

GLOSSARY

Ad Valorem Tax: A tax levied in proportion to the value of a property.

Activity: Departmental efforts which contribute to the achievement of a specific set of program outcomes; the smallest unit of the program budget.

Allocate: To set apart portions of budgeted expenditures which are specifically designated to organizations for special activities or purposes (i.e., various rescue squads).

Annual Budget: A budget covering a single fiscal year.

Appropriation: An authorization granted by the Board of Commissioners to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinance.

Approved Budget: The budget as formally adopted by the Board of Commissioners for the upcoming fiscal year.

Assessed Value: The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

Assessment: The process for determining values of real and personal property for taxation purposes.

Authorized Bond: Bonds which have been legally approved but may or may not have been sold.

Balanced Budget: Occurs when planned expenditures equal anticipated revenues. In North Carolina it is required that the budget submitted to the Board of Commissioners be balanced.

Board of County Commissioners: Five member Board elected at large by the voters of the County for four year terms.

Bond: A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

Bond Issued: Bonds that are sold.

Bond Rating: A grade indicating a governmental unit's investment qualities. Generally speaking, the higher bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of the Government's strong financial position. Ratings range from AAA (highest) to D (lowest).

Budget Document: A formal document presented to the Board of Commissioners containing the County's financial plan for a fiscal year.

Budget Message: A written overview of the proposed budget from the County Manager to the Board of Commissioners which discusses the major budget items and the County's present and future financial condition.

Capital Improvement Plan: A long term plan of proposed capital improvement projects which includes estimated project costs and funding sources that the County expects to undertake within a five year period. The plan is updated annually to reassess capital needs.

Capital Outlay: An expenditure expected to have a useful life greater than three years or an estimated total cost of \$5,000 or more. Capital outlay expenditures include such purchases as a vehicle, ambulance equipment, or Landfill equipment.

Capital Project: A project expected to have a useful life greater than ten years or an estimated total cost of \$100,000 or more and requiring professional certification. Capital projects include the construction, purchase, or major renovation of a building or the purchase of land.

Capital Projects Fund: A fund used to account for the acquisition or construction of major governmental capital facilities and equipment which are not financed by other funds.

Contingency Account: Account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget. Transfers from this account must be approved by the County Manager or Board of Commissioners.

Current Expense: Local funds used to supplement the State's minimum level of support for operating the schools. These funds by State law are appropriated on a per pupil basis.

Debt Service: Used for payment of general long-term debt principal, interest, and related costs.

Delinquent Taxes: Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

Department: A major administrative division of the County that has overall management responsibility for an operation within a function area.

DHR: Represents Departments of Human Resources that includes Social Services, Public Health, and Partners Behavioral Health Management.

Encumbrance: A financial commitment for services, contracts, or goods that have not as yet been delivered or performed.

Enterprise Fund: A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees and charges.

Expenditures: The total costs of a program or capital project.

Fire District: Special voter-approved districts within the County established to furnish fire protection to residents and supported by property taxes.

Fiscal Year: The time period beginning July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

Fixed Asset: An asset of long-term character. For budgetary purposes a fixed asset is defined as an item costing \$5,000 or more with an expected life of more than three years.

FORESIGHT: FORESIGHT was first created in 1985 to bring 20 business, cultural, educational, and governmental leaders from across the County together for a detailed, long range strategic planning study. Their goal was to examine the County's economic status, identify key areas of strength and weakness, and recommend strategies that would enhance the County's long-term economic growth.

Fringe Benefits: For budgeting purposes fringe benefits include employer payments for social security, retirement, group health, life insurance, dental insurance, and workers compensation.

Full-Time Equivalent (FTE): An FTE converts the hours worked by a position into a percentage of a full year's number of hours. One FTE equals 40 hours per week or 2,080 hours per years per permanent position.

Fund: An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations.

Fund Balance: Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

Function: A broad grouping of activities and departments whose outcomes and expenditures are inter-related. Examples of functions within Catawba County include Human Services, Public Safety, and General Government.

General Fund: The general operating fund of the County used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds: Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

Grants: A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

Indirect Cost: The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the Administrative Departments.

Intergovernmental Revenues: Revenues from other governments (State, Federal, or local), which can be in the form of grants, shared revenues, or entitlement.

Lease Purchase: A method of purchasing equipment in which payments are spread over a period of time.

Levy: The amount of tax, service charge, and assessments imposed by the government.

Line Item: A budgetary account representing a specific object of expenditure.

Modified Accrual: The County budgets all funds on the modified accrual basis of accounting according to North Carolina General Statute. This is an accounting method in which revenues are recorded when they are earned or billed and expenditures are recorded when they are obligated.

Ordinance: A formal legislative enactment by the Board of Commissioners that has the full force and effect of law within the boundaries of the County.

Personal Services: Salaries and wages paid to employees for full-time, part-time, and temporary work including overtime and similar compensation. Also included in this account group are fringe benefits paid for employees.

Program: A well-defined portion of the operating plan for which a distinct set of goals and outcomes may be developed.

Program Objective: A specific statement about what is to be accomplished or achieved for a particular program during the fiscal year.

Public Safety: A group of expenditures related to the provision and enforcement of law enforcement and fire and disaster protection.

Reappraisal: The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

Reclassification: A change in the classification and corresponding job title of an existing position that results from a major change in assigned responsibilities.

Reinventing Department: One of five departments operating under alternative methods for budgeting which give more flexibility for accounts.

Reserve: An account designated for a portion of the fund balance that is to be used for a specific purpose.

Revenue: Income including transfers and excluding proceeds from the sale of bonds or notes for the fiscal year. The major categories of revenue include taxes, intergovernmental, Federal and State, permits and fees, sales and services, and interest on investments.

Special Revenue Fund: A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Tax Levy: Revenue produced by applying a given tax rate to a property's assessed or tax value.



**FINANCIAL STATISTICS AND STATEMENTS
FOR FISCAL YEAR ENDING JUNE 30, 2011**

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Governmental Expenditures by Function¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Government	Public Safety	Environmental Protection	Economic & Physical Development
<i>Modified Accrual Basis of Accounting</i>				
2001	7,466,659	15,025,312	505,205	6,735,065
2002	7,569,288	16,313,961	388,926	7,518,580
2003	8,543,435	17,156,936	321,413	7,409,045
2004	8,506,393	19,088,555	384,942	7,594,145
2005	9,449,992	20,032,107	428,549	7,886,973
2006	9,978,986	21,209,400	452,180	8,651,385
2007	9,613,213	23,021,049	475,667	10,889,872
2008	9,944,571	26,916,838	520,587	10,682,552
2009	11,556,920	28,513,201	512,882	10,727,052
2010	11,601,149	29,360,816	469,014	10,619,754
2011	10,115,078	3,026,313	503,130	9,926,951

Human Services	Culture and Recreation	Education	Capital Projects	Debt Service	Total
53,307,477	2,292,733	27,566,111	25,702,494	11,481,155	152,140,725
55,721,269	2,234,409	28,202,411	13,181,244	10,987,317	142,117,405
56,659,920	2,186,614	27,437,466	7,859,145	10,778,702	138,352,676
59,078,864	2,331,664	30,048,641	18,690,079	10,427,413	156,150,696
66,508,454	2,610,001	32,544,711	42,549,957	14,836,096	199,341,170
65,236,455	2,695,423	34,222,295	28,338,920	15,152,476	189,645,370
73,960,327	2,719,466	38,014,454	19,683,740	15,213,857	197,656,392
55,118,250	2,758,206	39,948,749	39,869,050	17,135,334	206,139,644
50,879,470	2,758,668	38,606,716	16,572,802	18,737,213	179,605,602
50,540,941	2,661,530	39,598,951	29,796,072	17,363,695	191,483,612

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Governmental Revenues by Source¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	Ad Valorem Taxes	Other Taxes	Unrestricted Intergovernmental Revenues
<i>Modified Accrual Basis of Accounting</i>			
2002	57,268,329	23,023,315	4,021,740
2003	59,388,468	25,207,828	1,379,229
2004	63,153,315	28,444,404	1,336,917
2005	64,037,632	30,151,572	1,095,733
2006	66,233,752	31,654,028	1,248,170
2007	68,270,907	35,415,288	1,235,023
2008	81,625,223	36,391,110	1,970,909
2009	84,125,547	32,794,322	2,127,081
2010	84,697,609	27,121,865	1,878,455
2011	85,290,748	26,934,772	1,906,277

Restricted Intergovernmental Revenues	Licenses and Permits	Sales and Service	Investment Earnings	Miscellaneous	Total
36,382,864	2,211,753	15,121,137	2,720,791	2,544,061	143,293,990
32,683,132	2,383,424	16,664,263	2,107,354	2,997,207	142,810,905
36,297,819	2,959,092	17,742,167	642,651	4,614,575	155,190,940
42,141,280	3,457,883	17,420,439	2,773,588	3,803,472	164,881,599
44,764,103	3,214,736	16,591,727	3,912,728	3,725,976	171,345,220
46,532,532	3,773,033	12,849,786	5,883,078	3,998,845	177,958,492
56,482,993	4,101,574	15,071,656	5,600,327	4,309,242	205,553,034
41,946,212	2,271,147	12,936,583	3,837,081	3,624,321	183,662,294
41,218,717	2,547,643	13,041,964	1,929,311	3,716,912	176,152,476
41,544,195	1,795,495	13,631,424	949,483	4,713,228	176,765,622

CATAWBA COUNTY, NORTH CAROLINA
Assessed Valuation and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Utilities
2002	7,988,283,700	2,709,118,917	479,273,637
2003	8,265,105,733	2,796,143,745	507,720,148
2004	9,513,468,457	2,640,843,044	517,072,839
2005	9,722,396,729	2,680,617,427	539,742,782
2006	9,919,033,408	2,558,398,877	545,842,516
2007	10,174,785,855	2,614,088,394	570,452,150
2008	11,444,764,023	2,606,879,334	603,786,566
2009	11,778,146,940	2,560,844,568	794,924,639
2010	11,874,836,448	2,547,986,916	590,931,402
2011	12,057,640,336	2,454,965,234	610,253,122

Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
11,176,676,254	0.495	12,119,579,542
11,568,969,626	0.495	12,965,336,351
12,671,384,340	0.495	12,715,889,955
12,942,756,938	0.480	13,033,994,902
13,023,274,801	0.480	13,499,818,390
13,359,326,399	0.490	14,124,895,749
14,655,429,923	0.535	14,963,681,767
15,133,916,147	0.535	15,452,223,129
15,013,754,766	0.535	15,343,643,092
15,122,858,692	0.535	N/A

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

	<i>Fiscal Year</i>				
	2011	2010	2009	2008	2007
Catawba County	0.5350	0.5350	0.5350	0.5350	0.4900
Fire Districts					
Bandys	0.0600	0.0600	0.0600	0.0600	0.0600
Catawba	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0700	0.0700	0.0700	0.0700	0.0700
Cooksville	0.0517	0.0517	0.0517	0.0517	0.0550
Denver	0.0000	0.0000	0.0000	0.0389	0.0500
Fairbrook	0.0000	0.0000	0.0000	0.0000	0.0325
Hickory Rural	0.0700	0.0700	0.0325	0.0325	0.0000
Icard - Long View	0.0000	0.0000	0.0000	0.0000	0.0000
Icard - Mountain View	0.0000	0.0000	0.0000	0.0000	0.0000
Long View	0.0546	0.0546	0.0546	0.0546	0.0568
Maiden	0.0600	0.0500	0.0500	0.0500	0.0500
Mountain View	0.0600	0.0493	0.0493	0.0493	0.0525
Newton	0.0700	0.0700	0.0700	0.0700	0.0700
Oxford	0.0558	0.0558	0.0558	0.0558	0.0600
Propst	0.0615	0.0615	0.0615	0.0615	0.0650
Sherrills Ford	0.0700	0.0500	0.0500	0.0500	0.0500
St. Stephens	0.0700	0.0700	0.0500	0.0500	0.0500
Viewmont	0.0000	0.0000	0.0000	0.0000	0.0325
Municipalities:					
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.4600	0.4600	0.4600	0.4600	0.4500
City of Conover	0.4000	0.4000	0.4000	0.4000	0.4000
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000
Town of Long View	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.4000	0.4000	0.4000	0.4000	0.4000
City of Newton	0.4800	0.4800	0.4800	0.4600	0.4600
Total Maximum Rate - Fire District	0.6050	0.6050	0.6050	0.6050	0.5600
Total Maximum Rate - Municipalities	1.0550	1.0550	1.0550	1.0550	1.0100

Note:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax

<i>Fiscal Year</i>				
2006	2005	2004	2003	2002
0.4900	0.4800	0.4800	0.4950	0.4950
0.0500	0.0390	0.0390	0.0390	0.0390
0.0700	0.0700	0.0700	0.0700	0.0700
0.0700	0.0700	0.0700	0.0700	0.0700
0.0500	0.0500	0.0350	0.0350	0.0350
0.0550	0.0550	0.0550	0.0600	0.0600
0.0500	0.0450	0.0293	0.0320	0.3200
0.0325	0.0257	0.0257	0.0280	0.2800
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0440	0.4400
0.0000	0.0000	0.0000	0.0400	0.4000
0.0568	0.0568	0.0568	0.0620	0.6200
0.0312	0.0312	0.0312	0.0340	0.0340
0.0425	0.0425	0.0425	0.0450	0.0450
0.0700	0.0513	0.0513	0.0560	0.0560
0.0600	0.0600	0.0600	0.0600	0.0600
0.0650	0.0650	0.0650	0.0650	0.0650
0.0500	0.0400	0.0400	0.0400	0.0400
0.0500	0.0500	0.0500	0.0500	0.0500
0.0325	0.0248	0.0248	0.0270	0.0270
0.5200	0.5200	0.5200	0.5200	0.5200
0.4800	0.4800	0.4800	0.4800	0.4800
0.4500	0.4500	0.4500	0.4500	0.4500
0.3800	0.3800	0.3600	0.3800	0.3600
0.5000	0.5000	0.5000	0.5500	0.5500
0.4000	0.4000	0.4000	0.4000	0.4000
0.4000	0.3800	0.3800	0.4000	0.4000
0.4400	0.4400	0.4400	0.4700	0.4700
0.5600	0.5500	0.5500	0.5650	0.5650
1.0100	1.0000	1.0000	1.0450	1.0450

CATAWBA COUNTY, NORTH CAROLINA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Year

Fiscal Year Ended	General Obligation	Total Taxable	Percentage of Actual Taxable	Per Capit a
June 30	Bonds	Assessed Value	Value of Property	
2002	69,650,000	11,176,676,254	0.62	480
2003	63,040,000	11,568,969,626	0.54	430
2004	55,880,000	12,671,384,340	0.44	380
2005	49,340,000	12,942,756,938	0.38	332
2006	42,815,000	13,023,274,801	0.33	287
2007	36,540,000	13,359,326,399	0.27	238
2008	30,160,000	14,655,429,923	0.21	194
2009	23,765,000	15,068,712,596	0.16	151
2010	17,310,000	15,013,754,766	0.12	109
2011	12,110,000	15,122,858,692	0.08	76



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

	2011	2010	2009	2008	2007
Assessed Value (after exemptions)	\$15,122,858,692	\$15,013,754,766	\$15,068,712,596	\$14,655,429,923	\$13,359,326,399
Debt Limit Rate	8%	8%	8%	8%	8%
Debt Limit	1,209,828,695	1,201,100,381	1,205,497,008	1,172,434,391	1,068,746,112
Less total net debt applicable to limit	142,142,197	117,002,355	130,663,312	121,303,793	102,721,667
Legal Debt Margin	1,067,686,498	1,084,098,026	1,074,833,696	1,051,130,598	966,024,445

Total net debt applicable to the limit as a percentage of legal debt limit	12%	10%	11%	10%	10%
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Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value (after exemptions)	\$15,122,858,692
Debt limit (8% of assessed value)	1,209,828,695
Debt applicable to limit	
Outstanding general obligation debt	12,110,000
Authorized and unissued general obligation debt	1,470,000
Certificates of participation	37,075,000
Installment purchase	54,846,912
Qualified Zone Academy Bonds	550,000
Qualified School Construction Bonds	27,808,553
Build America Bonds	8,401,732
Federal Revolving Loan	1,350,000
Less Statutory deductions	
Unissued refunding bonds	(1,470,000)
Total net debt applicable to limit	142,142,197
Legal debt margin	1,067,686,498

	2006	2005	2004	2003	2002
Assessed Value					
(after exemptions	\$13,023,274,801	\$12,942,756,938	\$12,671,384,340	\$11,568,969,626	\$11,176,676,254
Debt Limit Rate	8%	8%	8%	8%	8%
Debt Limit	1,041,861,984	1,035,420,555	1,013,710,747	925,517,570	894,134,100
Less total net debt					
applicable to limit	111,610,000	112,385,000	69,575,814	66,859,085	73,775,188
Legal Debt Margin	930,251,984	923,035,555	944,134,933	858,658,485	820,358,912

Total net debt					
applicable to the					
limit as a percentage					
of debt limit	11%	11%	7%	7%	7%

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population Estimate	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2001	141,685	3,958,281,782	27,937	36.1	23,875	6.4%
2002	145,071	3,972,189,051	27,381	36.2	23,688	9.4%
2003	146,690	3,949,628,250	26,925	36.3	23,825	9.3%
2004	146,971	3,892,232,993	26,483	36.4	23,942	7.2%
2005	148,797	4,140,871,713	27,829	36.6	24,243	6.6%
2006	149,416	4,272,998,768	28,598	36.7	24,455	5.4%
2007	153,784	4,624,900,016	30,074	37.0	24,766	5.9%
2008	155,452	4,826,940,052	31,051	36.9	25,305	7.2%
2009	157,073	4,998,534,079	31,823	38.1	24,688	15.5%
2010	159,013	N/A	N/A	38.2	24,338	12.9%

**Schedule of Principal Taxpayers
For the Fiscal Year Ended June 30, 2010**

Taxpayer	Type of Business	Taxable Assessed Value	% of Total Assessed Value
Duke Energy Corporation	Electric Utility	\$451,942,462	2.90%
Target Corporation	Warehouse/Retail	119,249,281	0.79%
Getrag Gears of North America, Inc.	Gears	117,633,736	78.00%
CommScope, Inc.	Cable Manufacturer	110,337,114	0.73%
Frye Regional Medical Center	Medical Care	72,901,992	0.48%
Draka Comteq Americas, Inc.	Cable Manufacturer	70,091,716	0.46%
Corning Cable Systems	Cable Manufacturer	60,508,715	0.40%
Hickory Springs Mfg. Co., Inc.	Furniture Supplies	53,443,050	0.35%
Valley Hills Mall, LLC	Retail	49,966,918	0.33%
Apple, Inc.	Computer Server	42,348,109	0.28%
		\$1,148,423,093	84.72%
		\$15,122,858,692	
Total Assessed Valuation			

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Principal Employers
Current Year

Employer	Number of Employees	Percentage of Estimated Total County Employment
Catawba County School System	1,860	2.89%
Catawba Valley Medical Center	1,639	2.55%
CommScope, Inc.	1,560	2.43%
Frye Regional Medical Center	1,450	2.26%
Catawba County Government	1,164	1.81%
Hickory Springs Manufacturing	1,000	1.56%
Corning Cable Systems	1,000	1.56%
Ethan Allen, Inc.	900	1.40%
Pierre Foods	730	1.14%
Sherrill Furniture Company	723	1.12%
	12,026	18.72%