GKN Driveline Newton, LLC</b>	108,991,404	0.68%	5th
CommScope, Inc.	106,209,879	0.66%	4th
Draka Comteq Americas, Inc.	75,099,121	0.47%	8th
Frye Regional Medical Center	74,213,592	0.46%	6th
Corning Cable Systems	68,286,524	0.43%	7th
Hickory Springs Mfg. Co.	55,172,963	0.34%	9th
Valley Hills Mall	<u>45,891,969</u>	<u>0.29%</u>	10th
<b>Total</b>	<b>1,778,866,878</b>	<b>11.09%</b>	

# Top Ten Taxpayers - 2003

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of Total</u>
Duke Power Company	\$351,926,672	2.78%
Siecor (Corning)	169,437,499	1.34%
<b>CommScope, Inc.</b>	<b>149,736,462</b>	1.18%
<b>Alcatel (Draka Comteq)</b>	<b>115,250,655</b>	0.91%
<b>Getrag Gears</b>	<b>58,217,630</b>	0.49%
<b>Centel/Central Telephone</b>	<b>56,223,806</b>	0.47%
<b>Frye Regional Medical Center</b>	<b>56,146,587</b>	0.46%
Hickory Springs Mfg. Co.	55,345,585	0.44%
<b>Shuford Mills/Shuford Development</b>	<b>53,329,984</b>	0.42%
<b>Valley Hills Mall</b>	<b>48,239,860</b>	<b>0.38%</b>
<b>Total</b>	<b>\$1,113,854,740</b>	<b>8.84%</b>

# 2012-13 Tax Rate NC Counties



- **7<sup>th</sup> lowest among 27 urban (>100,000 population) counties**
- **29<sup>th</sup> lowest out of 100 Counties in NC**

# Permits/Fees/Sales/Services

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Register of Deeds	495,217	530,978	<b>606,483</b>
Building Permits	<b>886,825</b>	<b>985,376</b>	<b>1,136,891</b>
<b>Ambulance Fees</b>	5,600,214	4,959,656	<b>5,577,440</b>
Medicaid Fees	2,420,372	2,038,085	1,380,553
Home Health/3rd Party	3,596,477	3,096,860	<b>2,712,273</b>
Obstetric Services	357,989	357,159	<b>65,330</b>
Environmental Health	213,493	235,095	<b>256,247</b>
Other	<u>1,856,332</u>	<u>1,886,552</u>	<u><b>2,114,356</b></u>
<b>Totals</b>	15,426,919	14,111,761	13,849,573

- Register of Deeds/Environmental Health fees increased
- Building permit revenues increased 11.1%/15.4% last two years
- Ambulance/patient fees (11.4%)/12.5%; an increase in debt setoff program use
- Home Health fees down (13.9%)
- PH transferred pre-natal practice to CVMC in 2013, resulting in Obstetric and Medicaid-Maternal Health dollars to decrease

# Sales Tax Components

Article 39 – 1 cent (1971), countywide sales

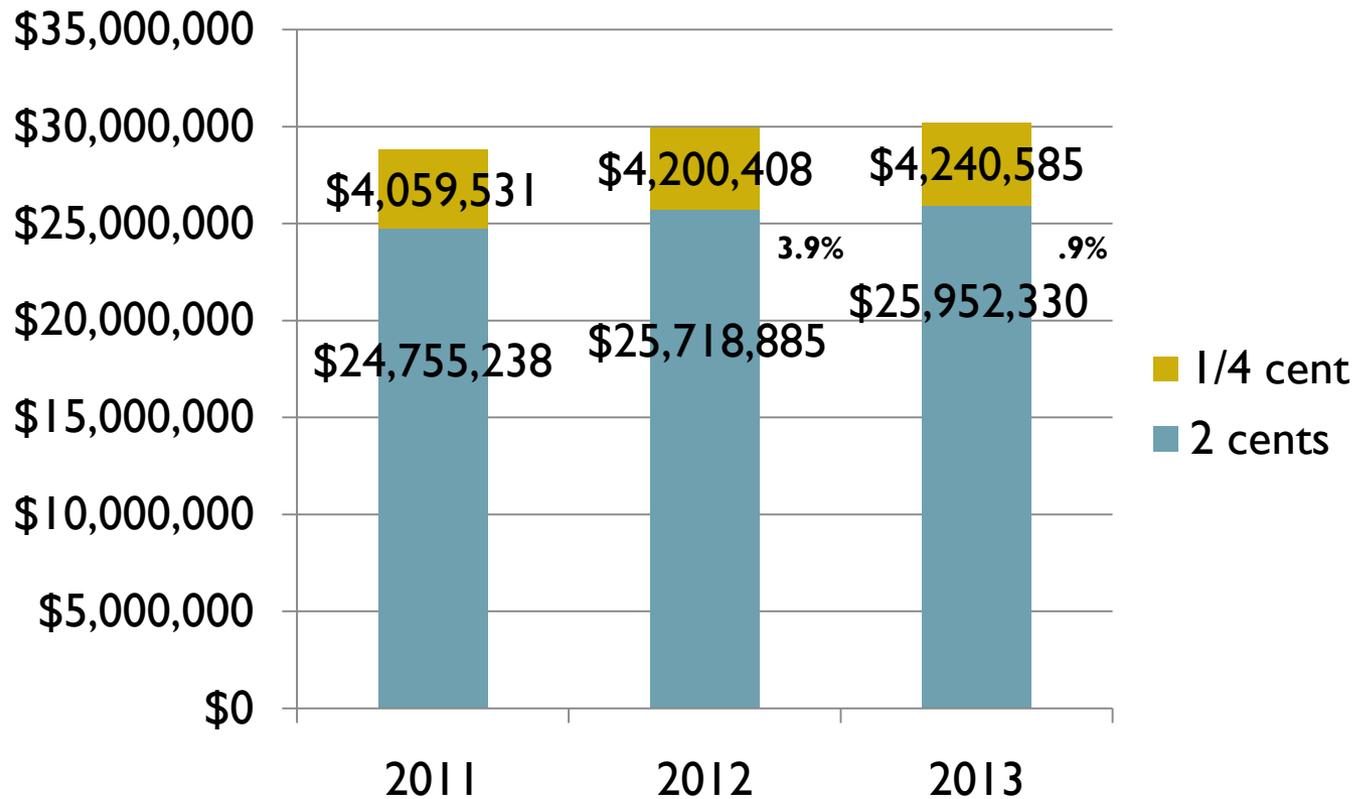
Article 40–½ cent(1983), statewide sales – distributed per capita

Article 42–½ cent(1986), statewide sales – distributed per capita **(changed to countywide in Oct 09)**

Article 46-¼ cent (Apr, 2008) countywide sales  
*\*Not required to distribute to municipalities*

**Total of 2-1/4 cents in sales tax revenues**

# Sales Tax Revenues



- Two-cent collections were up \$960k in '12; up \$240k in '13;
- 1/4 cent collections pledged to fund Justice Center Expansion, 911 Center, Emergency Operations Center, Water & Sewer, Economic Development & School Operational Needs

# Retail Sales by County

	<u>2011-2012</u>	<u>2012-2013</u>	<u>% chg.</u>
Mecklenburg	14,853,835,526	15,561,579,637	4.76%
Wake	10,850,823,393	11,411,806,624	5.17%
Guilford	5,639,379,892	5,645,035,166	.10%
Durham	4,434,078,534	4,902,628,024	10.57%
Forsyth	4,119,672,960	4,087,882,705	-.77%
Cumberland	3,531,570,536	3,558,501,388	.76%
Buncombe	3,308,421,583	3,532,106,651	6.76%
New Hanover	3,159,001,174	3,254,485,249	3.02%
Cabarrus	2,301,711,988	2,446,413,119	6.29%
Onslow	1,817,064,412	1,875,368,357	3.21%
Pitt	1,817,942,598	1,846,032,936	1.54%
<b>Catawba</b>	<b>1,762,264,001</b>	<b>1,752,062,177</b>	<b>-.58%</b>
Iredell	1,732,264,001	1,692,328,914	-2.31%
Alamance	1,651,538,169	1,664,282,111	.77%
Gaston	1,623,797,583	1,586,516,806	-2.30%
Union	1,197,951,434	1,321,781,178	10.34%

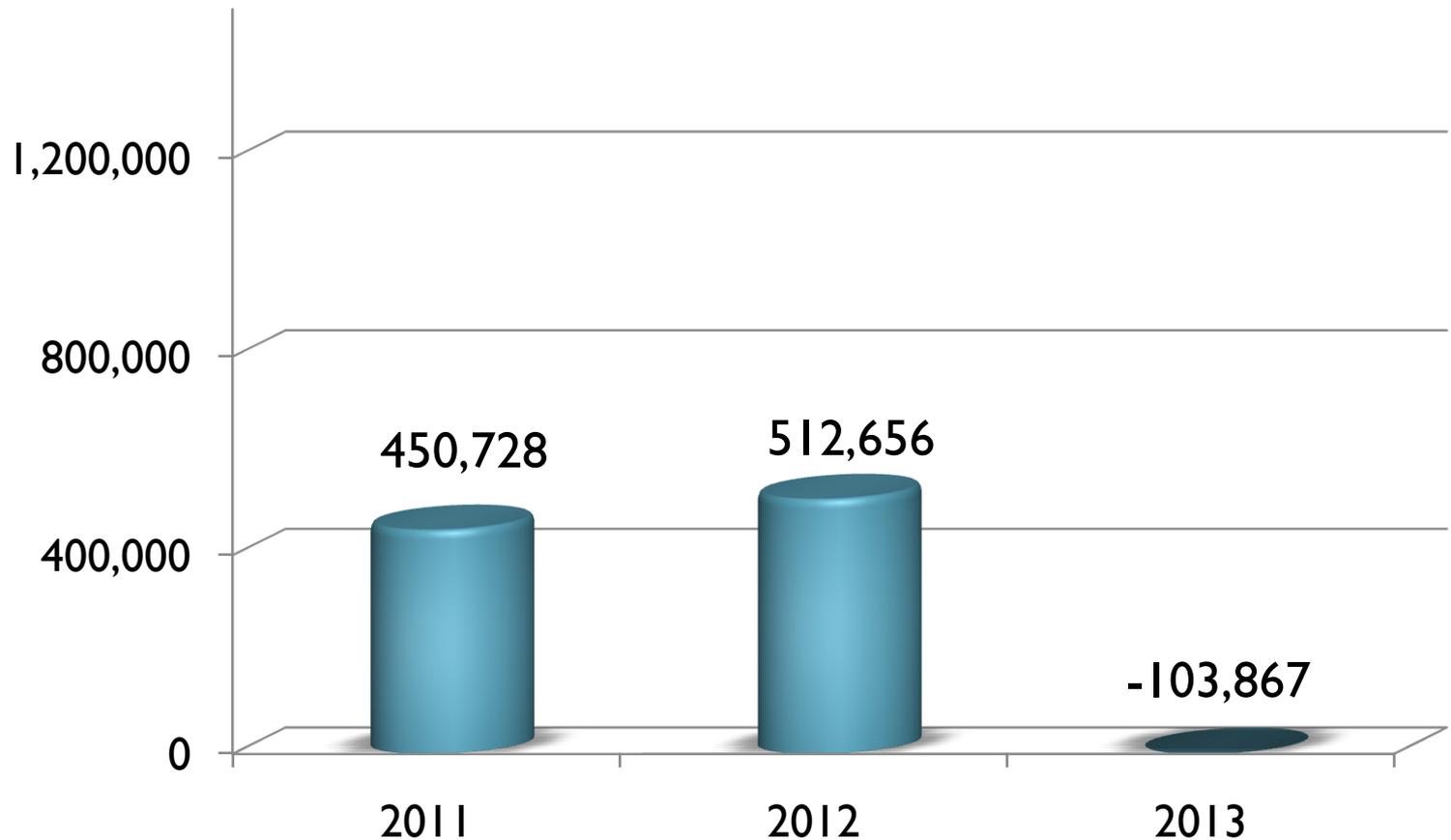
- Catawba County – 17<sup>th</sup> in population in NC; 12<sup>th</sup> in retail sales
- 60% of retail sales in the Unifour; 43% of population

# Retail Sales by Business Sector

	<u>FY 2011-12</u>		<u>FY 2012-13</u>	
1% - farm, laundry	-	0.0%	-	-
2%/3% - mfg. homes, boats, airplanes	16,696,546	0.95%	22,234,515	33.17%
Apparel	107,927,652	6.12%	103,866,058	-3.76%
Automotive	129,831,706	7.37%	129,057,218	-.60%
Food	343,282,434	19.48%	351,728,060	2.46%
Furniture	74,237,615	4.21%	73,665,078	-.77%
General Merchandise	521,869,717	29.62%	515,387,173	-1.24%
Lumber/Building Material	174,881,225	9.92%	172,247,072	-1.51%
Unclassified-hotels/office machines/bookstores	<u>393,537,106</u>	22.33%	<u>383,877,004</u>	-2.45%
	1,762,264,001	100.00%	1,752,062,177	-.58%

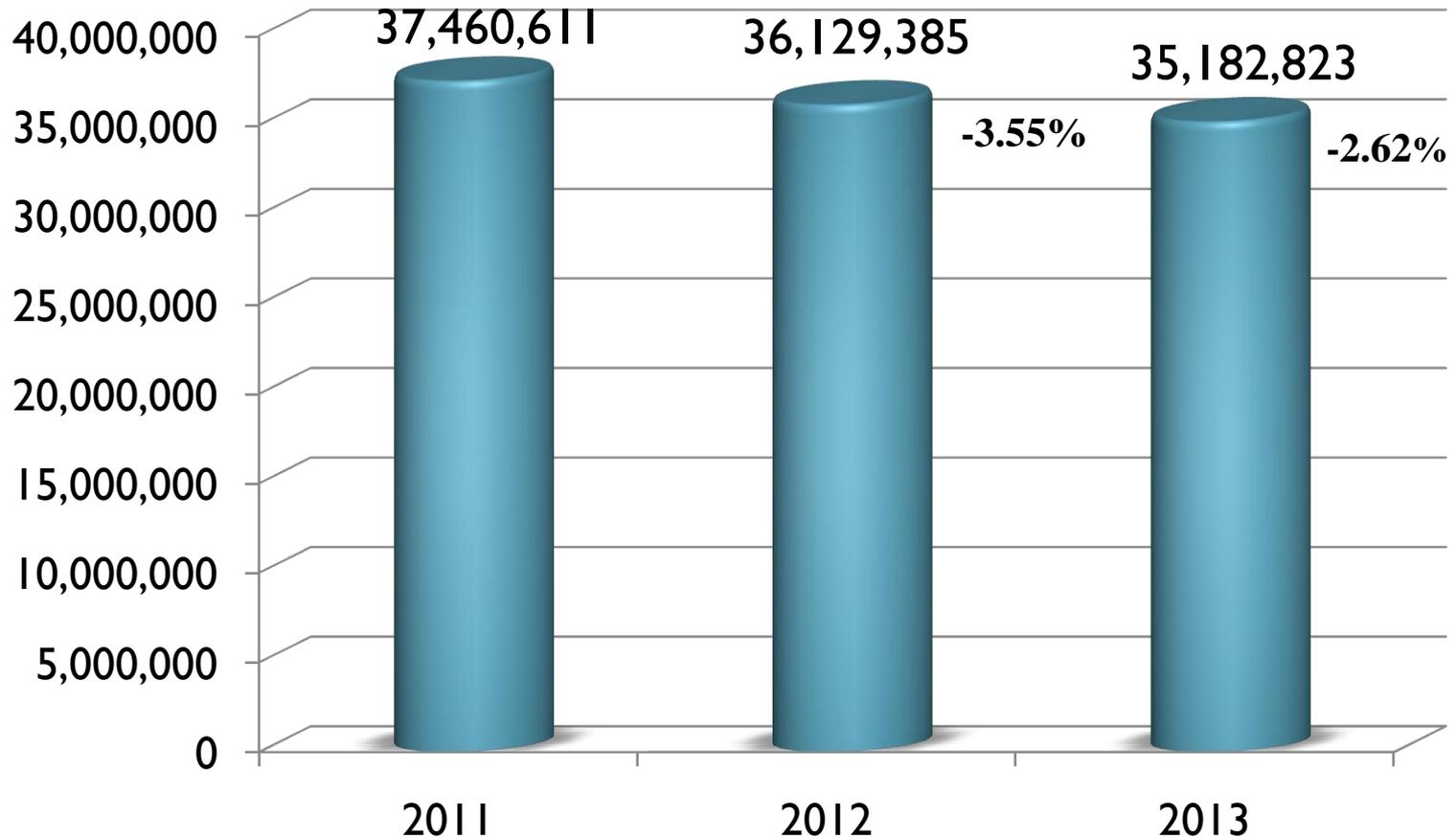
- Catawba County – 17<sup>th</sup> in population in NC; 9<sup>th</sup> in furniture sales
- 60% of retail sales in the Unifour; 43% of population

# Investment Earnings



- **Avg. yield @ 6/30: .74%**
- **Avg. yield @ 6/30: .51%**
- **Avg. yield @ 6/30: .45%**
- **GASB 31 adjustment @6/30 – adjust to market value**
- **Budgeted revenues of \$500,000 in General Fund**
- **Revenue earned of \$426,372 before adjustment**

# Restricted Intergovernmental Revenues



- **Social Services -Smart Start, Work First; Medicaid Admin, Child day care**
- **Public Health: (WIC/School Health nurses) Jail bed rental, State Aid-library**
- **Lottery Funds(committed for school debt); Fines & Forfeitures**

# Unrestricted Intergovernmental Revenues

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Beer and Wine Taxes</b>	370,115	362,584	339,018
<b>ABC Board Distribution</b>	845,000	<b>795,000</b>	<b>895,000</b>
<b>Video Programming Fees</b>	691,162	681,671	653,048
<b>Totals</b>	1,906,277	1,839,255	1,887,066

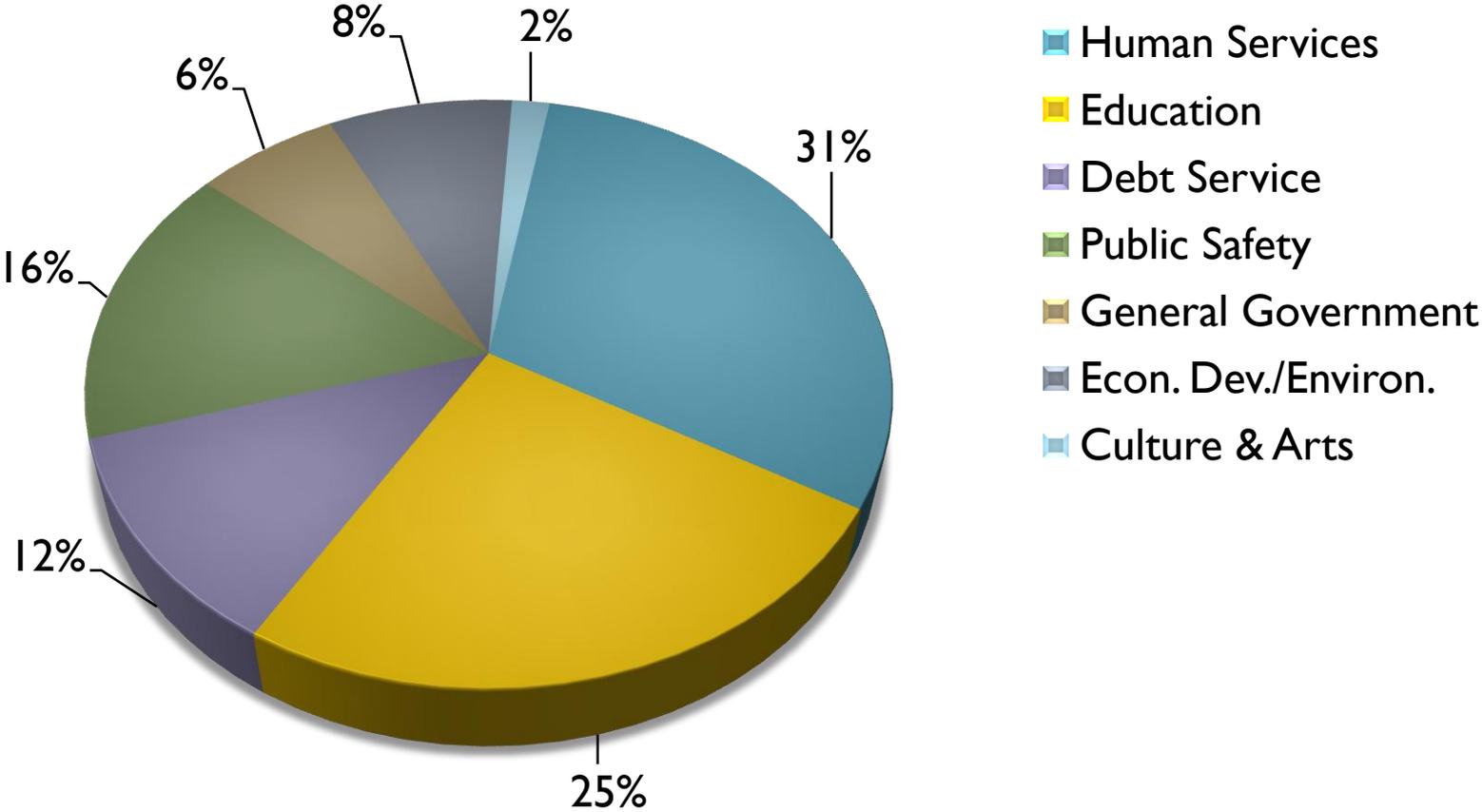
- ABC profits decreased by \$50k in '12; increased by \$100k in '13
- State sales tax on Telecommunication, Video Programming and Satellite TV services

# Other Revenues

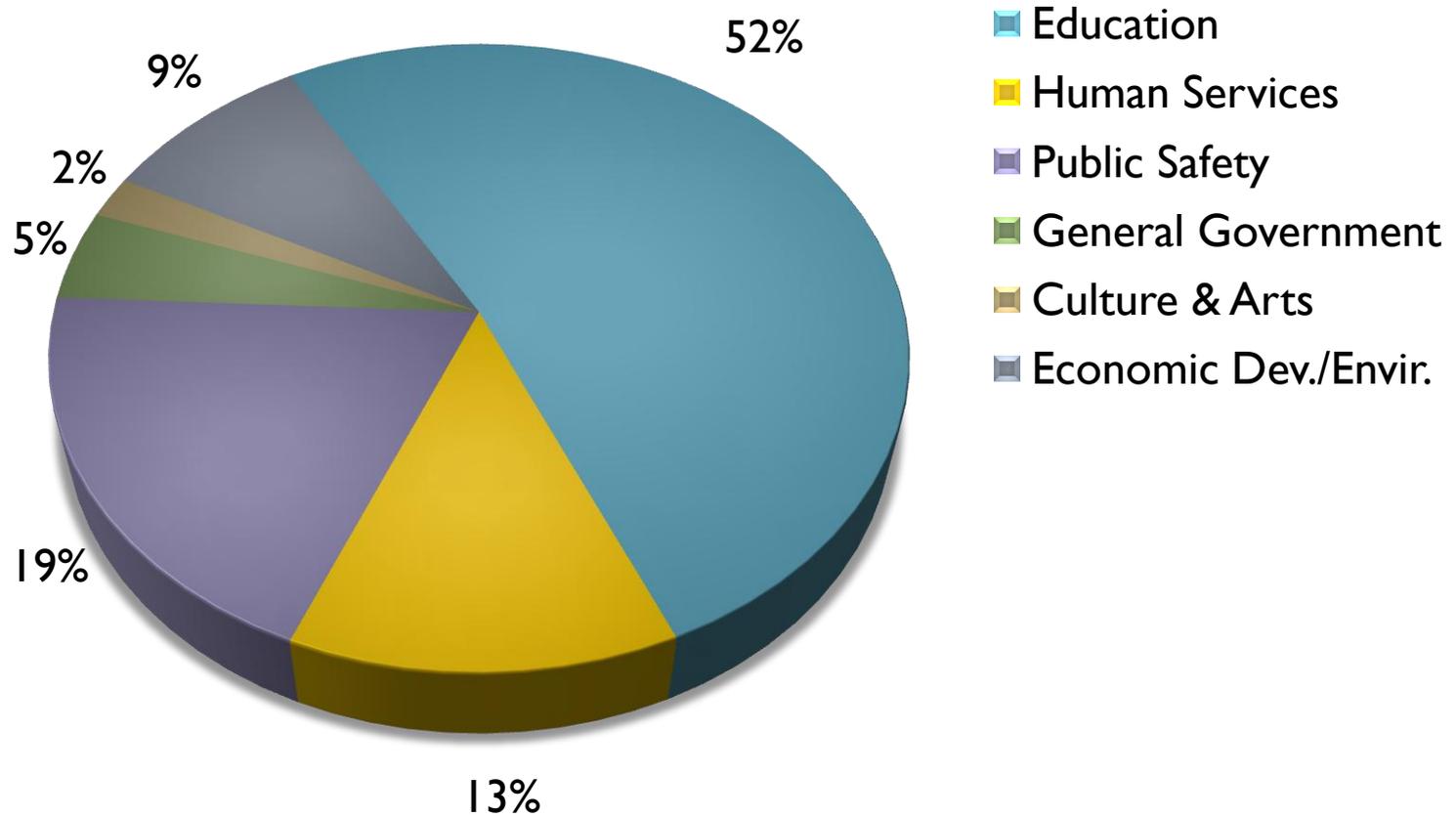
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Employee Health & Dental Premiums	1,868,828	1,784,159	1,727,812
Other	1,301,189	1,135,672	1,044,692
Totals	3,170,017	2,919,831	2,772,504

- Health/Dental premiums associated with three different insurance plans
- Other: grant funds (Susan G. Komen, Duke Power), lease of property (ESC, cell towers, etc.), insurance settlements, donations, miscellaneous revenues

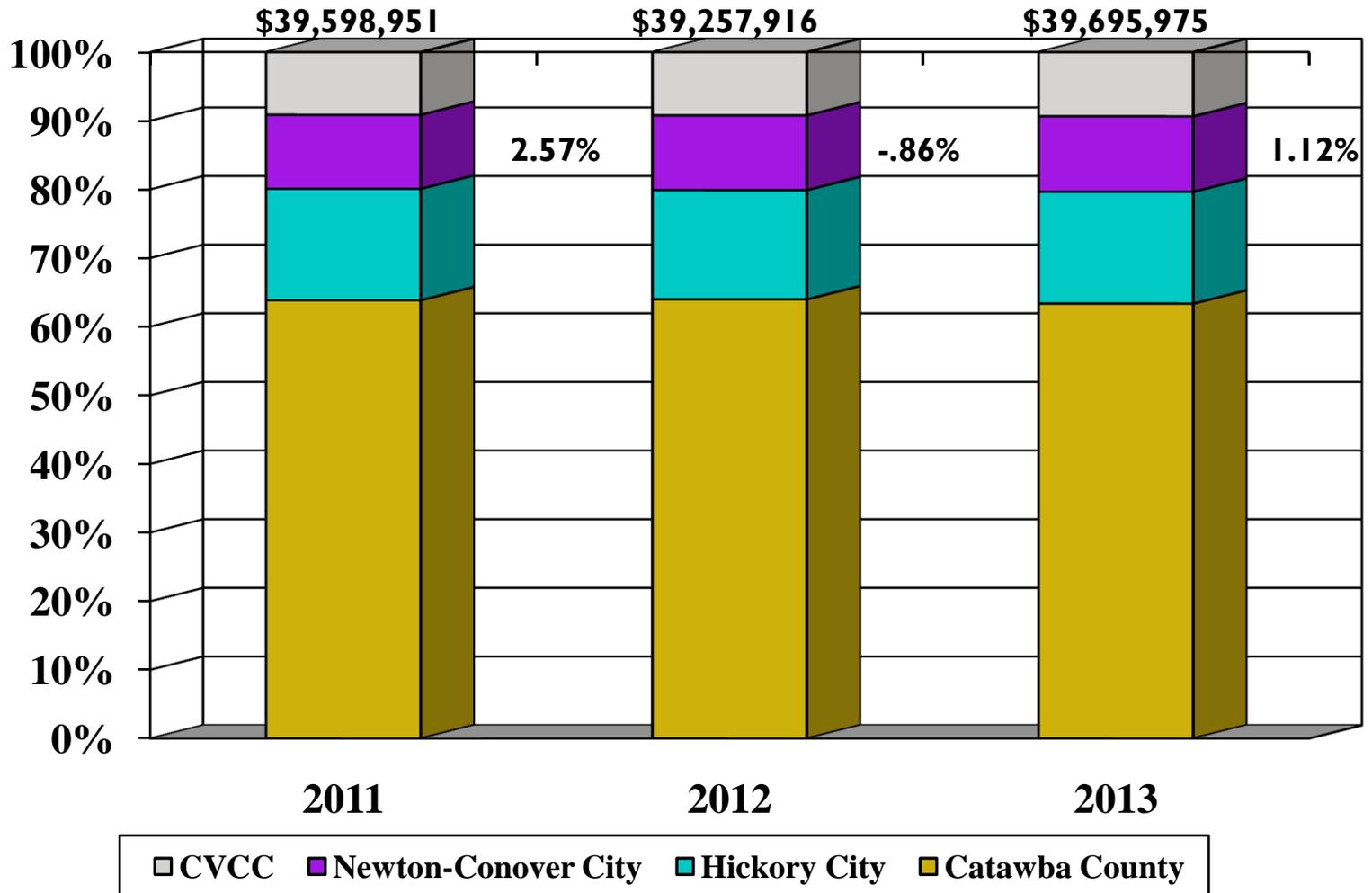
# General Fund Expenditures - 2013



# Where do the Local Tax Dollars Go?



# Education



Decrease of \$290k in fines & forfeitures in 2012; in 2013, County school contribution increased \$14 per student to \$1,447; CVCC funding increased to \$3.7m, maintaining ranking of 15<sup>th</sup> out of 58 community colleges

# Human Services

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Mental Health	1,522,339	1,006,556	757,037
Social Services	36,805,302	36,496,820	35,941,238
Public Health	<u>12,213,300</u>	<u>11,741,750</u>	<u>11,371,476</u>
<b>Totals</b>	50,540,941	49,245,126	48,069,751

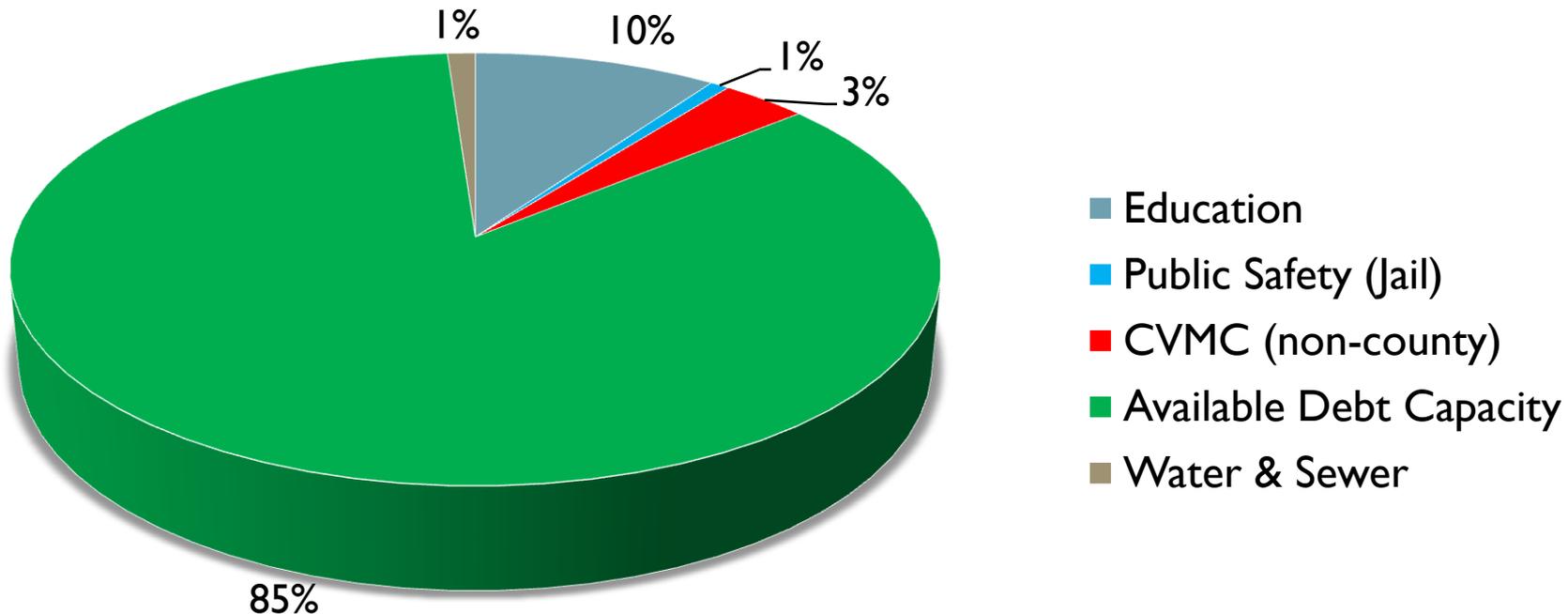
- **Mental Health** – Annual contribution for MH services: \$400k in Family Net funds were transferred to Social Services budget in '12; an additional \$200k in Guardianship services were transferred from the LME in '13
- **Social Services** – In 2013, (\$1.2m) decrease in Adult services; \$800k increase in Work First program; (\$120k) decrease in Duke Endowment Family Children project; \$110k increase in Children/Family Services; (\$130k) decrease in Family Net Adolescent services
- **Public Health** – Decrease in Maternal Health (-\$900k) from transfer of service to CVMC; increases of \$320k in Care Coordination for Children program and \$170k in Nurses/Family Planning in 2013

# Public Safety

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Sheriff	12,761,007	<b>13,697,527</b>	<b>13,997,373</b>
Emergency Services	8,281,593	<b>9,035,437</b>	<b>8,983,001</b>
Communication Center	<u>1,585,279</u>	<u>1,578,069</u>	<u>1,581,830</u>
<b>Totals</b>	22,627,879	24,311,033	24,562,204

- Sheriff's office – added new Narcotics Investigator/two road patrol deputies/replaced seventeen vehicles in '12; added three new road patrol deputies to keep up with 11% increase in call volume, replaced fourteen law enforcement vehicles and added one to fleet in '13
- Emergency Services - replaced three ambulances and one quick response vehicle in '12; added new EMS crew in Bandys area and replaced three ambulances in '13
- Communication Center – no significant changes for '12 or '13

# Outstanding County Debt - 2013



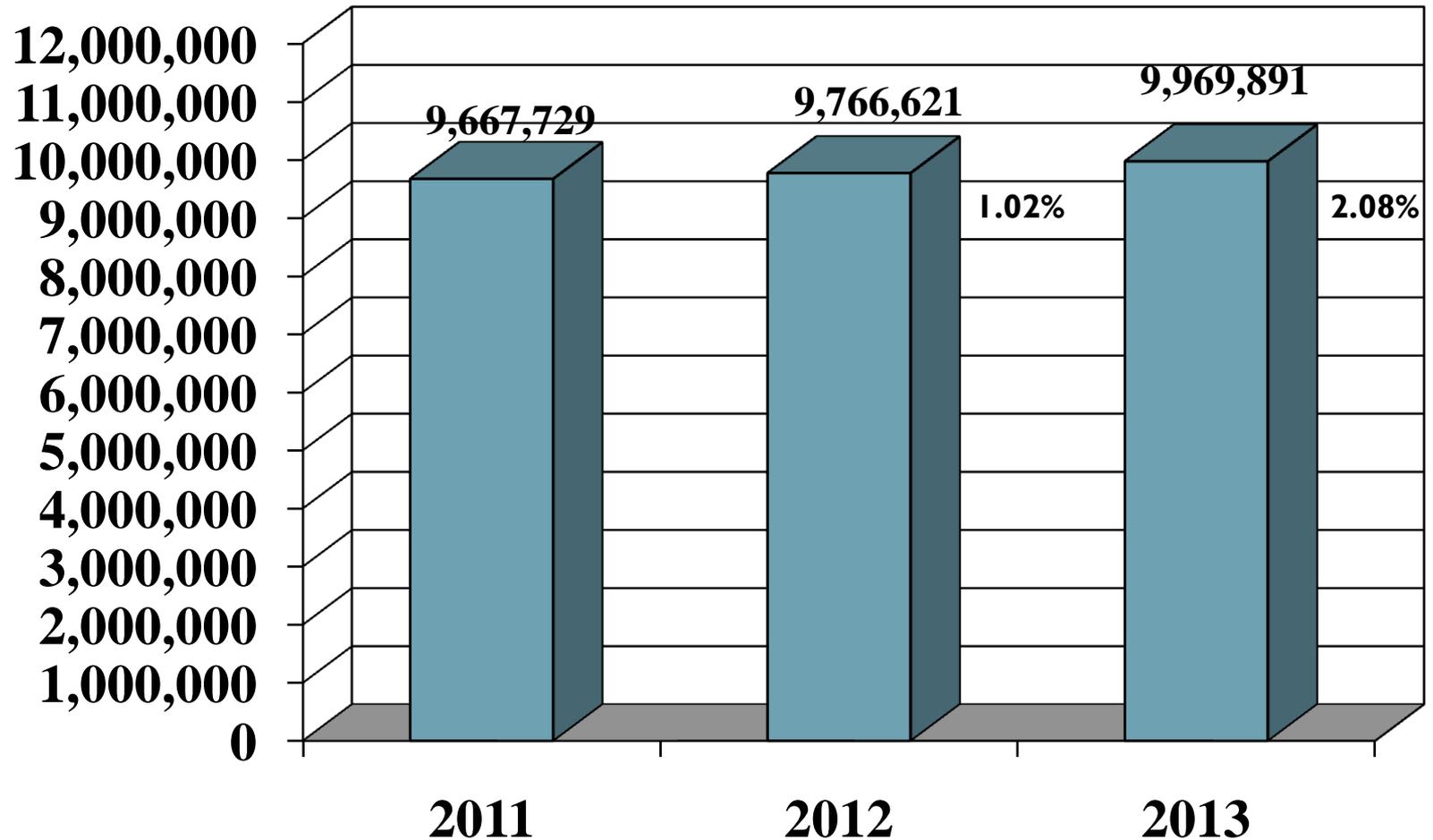
Credit rating: Moody's: Aa1/Standard & Poor's: AA

2013 debt per capita = \$994

2012 average of 21 similar-sized counties = \$1,180

\$154.6 million in outstanding debt; \$1.13 billion available (12% of limit)

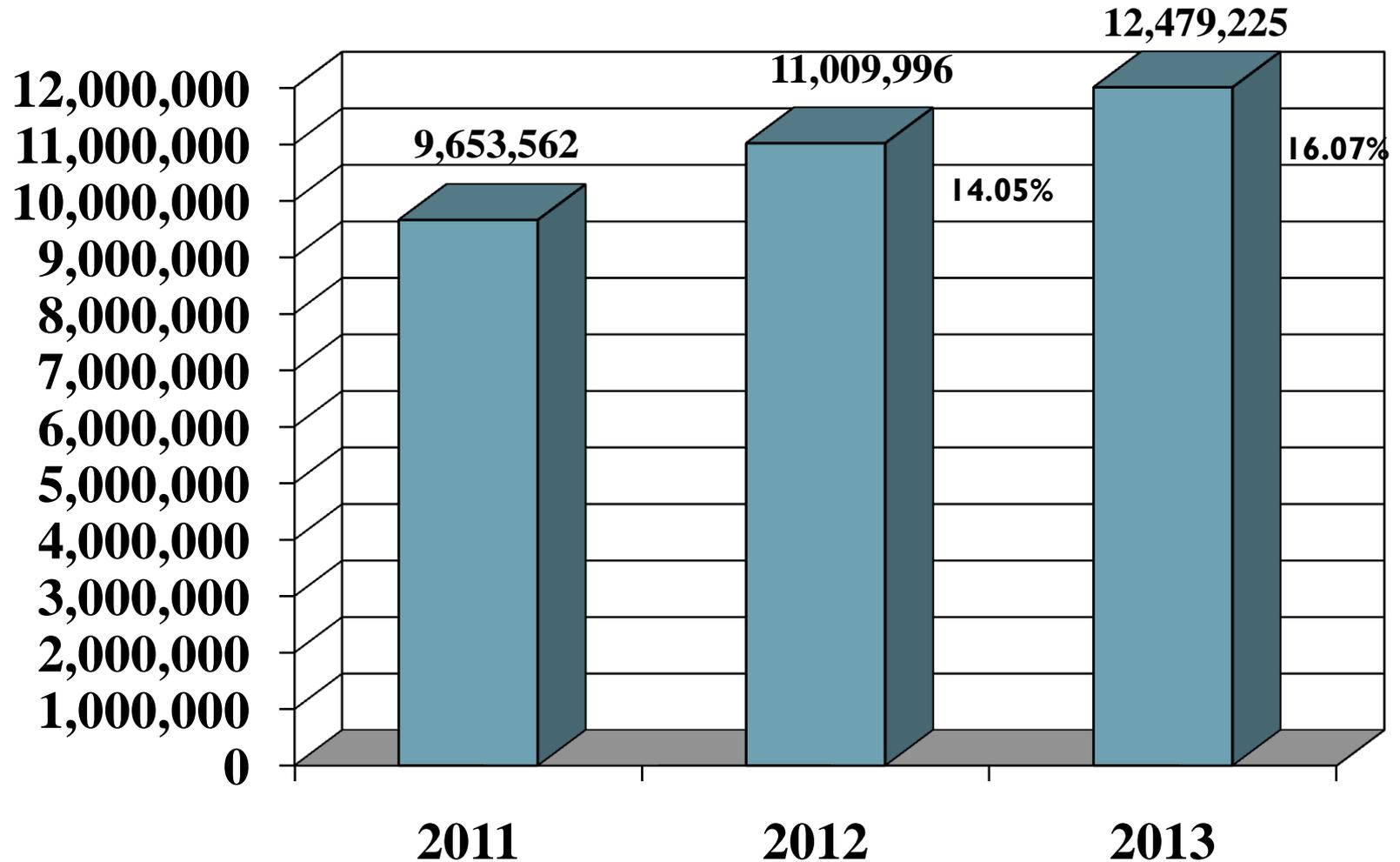
# General Government



Health/dental insurance premiums increased by \$200k and workers comp decreased by (\$100k) in '12

In '13, Board of Elections increased by \$140k and ambulance billing increased by \$50k as a result of increased collections

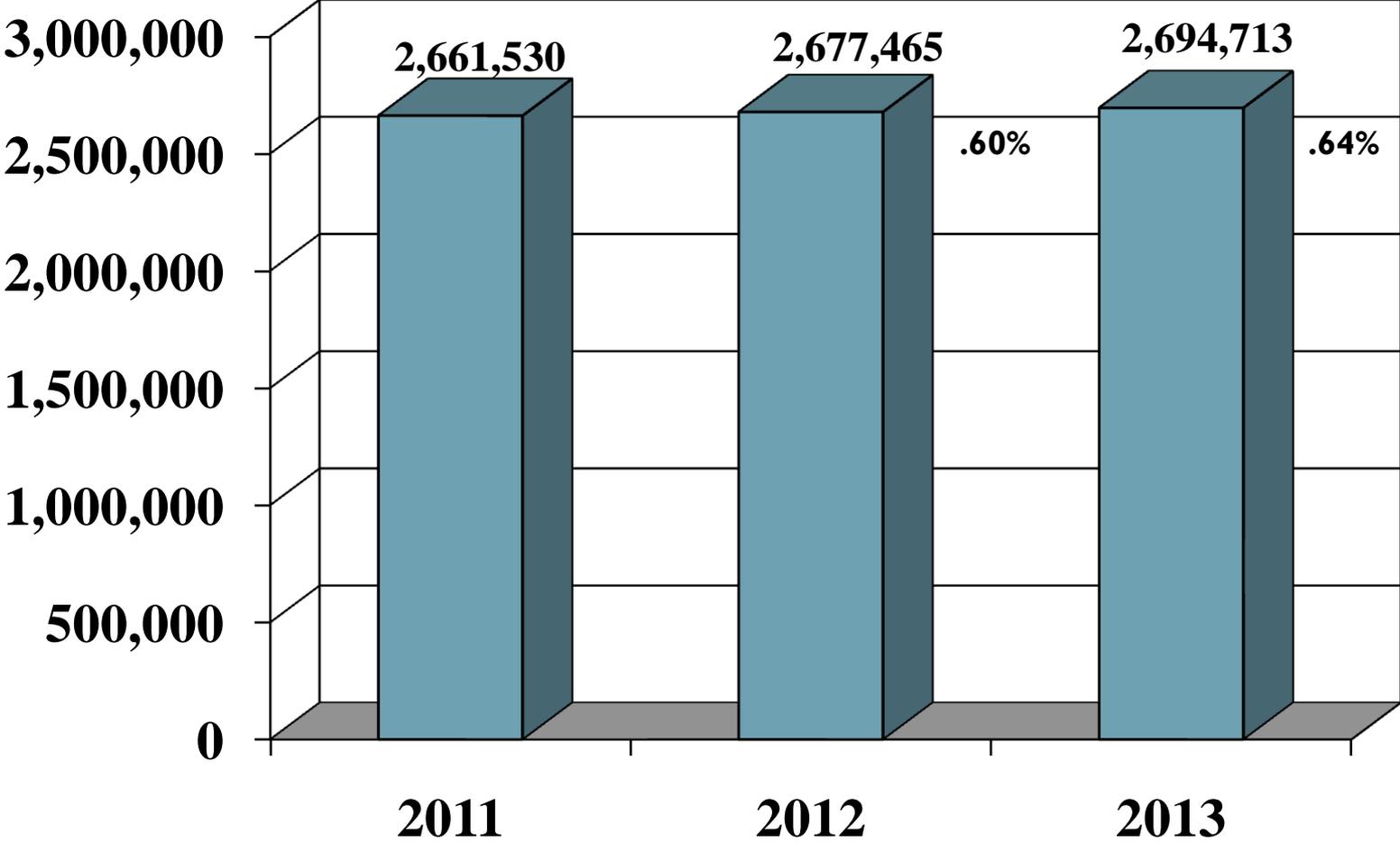
# Economic & Physical Development



**Includes IT, Planning/Parks, Utilities & Engineering, Coop. Extension & Facilities operations; \$600k in incentive payments and funding for multi-jurisdictional park included in '12**

**Increase of \$1.2m in incentives to offset add'l \$300m in tax value; increase of \$100k for new Government Center roof**

# Culture & Arts



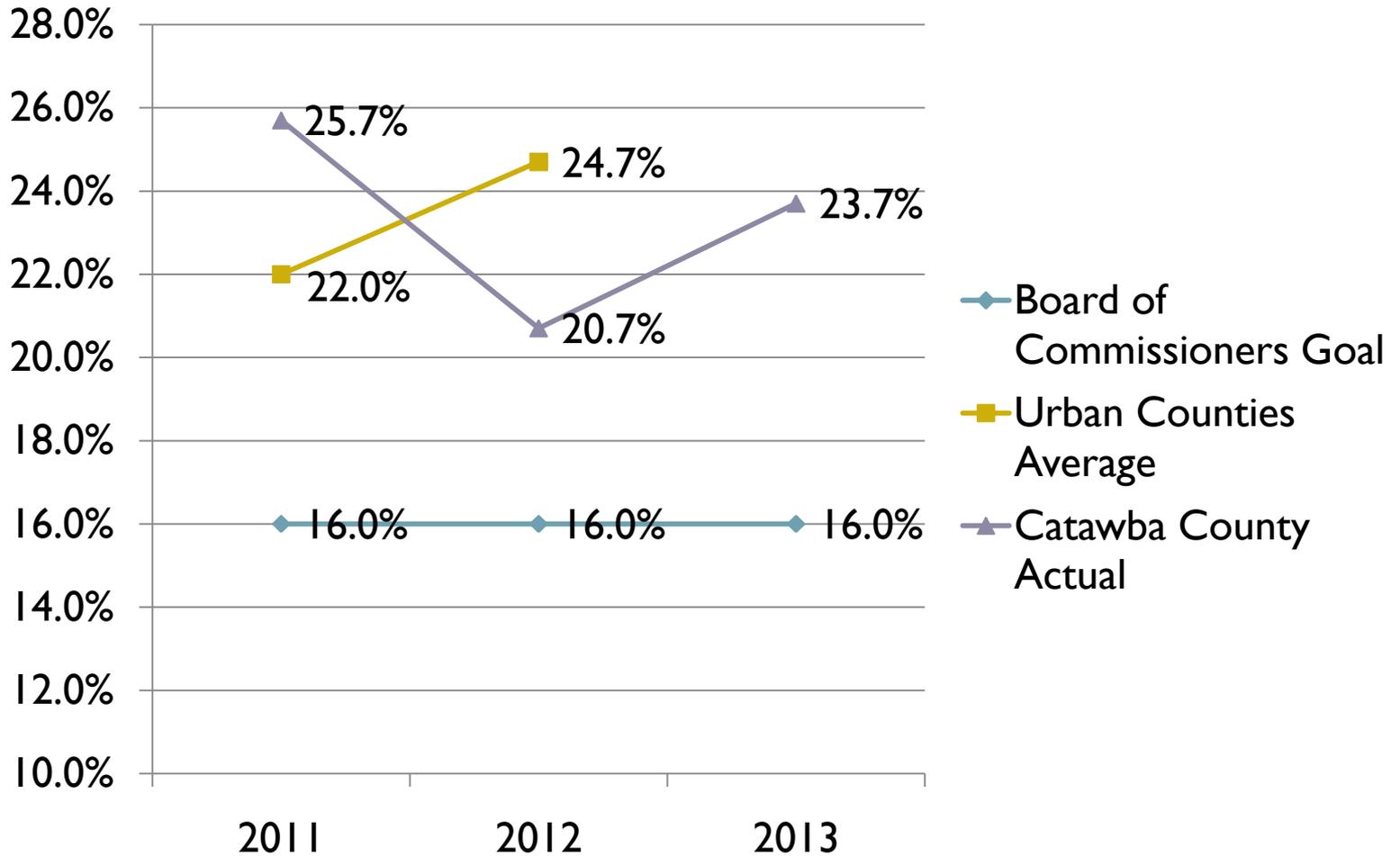
**Includes County Libraries, Historical Museum & Arts**

# Operating Transfers

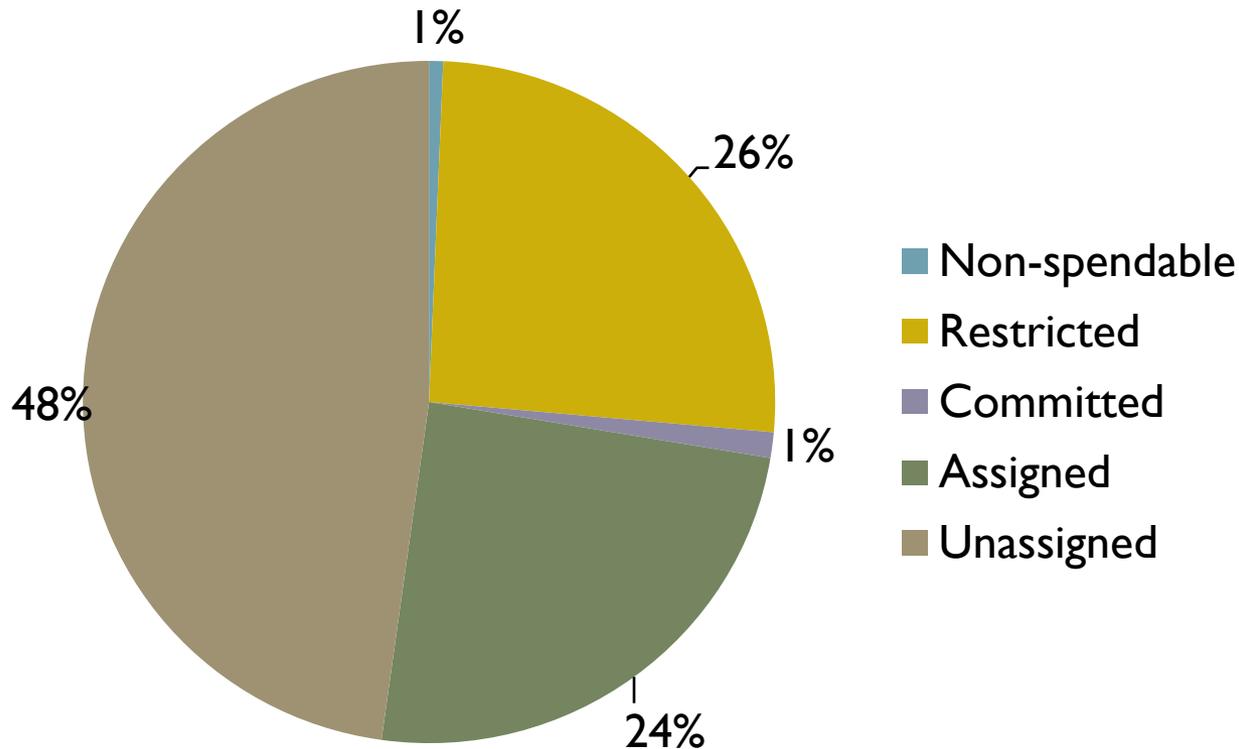
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Reappraisal Fund	397,685	371,643	382,150
Emergency Telephone Fund	-	-	18,116
General Capital Projects	1,394,843	<b>1,348,500</b>	<b>1,300,000</b>
Water & Sewer Fund	3,561,973	<b>775,000</b>	<b>775,000</b>
School Capital Fund	-	-	-
School Construction Fund	-322,792	-6,612	<b>-836,823</b>
Transfers-In	-47,151	-	-50,000
<b>Totals</b>	<b>4,984,558</b>	<b>2,488,531</b>	<b>1,568,794</b>

- General Capital funds used for Justice Center expansion, Sherrills Ford Library, technology infrastructure/improvements
- W&S funding includes 1/2 cents of property tax rate; one cent from 1/4 cent sales tax proceeds budgeted directly in W&S fund in '12 & '13
- School Construction funding is for school/CVCC debt needed in '13

# Fund Balance - % of GF Expenditures



# Catawba County Fund Balance Classifications



Non-spendable: Inventories, Prepaid taxes/bills

Restricted: State Statute, Register of Deeds-Technology

Committed: Revaluation-Tax, General Capital Reserve

Assigned: Reinvesting Funds, Subsequent Year's Expenditures ('14 budget)