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ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2011-2012 SHOWS COUNTY IMPROVED FINANCIAL POSITION IN UNCERTAIN ECONOMY

Catawba County's Comprehensive Annual Financial Report for the fiscal year that ended on June 30, 2012 shows the County continued to deliver services in a prudent fiscal manner in spite of significant challenges to the local economy.

Paula Hodges, Partner with Martin Starnes & Associates, CPAs, P.A., told the Catawba County Board of Commissioners at its December 3 meeting that "the County improved its financial position" as a result of its conservative approach to budgeting and spending, and proactive responses to a fragile economy.

Hodges told the Board that the County received a "clean" audit opinion for Fiscal Year 2011-2012, and that the firm was pleased with the County's internal control structure and financial accountability throughout the year.

"There were no questioned costs as a result of the audit of the County's Federal and State programs," Hodges concluded. "The Catawba County Board of Commissioners, management and staff should be commended for their proactive response to the adverse economic conditions it faced this past year."

Rodney Miller, Catawba County's Finance Director, discussed several aspects of the County's financial report in his presentation to the Board.

"Local revenues continue to recover modestly, as sales tax revenues increased by 3.9% and property tax revenues saw a 1.26% increase from the year before," Miller said. "However, building permit revenues remained basically flat and continue to be a concern to the local economy with very little residential and commercial activity."

Property tax revenues increased 1.26% as the County's tax base experienced only limited growth in real and personal property. Property tax collection rates decreased slightly by 0.35%, on top of a decline of 0.04% for the previous year. The County's tax rate of 53 cents per \$100 valuation for the 2011-2012 fiscal year was the eighth lowest among North Carolina counties with a population of 100,000 or more.

On the expenditure side, County spending remained basically, flat though County departments collectively spent less than was budgeted for Fiscal Year 2011-2012.

When purely local funding is considered, Catawba County's three public school systems and Catawba Valley Community College received the highest percentage of County funding, at 53%. Catawba County appropriated \$39,257,916 for operating expenditures for the three school systems and CVCC, a 0.8% decrease from the previous year.

Public Health and Social Services expenditures represented 27% of total, including State and Federal funds. Expenditures for Public Health and Social Services declined by approximately 1.6% from Fiscal year 2010-2011, as several State and Federal reimbursements decreased.

Catawba County has traditionally had a goal to keep two months' worth of operating expenses in reserve, approximately

16%, in part because of cash flow issues, since property tax bills are sent to taxpayers in July but revenues are slow to come in as most taxpayers wait until near the January deadline to make payments. The reserve is also kept in case of emergency circumstances, and to insure adequate funds are available to meet urgent economic development opportunities that may arise during the course of the year.

The audit report showed the County exceeded this reserve requirement for fiscal year 2011-12 and now has two and a half months worth of operating expenses in reserve. Miller reported this was accomplished by the County's continuing its conservative approach to uncertain economic conditions.

Citizens may access the full [Comprehensive Annual Financial Report](#) or the [Popular Annual Financial Report](#), which presents information in a more summary manner, online.