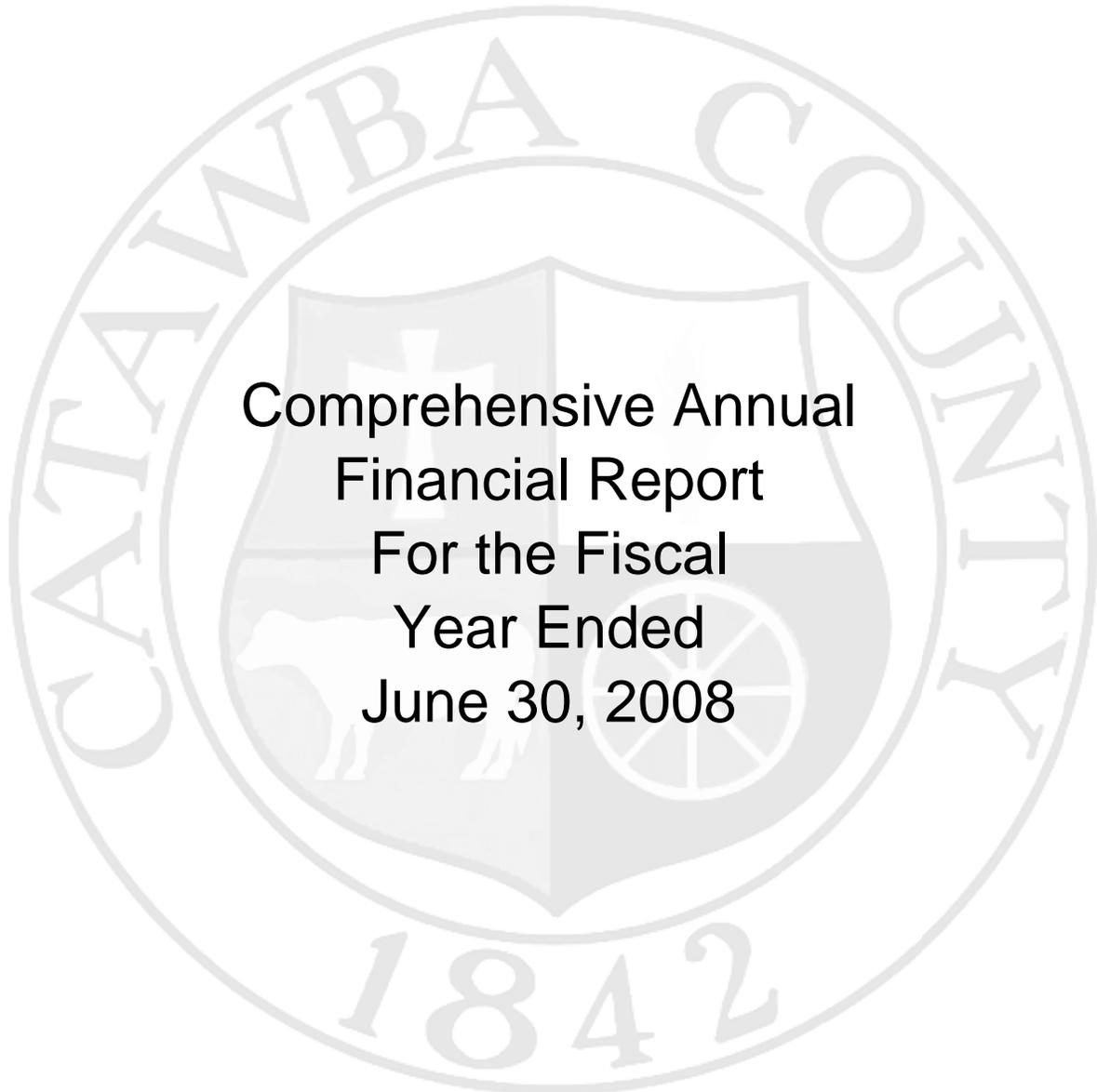


Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2008

J. Thomas Lundy, County Manager
Rodney N. Miller, Director of Finance

Prepared by Catawba County Finance Department
Published November 12, 2008

Catawba County, North Carolina
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2008

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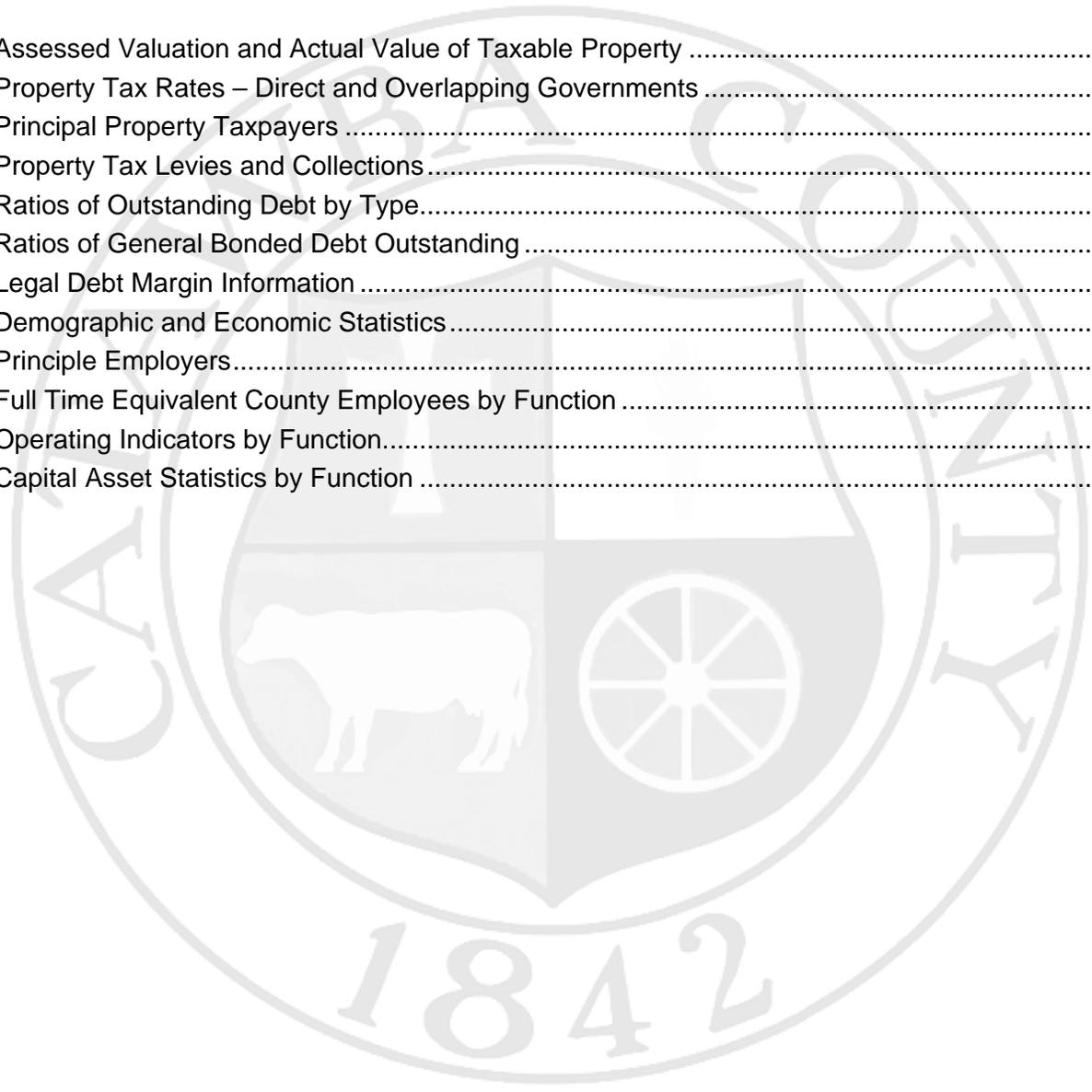
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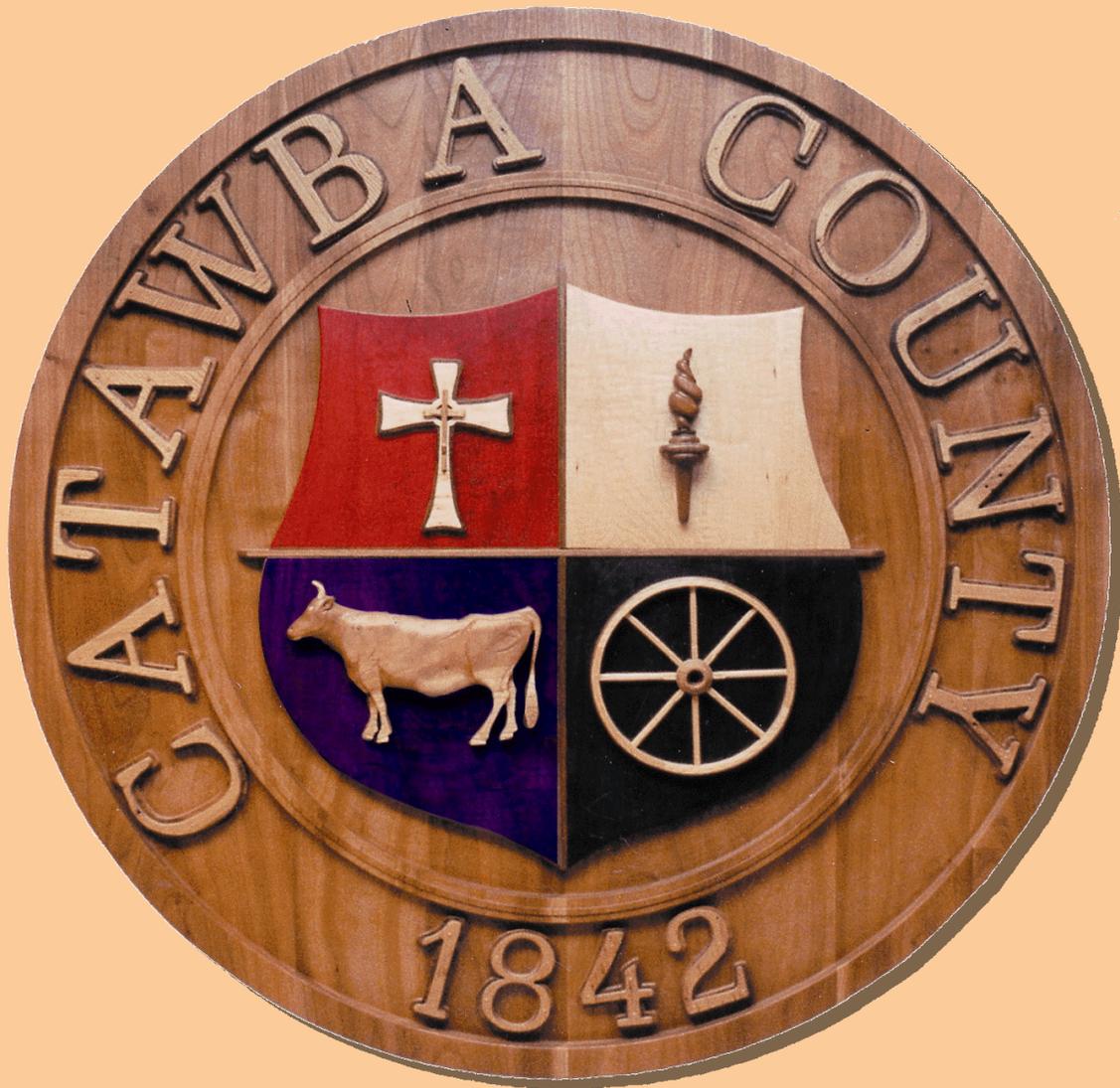
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BOARD OF COUNTY COMMISSIONERS



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"Kitty" Barnes**
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CATAWBA COUNTY

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Catawba County Board of Commissioners
and Citizens of Catawba County, North Carolina

November 12, 2008

State law requires that all local governments have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant using generally accepted auditing standards. It is also required that a local government publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Catawba County for the fiscal year ended June 30, 2008.

THE REPORT

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Beginning with the 2006-07 fiscal year, auditors were required to follow a new standard for reporting their findings that relate to the internal control structure of the entity being audited. The Auditing Standards Board of the American Institute of Certified

Public Accountants issued the Statement on Auditing Standards (SAS) No. 112. This changes the way the auditor reports any findings that he or she may have regarding the internal control structure in a unit of government. As a result, units of government may have more findings cited in their audits than in previous years, despite the fact that those units have not changed their methods of operations. The way those findings are reported have also changed. Previously, auditors noted findings as being "reportable conditions" while more serious issues were noted as "material weaknesses." SAS 112 changes the terminology, with any findings of control deficiency now reported as "significant deficiencies" or "material weaknesses".

The County's financial statements have been audited by Martin, Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement



"Keeping the Spirit Alive Since 1842!"

presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. Issuance of an unqualified opinion means an auditor, upon review of a county's financial statements and accompanying notes, certifies that the financial statements are reliable and represent the true financial condition of the county. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports, along with the schedule of expenditures of Federal and State awards, findings and recommendations, if any, are published in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be

found immediately following the report of the independent auditors.

COUNTY PROFILE

Located in a peaceful valley just east of the Blue Ridge Mountains, Catawba County is a land of scenic beauty, diverse cultures, and thriving industry. Three beautiful lakes are located within its 414 square miles, and the Catawba River winds along its northern and eastern border. The County is named for the river and the Catawba



Indians who foraged in the valley and were friendly and helpful to the first settlers who arrived in 1747.

Catawba County was officially established on December 12, 1842 when Lincoln County was divided by an act of the North Carolina General Assembly. The North Carolina General Assembly passed legislation to the effect that "the present Town of Newton as selected and laid out shall be the site and location of the courthouse and jail of Catawba County." The County has eight cities and towns and a population of 155,452, ranking 15th largest out of 100 counties in North Carolina.

In 1937, Catawba County became the third county in the State to adopt the Council-Manager form of government. The Board of





Commissioners is comprised of a five-member board elected at large on staggered terms in a countywide election. The Board of Commissioners is the policy-making and legislative authority for the County. It is responsible for adopting the annual budget, approving zoning and planning issues and other matters related to the health and welfare of the County. The Board makes appointments to various boards and commissions and appoints the County Manager. The County Manager is the chief executive officer and is responsible for enforcement of laws and ordinances, preparation and administration of the annual budget, delivery of services, implementing policies, managing daily operations and appointment of department heads. The County is fortunate to have stability in its management structure with the County Manager affording the County 35 years of continuous service and the average tenure of seventeen department heads in top management is 15 years.

Catawba County provides its citizens with a broad range of services that include public safety, environmental protection, health and human services, cultural and recreational programs, community and economic development, and education. This report encompasses the County's activities in maintaining these services and includes its financial support to certain separate agencies, boards and commissions to assist their efforts in serving citizens. Among these are the Catawba County, Hickory City and Newton-Conover City Schools, Catawba Valley Community College (CVCC), Catawba County Economic Development Corporation and the Hickory Metro Convention and Visitors Bureau.

The annual budget serves as the foundation for the County's financial planning and control. Each year all County departments are required to submit requests for appropriation to the

County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the County's fiscal year.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment with which the County operates.

LOCAL ECONOMY

Economic activity in the region was mixed this past year, as evidenced by the Western North Carolina Economic Index, which tracks the level of economic activity in 25 counties, including Catawba. The Index reported a decrease in regional economic activity in the fourth quarter of 2007, no change in the first quarter of 2008 and an increase in the second quarter of 2008.

As evidence of an up-and-down local economy, in 2007 Forbes Magazine listed the Hickory Metro region as being among the ten worst metro areas for job growth in the nation. The region, which includes Alexander, Burke, Caldwell and Catawba counties, has seen its unemployment rate increase from 5.9% in August 2007 to 8.4% in August 2008. The increase is attributed to approximately 3,000 more persons actively seeking employment and about 800 more unemployed since January. Though some layoffs have occurred in the region with another national recession looming, if not already present in 2008, the numbers pale in comparison to the last national recession in 2002, which saw approximately 25,000 jobs lost in the region and an unemployment rate exceeding 10.0%.

In February of this year, the region received some positive economic news in the area of residential

housing. The Office of Federal Housing Enterprise Oversight ranked the Hickory Metro region 14th among cities in a hot housing market. The area saw an 8.6 percent gain in the market over the last four quarters and a 22.5 percent gain in the last five years.

With large metropolitan areas in Florida, California and Nevada experiencing significant housing decreases and increasing foreclosure rates, the Charlotte area was one of the few metro areas nationally that saw modest gains in housing and avoided huge foreclosure rates. The region's proximity to Charlotte has had a positive impact to the area's residential increases.

For Catawba County specifically, the unemployment rate has increased from 5.4% in August 2007 to 8.1% in August 2008. Fortunately, the County has not seen significant job losses and layoffs thus far, and is faring better than other counties in the Hickory Metro region during this economic downturn.

Catawba County continues to be home to a large industrial base, heavily concentrated in manufacturing (31%), nearly three times the national average (11%). The county and region are renowned as a furniture-manufacturing and distribution center, with over fifty percent of the nation's furniture produced within a 200-mile radius of Hickory, the County's largest municipality.

With the last economic recession in 2002, significant job losses occurred primarily in the County's traditional industries of furniture and textiles. The County lost more than 14,000 jobs



CommScope Headquarters Hickory, North Carolina

from the third quarter of 2000 through the end of 2007. However, this provided a surplus of available skilled workers and opportunities for new and existing manufacturing companies to relocate to the area and/or expand their current facilities. Over the last year, various businesses have opened or begun construction in new facilities. Poppelmann Plastics USA opened their new \$17 million manufacturing and warehouse facility in Claremont, which is expected to grow to a workforce of 50 employees. Sutter Street, a division of Williams Sonoma, announced plans for a \$2.7 million investment in Hickory adding 820 jobs to the furniture industry. CommScope, a global telecommunications company headquartered in Hickory, acquired Andrew Corp. last year, valued at \$3.8 billion, and will quadruple their workforce and double their sales. The von Drehle Corporation, a national supplier of towel and tissue products, expanded their facilities with a 60,000 square foot addition to their existing Maiden plant, giving them 210,000 square feet of manufacturing space. Turbotec Products expanded its manufacturing operations in Hickory creating an additional 25 jobs.

In addition, with the changing economic conditions, the County has diversified its economic base from a traditional manufacturing base. ADEVCO Corporation announced plans for a \$10 million call center, with 600 new jobs to the County. Convergys Customer Management Group, based in Ohio, announced a \$4 million investment in the former Joan Fabrics building with plans to create 446 new jobs. The center will provide technical support and customer service for Fortune 500 clients and leaders in the telecommunications industry. A new Data Storage Multi-jurisdictional Industrial Park has opened, with spec buildings currently being built in Claremont. Pallet One Inc., the nation's largest pallet manufacturer, completed construction of a \$2.5 million facility and the hiring of 35 new jobs adjacent to the County's landfill. This project is the second investment by the private sector in a Regional Biosolids Processing Facility. Now called the EcoComplex, it is designed to improve the ecology of Catawba County and promote economic development by attracting jobs in the green energy, agricultural and environmental sectors. Appalachian State University recently received a grant from the Golden LEAF Foundation for a biodiesel research facility to be located in the EcoComplex using the electricity and heat generated at the



Construction of the Target distribution center

facility. Finally, Target Corporation is nearing completion of one of the largest economic projects for the County in many years with a \$90 million investment in a 1.5 million square foot distribution center. The facility will create approximately 650 jobs over the next five years, with the potential for total employment of 800-1200 people based on similar projects.

Over the last three years, more than 3,300 jobs and investment of over \$1 billion have been announced in Catawba County. Within the next year, more than 2,000 jobs are expected to be available to citizens throughout the region.

In addition to a large manufacturing and industrial base, the County is supported by a strong service-sector, accounting for more than half of the economic engine in Catawba County. The County is a major medical hub, with two large medical centers, one county-owned and both profitable; and a prospering medical and health care community. As evidence, this past year, two medical facilities valued at \$18 million were opened in McDonald Crossing, a 75-acre medical, office and commercial development project in Hickory, which is also home to ADEVCO, mentioned previously. This area of the County is well known for its many medical and health care facilities, with more planned for the future.

“Over the last three years, more than 3,300 jobs and investment of over \$1 billion have been announced in Catawba County.”

The County is also a retail magnet for the region, capturing 58% of the \$4.4 billion in retail sales from the four-county Metropolitan Statistical Area (MSA), compared to only 43% of the population. The County has approximately 150 retail furniture showrooms and outlets as well as two internationally known furniture malls totaling 1.3 million square feet of exhibit space. Retail sales for the County increased 4.6% from the previous year in part from the opening of a 200,000 square foot Wal-Mart in Conover as well as a 168,000 square foot Lowe’s Home Improvement store in Hickory. Though Catawba County’s population ranks 15th in the state, its retail sales per capita ranks 10th in North Carolina out of 100 counties. Furthermore, Catawba County boasts of a strong tourism industry, with more than one million visitors each year generating \$2.8 billion in economic activity, accounting for fifteen percent of the County’s economy.

Along with commercial, industrial and retail growth, the County continues to experience some significant residential growth with the culmination of the largest residential development project in the County’s history. The project includes four residential developments in Sherrills Ford, with the addition of up to 1,950 homes in this rural community in the southeastern part of the county. This area of the County is expected to develop rapidly over the coming years as more and more people settle into North Carolina and in Catawba County. Indications of this growth are evident in the fact that Catawba County passed 150,000 residents



and the City of *Catawba Valley Boulevard retail shopping* Hickory passed 40,000 residents last year according to North Carolina’s demographics unit.

The local economy also received some national and state exposure over the last year, which will hopefully improve economic development in the County. CommScope was added to the 2007 Fortune 100 list by Fortune Magazine, a first for a Catawba County-based company. In November, Forbes magazine ranked Catawba County fourth in the nation for Cost of Doing Business. Finally, in August 2008, Catawba County was ranked as the top mid-market in North Carolina, according to Southern Business and Development's "Top 250 Best Places in the South to Locate Your Company." The ranking was based on the number of announcements that resulted in the creation of 200 jobs or more between 1993 and 2007.

LONG-TERM FINANCIAL PLANNING

Beginning in 2007, the County began preparing an eight-year Capital Improvement Plan (CIP) to anticipate and plan for future capital expenditures. As of June 30, 2008, \$276 million in capital needs have been identified over the next eight years. This includes over \$172 million in school and community college construction needs, with three new elementary schools and a middle school planned for the three school systems in the County and a new vocational building for Catawba Valley Community College (CVCC).

To help pay for these needs, the Catawba County Board of Commissioners, in fiscal year 2007-08, implemented a new four-year funding cycle by dedicating two cents of the property tax rate, approximately \$2.8 million, along with \$1.4 million in lottery funds, as well as school/community college debt retired each year towards new construction. This will provide funding for \$81.1 million in new construction needs over four years for all three school systems and CVCC. In the current fiscal year, funds were used to begin improvements to four high schools and to construct a new Snow Creek elementary school, the county's first LEED (Leadership in Energy and Environmental Design) certified school. During the last four-year funding cycle, two cents of the property tax rate provided

funding for over \$58 million in school projects: a new Maiden High School, the conversion of



Construction of the Snow Creek Elementary School

Tuttle Middle School to an elementary school, a new Hickory Middle School, a new Catawba Elementary School and a learning library and technology center at CVCC.

As the county continues to grow, planning for infrastructure is essential to encouraging orderly economic development, preventing urban sprawl, and accommodating that growth in adequate facilities. The Board of Commissioners continued a policy established in fiscal year 1994-95 by setting aside funds, one and a half cents on the property tax rate or \$2.1 million, in fiscal year 2007-08 for future water and sewer projects throughout the county. Those needs equate to approximately \$32 million over the next eight years. Also, increased growth in the County's jail population necessitated a \$17.5 million jail expansion last year, which added an additional 172 beds, now totaling 259 beds, and a facility designed for future expansion. Planning for the facility began more than five years ago and the Board of Commissioners dedicated three cents of the tax rate, or \$4.2 million for annual operating costs and debt service for the new jail.



In fiscal year 2007-08, the NC General Assembly agreed to assume responsibility for Medicaid costs from counties, as was the case in the other 49 states in the United States, phasing out those costs over three years and reducing local sales tax revenues to help pay for the change. Furthermore, counties were allowed to implement a new revenue option, either a ¼ cent sales tax or a land transfer tax, if approved by local referendum. The new ¼ cent sales tax passed by an overwhelming majority on November 6, 2007 for Catawba County. This will provide approximately \$5 million a year and has been a long-term goal for Catawba County, which has looked for the State to provide relief from the ever-increasing cost of Medicaid and to provide additional revenue options to keep up with growth in the County. The additional funds are planned to be used for economic development, education, public safety and water and sewer needs in the county. Within public safety, expansion of courtroom space (a county responsibility), the 911 Communication Center, Emergency Operations Center (EOC) and Newton EMS base have been identified as the most urgent needs. A space needs study and facility master plan have been prepared to address these areas in the coming years.

Another long-term initiative by the County was the implementation of a strategic planning process called FORESIGHT that originally began in 1985 to bring business, cultural, education and government leaders together to develop long range strategic planning goals for the County. The Board of Commissioners established a new edition or generation of FORESIGHT in 2001 and formed four task forces to study economic opportunities in the areas of business and job creation, education, the environment, and increasing the County's exposure in Raleigh and citizen leadership at home. One recommendation from the education task force was to increase

local teacher supplements to rank in the top 5% of NC schools within five years, which would help attract and retain the best and brightest teachers in



New Catawba Elementary School

the County. A first step was implemented in FY 2005-06 by increasing the property tax rate by one cent to increase teacher supplements by 2% for approximately 70% of the teachers based on either individual or school performance. In FY 2007-08, thirteen school nurse positions were added, as well as a ¾ cent tax increase for school current expense to meet operational costs and continue implementation of the new FORESIGHT initiatives.

Finally, the County has invested in its educational future by committing funds towards a new Engineering Technology Center and continuing to support the Hickory Metro Higher Education Center (HMHEC). The North Carolina Center for Engineering Technologies opened in December 2007 as part of the University of North Carolina system with 40 students. The effort began as a regional economic development initiative in 2003 and has become reality with public and private contributions of more than \$2.5 million. The Higher Education Center opened in 2003 through a partnership with Catawba County, the City of Hickory, Catawba Valley Community College,



AWARDS AND ACKNOWLEDGEMENTS

Lenoir-Rhyne University and Appalachian State University (ASU). The partnership provides a unique collaborative learning experience to the area that serves the needs for graduate, undergraduate, non-credit certificate courses, research and specialized workforce training. In April 2007, the Center was awarded the Creative and Innovative Program Award from the North Carolina Adult Education Association Conference. Since opening, State and Federal funding has been secured in addition to ongoing local support, allowing more than 400 working-age adults to complete their bachelor's or master's degree through programs offered through HMHEC. In March 2008, there were 747 students enrolled in programs seeking 43 undergraduate and 59 graduate degrees. In the fall, ASU will be adding four new bachelor degree programs in communications, psychology, criminal justice and business administration.

With the Hickory Metro region having the distinction as the largest metropolitan statistical area in the state without a public university presence, it is hoped that both of these efforts will help the County remain economically viable by giving its citizens additional higher education opportunities that are desperately needed.

CASH MANAGEMENT POLICIES AND PRACTICES

Under the authority of North Carolina General Statute 159-30, the County invests in obligations of the United States Treasury and several of its agencies and instrumentalities; high-grade commercial paper, certificates of deposit and participating shares in a Local Government Commission certified mutual fund for local government investment. The objectives of the County's investment program are safety, liquidity and yield, in that order. Investment vehicles are chosen with the greatest emphasis placed on credit quality and maturity. The cash and investment portfolio balance for the fiscal year ended June 30, 2008 for all funds is \$148 million. Investment income includes appreciation or depreciation in the fair value of investments at June 30, 2008. Increases/decreases in fair value during the current year; however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County

intends to hold to maturity.

PENSION PLANS

Permanent County employees regularly scheduled to work 20 hours or more each workweek are required to participate in the North Carolina Local Governmental Employees' Retirement System. This system, as well as optional supplemental retirement plans available to employees and the required supplemental retirement plan for law enforcement officers, are discussed in more detail beginning on page 40 in the notes to the financial statements.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Catawba County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Catawba County has received a Certificate of Achievement for the last 26 consecutive years. We believe this current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2007. This is the nineteenth consecutive year that the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy

documentation, financial planning, and organization.

ACKNOWLEDGEMENTS

Each County department's strong commitment to the goals, vision and mission statements of the County government is reflected in the services provided to the residents of Catawba County. We appreciate the cooperation of all the County departments in carrying out the financial activities encompassed in this report. The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Special recognition is

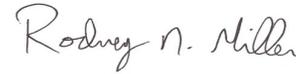
extended to Martin, Stames & Associates, CPAs for their assistance with the report.

In closing, we thank the Catawba County Board of Commissioners for its leadership and support in making Catawba County a fiscally sound, well-governed community.

Respectfully submitted,



J. Thomas Lundy
County Manager



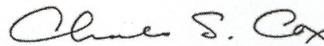
Rodney N. Miller
Finance Director

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

Presented to

**Catawba County,
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

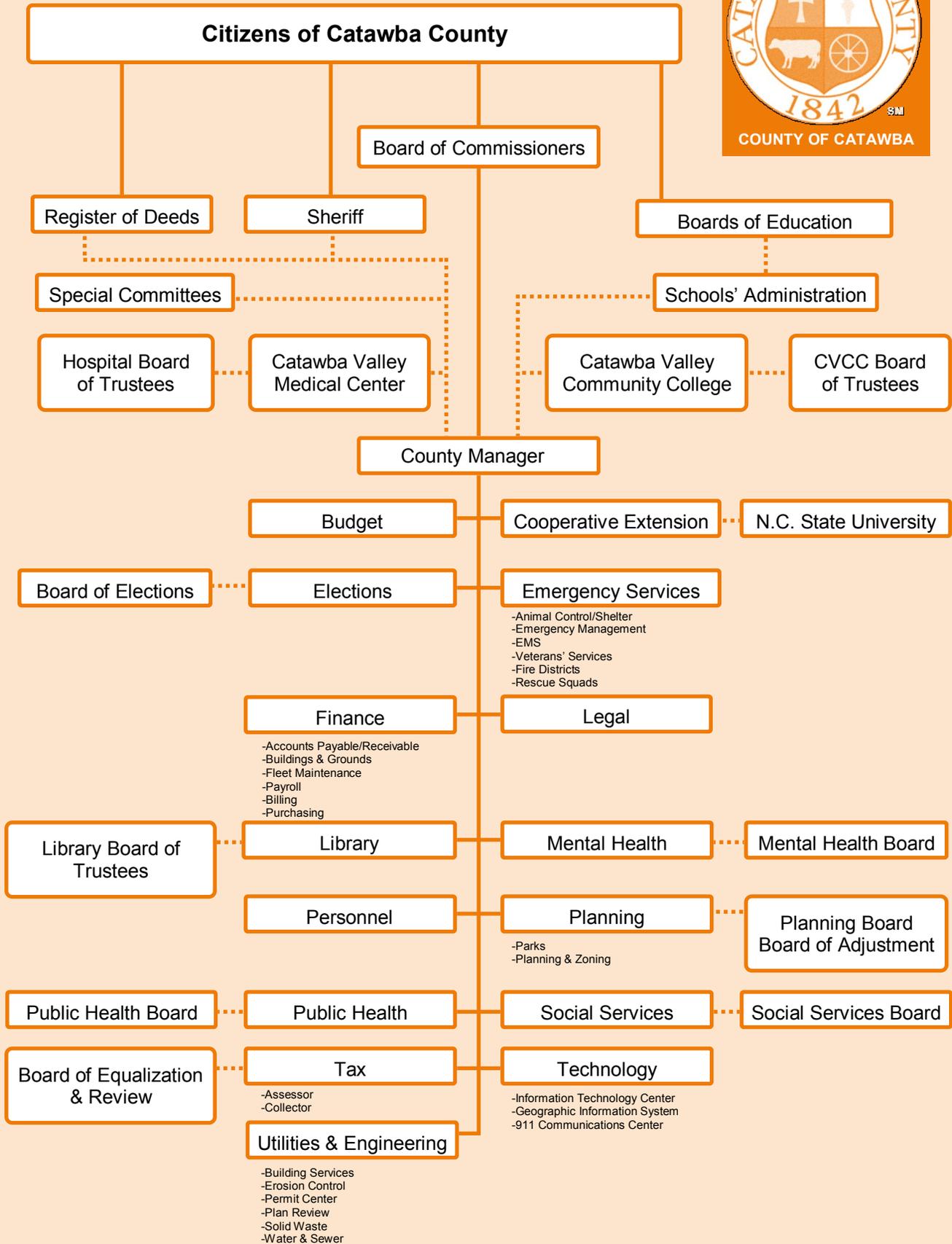


President



Executive Director

ORGANIZATIONAL STRUCTURE







Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Catawba County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Catawba County, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catawba County ABC Board or Catawba Valley Medical Center which represents 100 percent of the assets, net assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Catawba County ABC Board or Catawba Valley Medical Center is based solely on the reports of the other auditors.

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. The financial statements of the Catawba County ABC Board and Catawba Valley Medical Center were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2008 on our consideration of Catawba County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing in the results of our audit.

Management's Discussion and Analysis, employer contributions and the Schedule of Funding Progress, Schedule of Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance and Other Post Employment Health Care Benefit are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Catawba County, North Carolina basic financial statements. The introductory section, combined and individual fund financial statements and schedules, other schedules, additional financial data, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, other schedules, and additional financial data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 12, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Catawba County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Catawba County for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

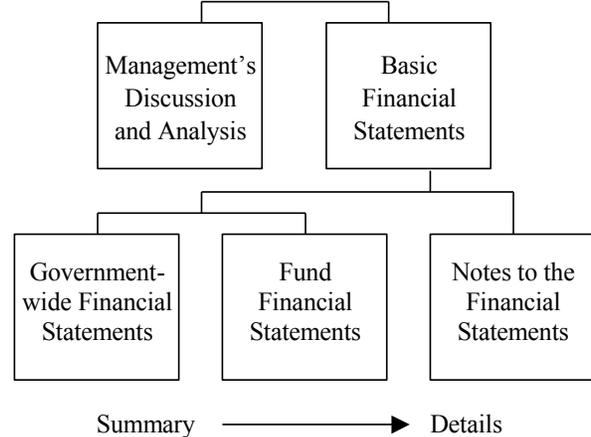
FINANCIAL HIGHLIGHTS

- ▶ The assets of Catawba County exceeded its liabilities at the close of the fiscal year by \$149,303,983 (*net assets*). Of this figure, approximately \$105 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net assets increased by \$22,943,627, primarily due to increases in the governmental type activities net assets.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$143,354,857, an increase of \$37,470,892 in comparison with the prior year. [See Exhibit 3]. Approximately 86 percent of this total amount, or \$123,560,368, is available for spending at the government's discretion (*unreserved fund balance*). Of this unreserved fund balance, \$83.1 million has been designated for future expenditures and capital projects in the adopted 2008-09 budget ordinance. [See Note 1].
- ▶ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$35,804,493, or 20.2 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total debt increased by \$18,582,126 during the current fiscal year equating to \$780 per capita. The County used installment purchase financing to borrow \$22.3 million for the construction and renovation of public school and community college facilities and \$7 million for the construction of various wastewater system improvements. This debt was offset by principle payments of \$10.7 million during the current fiscal year.
- ▶ For the fourth consecutive year, Catawba County maintained its AA bond rating with Standard & Poor's and maintained its Aa2 bond rating with Moody's Investors Service for the 27th consecutive year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Catawba County's basic financial statements. The County's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements (see Figure A). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Catawba County.

Figure A - Required Components of Annual Financial Report



GOVERNMENT-WIDE FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.

The government-wide financial statements are:

- ▶ **Statement of Net Assets** - presents information about the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- ▶ **Statement of Activities** - presents information showing how the County's net assets changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish between services provided by the County

that are primarily funded by property taxes and state and federal grants (*governmental activities*) and other services that the County charges user fees to recover all of the costs (*business-type activities*). The government activities include most of the County's basic services such as human services, education, public safety, parks, planning, and general administration. The business-type activities include the solid waste services offered by Catawba County. The government-wide financial statements include not only the County itself (known as the *primary government*) but also two legally separate entities (known as *component units*). Catawba Valley Medical Center (CVMC) is a public healthcare facility that is an entity of Catawba County. The County appoints the board of trustees for CVMC and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements begin on page 14 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Catawba County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. There are three parts to the Fund Financial Statements: (1) governmental funds, (2) budgetary comparison statements, and (3) proprietary fund statements.

- ▶ **Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The

relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Catawba County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the board; (2) the final budget as amended by the board; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

The governmental funds financial statements can be found on pages 18-22 of the report.

- ▶ **Proprietary Funds** - Services for which the County charges customers a fee are generally reported in proprietary funds. Catawba County maintains one type of proprietary fund called an enterprise fund.

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its solid-waste operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

The proprietary funds financial statements can be found on pages 23-25 of this report.

- ▶ **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Catawba County has four fiduciary funds, all of which are agency

funds.

The fiduciary funds financial statements can be found on page 26 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found beginning on page 27 of this report.

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Catawba County's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found beginning on page 58 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (Government-Wide Financial Analysis)

Net Assets - As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Catawba County exceeded liabilities by \$149,303,983, as of June 30, 2008. The County's net assets increased by

\$22,943,627 for the fiscal year ended June 30, 2008. Key factors for the increase in net assets are additions to current and other assets and increases in restricted cash. Restricted cash increased by \$21 million, mainly from debt proceeds not yet spent for school and community college improvements. The County spent \$4.4 million during the current fiscal year for water and sewer projects in progress. Long-term debt had a net increase of \$18.6 million.

The largest portion of net assets (69.7%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Catawba County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Catawba County's investment in its capital assets is reported net of the outstanding related debt, the resources to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Another portion of Catawba County's net assets (.5%) represents resources that are subject to external restrictions on how they may be used.

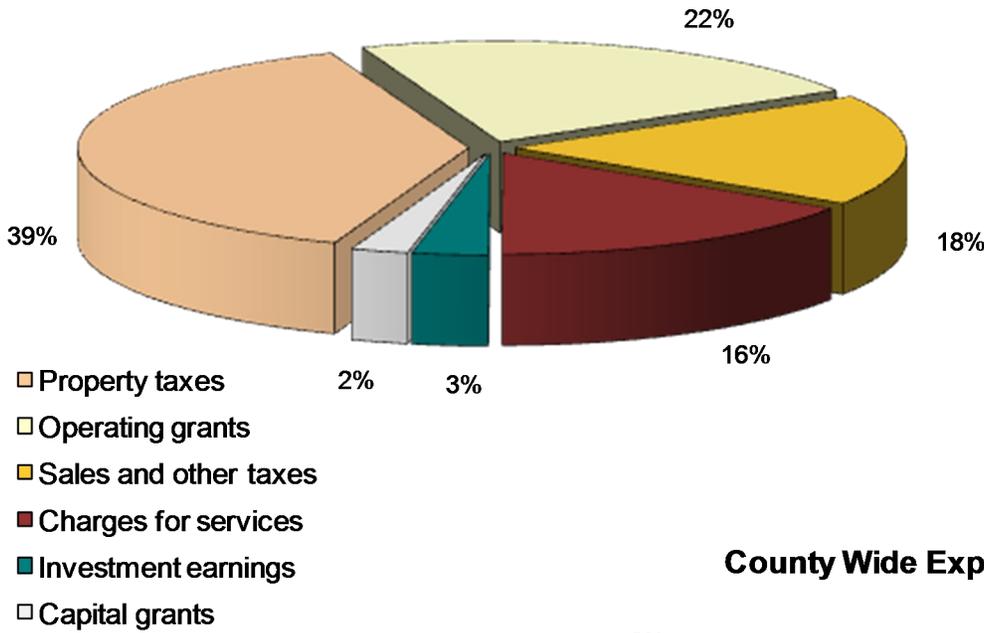
The remaining balance (29.8%) of \$44.4 million is unrestricted, an increase of \$15.7 million from the prior year.

Government-Wide Financial Analysis Catawba County's Net Assets

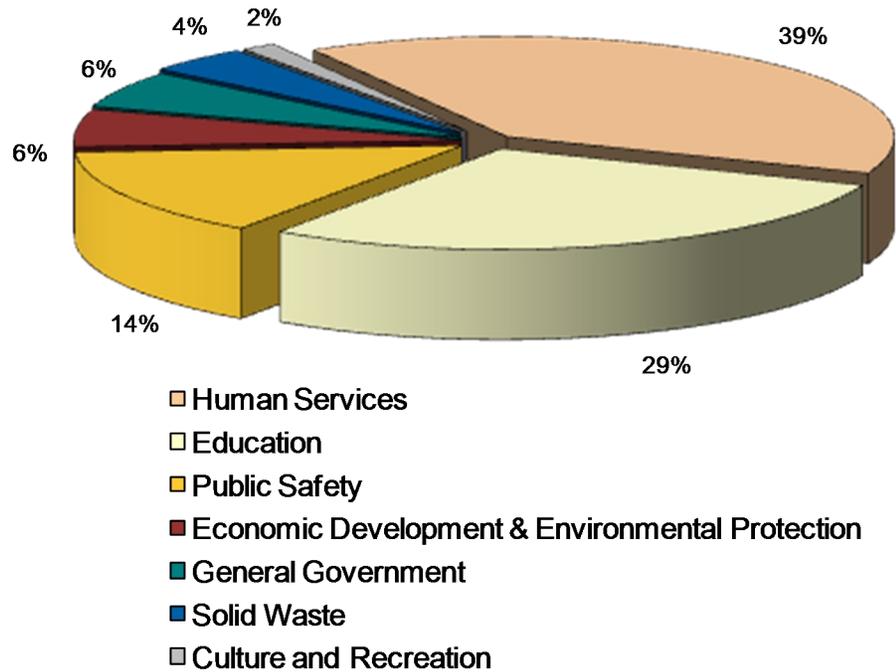
	Governmental Activities		Business-type Activities		Total		Total	
	2008	2007	2008	2007	2008	2007	Dollar Change	Percent Change
Current and other assets	\$ 162,436,507	\$ 124,075,386	\$ 16,540,422	\$ 16,729,157	\$ 178,976,929	\$ 140,804,543	\$ 38,172,386	27.11%
Capital assets	96,548,523	90,776,271	22,121,146	18,670,633	118,669,669	109,446,904	9,222,765	8.43%
Total assets	258,985,030	214,851,657	38,661,568	35,399,790	297,646,598	250,251,447	47,395,151	18.94%
Long-term liabilities	127,633,531	106,924,540	6,929,444	4,222,072	134,562,975	111,146,612	23,416,363	21.07%
Other liabilities	12,864,897	12,648,430	914,743	96,049	13,779,640	12,744,479	1,035,161	8.12%
Total liabilities	140,498,428	119,572,970	7,844,187	4,318,121	148,342,615	123,891,091	24,451,524	19.74%
Net assets:								
Invested in capital assets, net of related debt	81,948,941	78,197,249	22,121,146	18,670,633	104,070,087	96,867,882	7,202,205	7.44%
Restricted	810,599	745,357	-	-	810,599	745,357	65,242	8.75%
Unrestricted	35,727,062	16,336,081	8,696,235	12,411,036	44,423,297	28,747,117	15,676,180	54.53%
Total net assets	\$ 118,486,602	\$ 95,278,687	\$ 30,817,381	\$ 31,081,669	\$ 149,303,983	\$ 126,360,356	\$ 22,943,627	18.16%

The following graphs summarize the sources of the County's total revenues and total program expenses. These graphs combine governmental and business-type information.

County Wide Sources of Revenues



County Wide Expenses



In order to provide a complete picture of the changes in net assets of the County, information is provided separately for the net assets of governmental and business-type activities. See table shown on the next page.

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 26,877,653	\$ 23,618,718	\$ 6,626,224	\$ 6,677,959	\$ 33,503,877	\$ 30,296,677
Operating grants and contributions	46,999,422	43,735,432	41,279	102,816	47,040,701	43,838,248
Capital grants and contributions	4,857,657	101,953	148,518	526,398	5,006,175	628,351
General revenues:						
Property taxes	82,048,071	68,378,012	-	-	82,048,071	68,378,012
Sales and other taxes	37,419,367	35,895,815	228,024	221,825	37,647,391	36,117,640
Investment earnings, unrestricted	5,786,693	6,069,443	861,349	869,235	6,648,042	6,938,678
Total revenues	203,988,863	177,799,373	7,905,394	8,398,233	211,894,257	186,197,606
Expenses						
General government	11,203,800	9,001,933	-	-	11,203,800	9,001,933
Public safety	26,316,167	22,897,052	-	-	26,316,167	22,897,052
Environmental protection	546,680	504,416	-	-	546,680	504,416
Economic and physical development	10,827,271	12,054,976	-	-	10,827,271	12,054,976
Human services	74,150,353	66,083,707	-	-	74,150,353	66,083,707
Cultural and recreation	2,760,614	2,771,008	-	-	2,760,614	2,771,008
Education	50,388,730	52,216,062	-	-	50,388,730	52,216,062
Interest on long-term debt	4,584,583	4,909,742	-	-	4,584,583	4,909,742
Solid waste management	-	-	8,172,432	5,260,776	8,172,432	5,260,776
Total expenses	180,778,198	170,438,896	8,172,432	5,260,776	188,950,630	175,699,672
Increase (decrease) in net assets before transfers	23,210,665	7,360,477	(267,038)	3,137,457	22,943,627	10,497,934
Transfers	(2,750)	-	2,750	-	-	-
Increase (decrease) in net assets	23,207,915	7,360,477	(264,288)	3,137,457	22,943,627	10,497,934
Net assets - beginning of year	95,278,687	87,918,210	31,081,669	27,944,212	126,360,356	115,862,422
Net assets - end of year	\$ 118,486,602	\$ 95,278,687	\$ 30,817,381	\$ 31,081,669	\$ 149,303,983	\$ 126,360,356

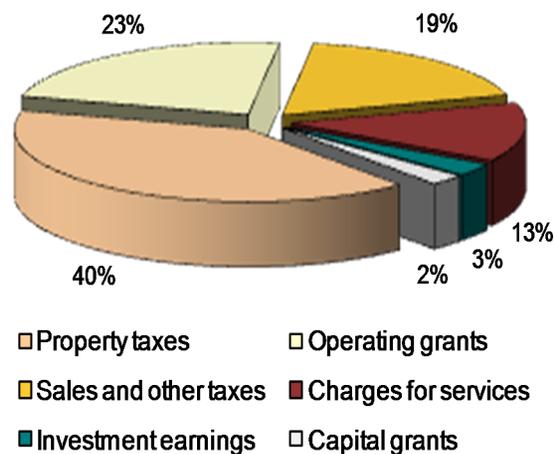
The following will consider the operations of governmental and business-type activities separately and in greater detail.

Governmental Activities - Governmental activities increased the County's net assets by \$23,207,915. Key elements of this increase are as follows:

- ▶ Increase in general revenues from property and sales taxes.
- ▶ Increase in capital grants and contribution mainly for school capital purposes and increases in operating grants mainly for public safety projects.

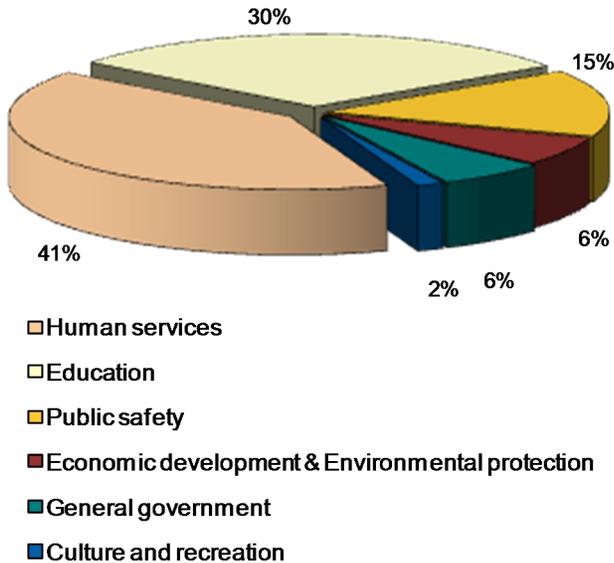
The graph on the right represents the major sources of revenues for governmental activities.

Revenues by Source – Governmental Activities



The following graph presents the major functions of expenditures for governmental activities.

Expenditures by Function – Governmental Activities



Business-type Activities - Business-type activities decreased Catawba County’s net assets by (\$264,288). Key elements of this decrease are as follows:

- ▶ Increase in landfill closure and post closure costs as current material solid waste operating cell reaches capacity and new operating cell is opened.
- ▶ Decrease in operating and capital grants.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

As noted earlier, Catawba County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year. Information is presented separately in the governmental funds balance sheets and statement of revenues, expenditures and changes in fund balance for the General Fund, the Water and Sewer Construction Fund and School Construction Fund, all of which are considered major funds. Data from other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major

governmental funds is provided in the form of combining statements and schedules elsewhere in the report.

At June 30, 2008, the governmental funds of the County reported a combined fund balance of \$143,354,857, a 35.3 percent increase from the previous year. Included in this change in fund balance are increases in three major funds; the General Fund, Water and Sewer Construction Fund and School Construction Fund.

General Fund - The General Fund is the chief operating fund of Catawba County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$35,804,493, while total fund balance reached \$55,328,180. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20.2% of total General Fund expenditures while total fund balance represents 31.2% of that same amount.

The overall fund balance increased by \$11.3 million due to increases in sales tax revenues, ad valorem tax revenues and restricted intergovernmental revenues. However, property tax revenue of \$4 million is dedicated to schools and community college improvements, resulting in a net fund balance increase of \$7.3 million. Additional information is provided in the discussion on General Fund budgetary highlights on the next page.

Other Major Funds - The **Water and Sewer Construction Fund** is a major governmental fund. This fund accounts for the financing and construction of all major water and sewer capital projects throughout the County. Its fund balance increased by \$5.6 million to \$30.6 million. The largest financing source came from investment earnings of \$1.3 million. Expenditures were \$5.2 million, an increase from \$2.7 million in the prior year. Net transfers from other funds were \$2.1 million and installment purchase obligations of \$7 million were issued to provide funds for construction of new water and sewer lines.

The **School Construction Fund** is the other major governmental fund. This fund accounts for the various multi-year construction projects for the three school systems and community college in the County. Its fund balance increased by \$15.9 million to \$19.7 million. The largest financing source came from installment purchase obligations issued of \$21.6 million. Expenditures were \$6.9 million, a decrease from \$9.5 million in the prior year. Net transfers from

other funds were \$161,575.

Non-Major Funds - Fund balances for non-major funds increased by \$4.5 million to \$37.7 million overall. The General Capital Projects and School Capital Funds had increases in fund balances of \$2.7 million and \$4.2, respectively. The General Capital Projects was a result of funds transferred from the Emergency Telephone System Fund for the construction of a new public safety center. The School Capital Funds was a result of increases in sales tax, restricted intergovernmental revenues and debt financing.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Total net assets of the Solid Waste Management Fund at the end of the fiscal year amounted to \$30,817,381 with \$8,696,235 of this amount being unrestricted. The decrease in net assets in this fund was (\$264,288). Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories:

- ▶ Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available.
- ▶ Amendments made to recognize new funding amounts from external sources, such as Federal and State grants.
- ▶ Increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues by \$6,045,655 or .3%. Budgeted revenues

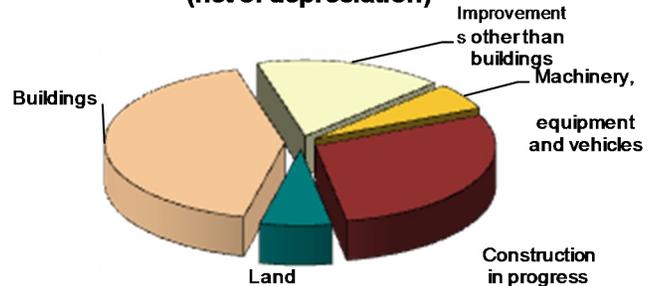
increased due to anticipation of additional federal and state grants available for County services.

Actual revenues were more than final budgeted amounts by \$885,002. The primary factor for this increase was the greater amount of property and sales tax collected plus an increase in investment earnings offsetting the delay in receiving funds from federal and state grants available for County services.

Net amendments to budgeted appropriations were \$6,912,526 or .4%. The majority of amendments were for human services, mainly for change in expectations for receipts of federal and state grants. Actual expenditures were less than final budgeted amounts by \$23,727,413. These cost savings resulted mainly from unspent appropriations of a) \$13 million in services and supplies in human services departments and b) \$2.5 million in salaries and benefits due to temporary vacancies in various departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Catawba County's Total Capital Assets (net of depreciation)



Capital assets - Catawba County's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$118,669,669 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles. Major capital asset transactions during the year include the following

Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 6,198,146	\$ 6,130,794	\$ 6,573,282	\$ 6,307,006	\$ 12,771,428	\$ 12,437,800
Buildings	40,586,955	39,974,211	637,951	791,141	41,224,906	40,765,352
Improvements other than buildings	16,409,996	15,801,237	6,838,879	6,109,443	23,248,875	21,910,680
Machinery, equipment and vehicles	5,497,303	5,071,851	2,840,934	2,356,684	8,338,237	7,428,535
Construction in progress	27,856,123	23,798,178	5,230,100	3,106,359	33,086,223	26,904,537
Total	96,548,523	90,776,271	22,121,146	18,670,633	118,669,669	109,446,904

additions (there were no significant demolitions or disposals):

- ▶ Increase in construction in progress of approximately \$4.1 million primarily for water lines and a wastewater facility.
- ▶ Increase in construction in progress of approximately \$2.1 million primarily for the expansion of Unit 3 of the County landfill.

Additional information on the County's capital assets can be found in note 4.A. of the Basic Financial Statements.

Long-term Debt - As of June 30, 2008, Catawba County had total bonded debt outstanding of \$30,160,000, all of which is debt backed by the full faith and credit of the County. In addition, the County had installment purchase debt of \$45,008,793, certificates of participation debt of \$45,435,000 and Qualified Zone Academy Bonds of \$700,000 for a total debt burden outstanding of \$121,303,793 which is approximately 10% of the legal debt margin of \$1,051,130,601. Catawba County's total debt increased by \$18,582,126 during the past fiscal year, by borrowing \$22.3 million for the construction and renovation of public school and community college facilities and \$7 million for the construction of various wastewater system improvements.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 27th consecutive year, its Aa2 bond rating from Moody's Investor Service and for the 4th consecutive year, its AA rating from Standard and Poor's. This stable bond rating is a clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

North Carolina general statutes limit the amount of debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Catawba County is \$1,051,130,601, of

which the County has \$121,303,793 outstanding.

Additional information regarding Catawba County's long-term debt can be found in note 4.B of this report.

FISCAL YEAR 2007-2008 ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the County.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 10% of its statutory limit. The property tax rate of \$0.535/\$100 was below the State average of \$0.576/\$100 and among the lowest of all 100 counties in North Carolina.
- ▶ Creation of new jobs. Economic Development Corporation successfully assisted with new business developments, most notably by assisting with bringing 726 jobs and nearly \$43 million in investment in Catawba County in 2007. A major announcement in 2008 is that Williams, Sonoma, a home furnishings company picked Catawba County as a site for a future project with the potential of a \$22.5 million expansion that would create up to 820 new jobs over the next five years.
- ▶ Increase in sales tax revenue. Catawba County is a retail magnet for the region. Fiscal year 2008 sales tax revenues are \$1.5 million in excess of prior year.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2009

Governmental Activities - The property tax rate remains at the current \$0.535/\$100 assessed value. The budget projects a 1.65% increase in property tax revenue as a result of new construction and appreciation of property values. Employee compensation includes a 1% cost of living increase and additional increases based on performance. The budget for FY 2008-09 will be \$219,085,919,

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 30,160,000	\$ 36,540,000	\$ -	\$ -	\$ 30,160,000	\$ 36,540,000
Installment purchases	45,008,793	17,956,667	-	-	45,008,793	17,956,667
Certificates of participation	45,435,000	48,225,000	-	-	45,435,000	48,225,000
Qualified Zone Academy Bonds	700,000	-	-	-	700,000	-
Total	\$ 121,303,793	\$ 102,721,667	\$ -	\$ -	\$ 121,303,793	\$ 102,721,667

which continues to dedicate two cents on the property tax to pay for the next three years of planned public school and community college construction projects as well as one cent for technology improvements to the three public school systems.

Business – type Activities - The \$11,839,800 budget includes \$6,885,100 for landfill operations and \$4,954,700 in a newly created fund for water and sewer operations. This budget includes a \$3 increase in the landfill tipping fee, and \$1.45 million from sales taxes for water and sewer needs as a result of a

quarter cent sales tax increase as of April 1, 2008.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Catawba County, PO Box 389, Newton, NC 28658. Online information may be found at the County's website <http://www.catawbacountync.gov>.





Basic Financial Statements

CATAWBA COUNTY, NORTH CAROLINA
Statement of Net Assets
June 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 103,514,713	\$ 15,910,610	\$ 119,425,323
Taxes receivable - net	3,162,690	-	3,162,690
Due from other governments	20,038,292	164,460	20,202,752
Notes receivable	721,092	-	721,092
Other receivables	3,944,380	370,271	4,314,651
Interest receivable	644,057	95,081	739,138
Inventories	411,233	-	411,233
Prepaid items	9,965	-	9,965
Deferred charges	661,233	-	661,233
Restricted cash and investments	28,568,703	-	28,568,703
Other assets			
Capital assets:			
Land, improvements, and construction in progress	34,054,269	11,803,382	45,857,651
Other capital assets, net of depreciation	<u>62,494,254</u>	<u>10,317,764</u>	<u>72,812,018</u>
Total capital assets	<u>96,548,523</u>	<u>22,121,146</u>	<u>118,669,669</u>
Net investment in joint venture	<u>760,149</u>	<u>-</u>	<u>760,149</u>
Total assets	<u>258,985,030</u>	<u>38,661,568</u>	<u>297,646,598</u>
Liabilities			
Accounts payable and accrued liabilities	9,857,115	914,743	10,771,858
Unearned revenues	3,007,782	-	3,007,782
Long-term liabilities:			
Due within one year	14,737,807	254,719	14,992,526
Due in more than one year	<u>112,895,724</u>	<u>6,674,725</u>	<u>119,570,449</u>
Total long-term liabilities	<u>127,633,531</u>	<u>6,929,444</u>	<u>134,562,975</u>
Total liabilities	<u>140,498,428</u>	<u>7,844,187</u>	<u>148,342,615</u>
Net Assets			
Invested in capital assets, net of related debt	81,948,941	22,121,146	104,070,087
Restricted			
Public safety	760,149	-	760,149
Register of Deeds	50,450	-	50,450
Debt service	-	-	-
Capital projects	-	-	-
Other	-	-	-
Unrestricted	<u>35,727,062</u>	<u>8,696,235</u>	<u>44,423,297</u>
Total net assets	<u>\$ 118,486,602</u>	<u>\$ 30,817,381</u>	<u>\$ 149,303,983</u>

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

Component Units	
Catawba	
Catawba Valley Medical Center	County ABC Board
\$ 41,721,363	\$ 937,878
-	-
932,106	-
-	-
22,631,517	14,440
429,097	-
4,781,047	1,768,093
1,087,748	4,790
-	-
6,305,938	-
13,256,416	-
8,210,821	-
<u>56,792,837</u>	<u>2,379,236</u>
<u>65,003,658</u>	<u>2,379,236</u>
-	-
<u>156,148,890</u>	<u>5,104,437</u>
22,232,234	934,892
-	-
6,978,158	-
<u>17,653,818</u>	-
<u>24,631,976</u>	-
<u>46,864,210</u>	<u>934,892</u>
44,380,633	2,379,236
-	-
-	-
1,223,638	-
5,010,206	-
72,094	-
<u>58,598,109</u>	<u>1,790,309</u>
<u>\$ 109,284,680</u>	<u>\$ 4,169,545</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 11,203,800	\$ 4,340,110	\$ 1,346,000	\$ 1,746,892
Public safety	26,316,167	6,950,872	236,826	-
Environmental protection	546,680	4,825	70,551	-
Economic and physical development	10,827,271	4,618,557	641,220	125,000
Human services	74,150,353	9,819,859	44,417,405	-
Culture and recreation	2,760,614	62,332	287,420	-
Education	50,388,730	1,081,098	-	2,985,765
Interest on long-term debt	4,584,583	-	-	-
Total expenditures	<u>180,778,198</u>	<u>26,877,653</u>	<u>46,999,422</u>	<u>4,857,657</u>
Business-type activities				
Solid waste management	<u>8,172,432</u>	<u>6,626,224</u>	<u>41,279</u>	<u>148,518</u>
Total primary government	<u>\$ 188,950,630</u>	<u>\$ 33,503,877</u>	<u>\$ 47,040,701</u>	<u>\$ 5,006,175</u>
Component units				
Catawba Valley Medical Center	\$ 175,547,314	\$ 182,072,840	\$ 97,997	\$ 661,680
Catawba County ABC Board	<u>10,811,481</u>	<u>10,975,974</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 186,358,795</u>	<u>\$ 193,048,814</u>	<u>\$ 97,997</u>	<u>\$ 661,680</u>

General Revenues:

Taxes

Property taxes, levied for general purposes

Local option sales taxes

Other taxes and licenses

Investment earnings, unrestricted

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - beginning of year, as restated

Net assets - end of year

Net assets - end of year, as restated

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Catawba Valley Medical Center	Catawba County ABC Board
\$ (3,770,798)	\$ -	\$ (3,770,798)		
(19,128,469)	-	(19,128,469)		
(471,304)	-	(471,304)		
(5,442,494)	-	(5,442,494)		
(19,913,089)	-	(19,913,089)		
(2,410,862)	-	(2,410,862)		
(46,321,867)	-	(46,321,867)		
(4,584,583)	-	(4,584,583)		
<u>(102,043,466)</u>	<u>-</u>	<u>(102,043,466)</u>		
-	(1,356,411)	(1,356,411)		
<u>\$ (102,043,466)</u>	<u>\$ (1,356,411)</u>	<u>\$ (103,399,877)</u>		
			\$ 7,285,203	\$ -
			<u>-</u>	<u>164,493</u>
			<u>\$ 7,285,203</u>	<u>\$ 164,493</u>
\$ 82,048,071	\$ -	\$ 82,048,071	\$ -	\$ -
35,299,813	-	35,299,813	-	-
2,119,554	228,024	2,347,578	-	-
5,786,693	861,349	6,648,042	2,486,035	17,298
(2,750)	2,750	-	-	-
<u>125,251,381</u>	<u>1,092,123</u>	<u>126,343,504</u>	<u>\$ 2,486,035</u>	<u>\$ 17,298</u>
23,207,915	(264,288)	22,943,627	\$ 9,771,238	\$ 181,791
<u>95,278,687</u>	<u>31,081,669</u>	<u>126,360,356</u>		<u>3,987,754</u>
			<u>99,513,442</u>	
<u>\$ 118,486,602</u>	<u>\$ 30,817,381</u>	<u>\$ 149,303,983</u>		<u>\$ 4,169,545</u>
			<u>\$ 109,284,680</u>	

CATAWBA COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2008

	<u>Major Funds</u>			<u>Non Major Funds</u>
	<u>General Fund</u>	<u>Water and Sewer Construction Fund</u>	<u>School Construction Fund</u>	<u>Other Governmental Funds</u>
Assets				
Cash and investments	\$ 44,964,334	\$ 23,453,748	\$ -	\$ 35,096,631
Taxes receivable - net	3,020,443	-	-	142,247
Due from other funds	1,838	-	-	-
Due from other governments	16,966,925	152,201	1,174,450	1,744,716
Notes receivable	-	-	-	721,092
Other receivables	3,927,908	16,472	-	-
Interest receivable	324,729	131,740	-	187,588
Inventories	411,233	-	-	-
Prepaid items	9,965	-	-	-
Restricted cash and investments	475,893	7,000,000	20,072,278	1,020,532
Total assets	<u>70,103,268</u>	<u>30,754,161</u>	<u>21,246,728</u>	<u>38,912,806</u>
Liabilities				
Accounts payable and accrued liabilities	7,851,690	164,330	1,577,340	263,755
Due to other funds	-	-	-	1,838
Deferred revenues	6,923,398	-	-	879,755
Total liabilities	<u>14,775,088</u>	<u>164,330</u>	<u>1,577,340</u>	<u>1,145,348</u>
Fund Balances				
Reserved for inventories	411,233	-	-	-
Reserved for prepaid items	9,965	-	-	-
Reserved for encumbrances	1,378,666	-	-	6,174
Reserved by state statute	17,673,373	-	-	264,628
Reserved for register of deeds	50,450	-	-	-
Unreserved	35,804,493	30,589,831	19,669,388	-
Unreserved, reported in nonmajor				
Special revenue funds	-	-	-	9,707,586
Capital projects funds	-	-	-	27,789,070
Total fund balances	<u>55,328,180</u>	<u>30,589,831</u>	<u>19,669,388</u>	<u>37,767,458</u>
Total liabilities and fund balances	<u>\$ 70,103,268</u>	<u>\$ 30,754,161</u>	<u>\$ 21,246,728</u>	<u>\$ 38,912,806</u>

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

**Total
Governmental
Funds**

\$ 103,514,713
 3,162,690
 1,838
 20,038,292
 721,092
 3,944,380
 644,057
 411,233
 9,965
28,568,703
161,016,963

9,857,115
 1,838
7,803,153
17,662,106

411,233
 9,965
 1,384,840
 17,938,001
 50,450
 86,063,712
 9,707,586
27,789,070
143,354,857
\$ 161,016,963

CATAWBA COUNTY, NORTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
For the Year Ended June 30, 2008

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 143,354,857
Total net assets reported for governmental activities in the statement of net assets (Exhibit 1) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	96,548,523
Net Investment in Joint Venture	760,149
Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period expenditures, therefore are reported as deferred revenue in the funds	4,795,371
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in fund statements	661,233
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	<u>(127,633,531)</u>
Net assets of governmental activities	<u>\$ 118,486,602</u>

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

CATAWBA COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	<u>Major Funds</u>			<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Water and Sewer Construction Fund</u>	<u>School Construction Fund</u>	<u>Other Governmental Funds</u>	
Revenues					
Ad valorem taxes	\$ 78,004,908	\$ -	\$ -	\$ 3,620,315	\$ 81,625,223
Other taxes	30,257,135	-	-	6,133,975	36,391,110
Unrestricted intergovernmental revenues	1,970,909	-	-	-	1,970,909
Restricted intergovernmental revenues	51,568,009	322,524	1,057,266	3,535,194	56,482,993
Licenses and permits	3,878,231	189,545	-	33,798	4,101,574
Sales and services	15,071,656	-	-	-	15,071,656
Investment earnings	2,574,460	1,267,131	120,953	1,637,783	5,600,327
Miscellaneous	3,809,540	-	-	499,702	4,309,242
Total revenues	<u>187,134,848</u>	<u>1,779,200</u>	<u>1,178,219</u>	<u>15,460,767</u>	<u>205,553,034</u>
Expenditures					
Current					
General government	9,519,151	-	-	425,420	9,944,571
Public safety	21,498,462	-	-	5,418,376	26,916,838
Environmental protection	520,587	-	-	-	520,587
Economic and physical development	10,560,731	-	-	121,821	10,682,552
Human services	73,688,598	-	-	1,729	73,690,327
Culture and recreation	2,694,466	-	-	25,000	2,719,466
Education	38,014,454	-	-	-	38,014,454
Capital outlay	-	5,227,605	6,995,540	7,460,595	19,683,740
Debt service					
Principal	10,724,874	-	-	-	10,724,874
Interest	4,488,983	-	-	-	4,488,983
Total expenditures	<u>171,710,306</u>	<u>5,227,605</u>	<u>6,995,540</u>	<u>13,452,941</u>	<u>197,386,392</u>
Excess of revenues over (under) expenditures	<u>15,424,542</u>	<u>(3,448,405)</u>	<u>(5,817,321)</u>	<u>2,007,826</u>	<u>8,166,642</u>
Other Financing Sources (Uses)					
Transfers from other funds	1,187,011	2,100,000	259,062	5,969,128	9,515,201
Transfers to other funds	(5,308,126)	-	(97,487)	(4,112,338)	(9,517,951)
Installment purchase obligations issued	-	7,000,000	21,607,000	-	28,607,000
Qualified Zone Academy Bonds issued	-	-	-	700,000	700,000
Total other financing sources (uses)	<u>(4,121,115)</u>	<u>9,100,000</u>	<u>21,768,575</u>	<u>2,556,790</u>	<u>29,304,250</u>
Net change in fund balance	11,303,427	5,651,595	15,951,254	4,564,616	37,470,892
Fund Balances - Beginning of Year	<u>44,024,753</u>	<u>24,938,236</u>	<u>3,718,134</u>	<u>33,202,842</u>	<u>105,883,965</u>
Fund Balances - End of Year	<u>\$ 55,328,180</u>	<u>\$ 30,589,831</u>	<u>\$ 19,669,388</u>	<u>\$ 37,767,458</u>	<u>\$ 143,354,857</u>

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

CATAWBA COUNTY, NORTH CAROLINA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net change in *fund balances* - total governmental funds (Exhibit 4) \$ 37,470,892

The change in net assets reported for governmental activities in the statement of activities (Exhibit 2) is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 5,772,252

Governmental funds do not report the changes in the net investment in joint ventures. However in the Statement of Activities the current year increase (decrease) in this investment is recorded. 50,000

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds. 719,362

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. 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. (18,582,126)

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. (2,222,465)

Change in net assets of governmental activities \$ 23,207,915

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

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 75,377,381	\$ 75,377,381	\$ 78,004,908	\$ 2,627,527
Other taxes	28,031,737	28,031,737	30,257,135	2,225,398
Unrestricted intergovernmental revenues	1,770,000	1,770,000	1,970,909	200,909
Restricted intergovernmental revenues	52,234,717	56,381,745	51,568,009	(4,813,736)
Licenses and permits	3,595,715	3,597,972	3,878,231	280,259
Sales and services	15,672,603	17,497,054	15,071,656	(2,425,398)
Investment earnings	811,700	811,700	2,574,460	1,762,760
Miscellaneous	<u>2,710,338</u>	<u>2,782,257</u>	<u>3,809,540</u>	<u>1,027,283</u>
Total revenues	<u>180,204,191</u>	<u>186,249,846</u>	<u>187,134,848</u>	<u>885,002</u>
Expenditures				
Current				
General government	10,536,659	11,095,621	9,519,151	1,576,470
Public safety	22,511,943	23,496,907	21,498,462	1,998,445
Environmental protection	571,995	616,050	520,587	95,463
Economic and physical development	11,341,004	11,569,741	10,560,731	1,009,010
Human services	81,853,368	86,909,440	73,688,598	13,220,842
Culture and recreation	2,779,803	2,819,539	2,694,466	125,073
Education	38,215,016	38,215,016	38,014,454	200,562
Debt service				
Principal	16,133,030	16,133,030	10,724,874	5,408,156
Interest	<u>4,582,375</u>	<u>4,582,375</u>	<u>4,488,983</u>	<u>93,392</u>
Total expenditures	<u>188,525,193</u>	<u>195,437,719</u>	<u>171,710,306</u>	<u>23,727,413</u>
Excess of revenues over (under) expenditures	<u>(8,321,002)</u>	<u>(9,187,873)</u>	<u>15,424,542</u>	<u>24,612,415</u>
Other Financing Sources (Uses)				
Transfers from other funds	411,599	1,187,011	1,187,011	-
Transfers to other funds	(4,549,274)	(5,760,183)	(5,308,126)	452,057
Installment purchase obligation issued	1,500,230	1,500,230	-	(1,500,230)
Fund balance appropriated	<u>10,958,447</u>	<u>12,260,815</u>	<u>-</u>	<u>(12,260,815)</u>
Total other financing sources (uses)	<u>8,321,002</u>	<u>9,187,873</u>	<u>(4,121,115)</u>	<u>(13,308,988)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	11,303,427	<u>\$ 11,303,427</u>
Fund Balances - Beginning of Year			<u>44,024,753</u>	
Fund Balances - End of Year			<u>\$ 55,328,180</u>	

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

CATAWBA COUNTY, NORTH CAROLINA
Statement of Net Assets
Solid Waste Management Fund
June 30, 2008

Assets	
Current assets	
Cash and investments	\$ 15,910,610
Due from other governments	164,460
Other receivables	370,271
Interest receivables	<u>95,081</u>
Total current assets	<u>16,540,422</u>
Noncurrent assets	
Capital assets	
Land, non-depreciable improvements, and construction in progress	11,803,382
Other capital assets, net of depreciation	<u>10,317,764</u>
Total capital assets	<u>22,121,146</u>
Total assets	<u><u>38,661,568</u></u>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	914,743
Accrued landfill closure and postclosure care costs	194,879
Compensated absences payable	<u>59,840</u>
Total current liabilities	<u>1,169,462</u>
Noncurrent liabilities	
Accrued landfill closure and postclosure care costs	6,594,205
Compensated absences payable	42,863
Other post employment benefits obligation	<u>37,657</u>
Total noncurrent liabilities	<u>6,674,725</u>
Total liabilities	<u><u>7,844,187</u></u>
Net Assets	
Invested in capital assets	22,121,146
Unrestricted	<u>8,696,235</u>
Total net assets	<u><u>\$ 30,817,381</u></u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Solid Waste Management Fund
For the Fiscal Year Ended June 30, 2008

Operating Revenues	
Charges for services	\$ 6,007,387
Methane recovery	521,073
Other operating revenues	<u>97,764</u>
Total operating revenues	<u>6,626,224</u>
Operating Expenses	
Administration	449,622
Recycling	46,849
Solid waste management improvements	653,991
Solid waste code enforcement	111,887
Sanitary landfill	2,267,765
Landfill closure and postclosure costs	2,661,686
Convenience centers	336,331
Household hazardous waste	70,966
Blackburn landfill methane recovery	558,842
Depreciation	<u>1,014,493</u>
Total operating expenses	<u>8,172,432</u>
Operating income (loss)	<u>(1,546,208)</u>
Nonoperating Revenues (Expenses)	
Investment earnings	861,349
Tire disposal tax	169,794
White goods disposal tax	58,230
Scrap tire grant	<u>41,279</u>
Total nonoperating revenues (expenses)	<u>1,130,652</u>
Income (loss) before contributions and transfers	<u>(415,556)</u>
Capital contributions	148,518
Transfer from General Fund	<u>2,750</u>
Increase (decrease) in Net Assets	(264,288)
Net Assets - Beginning of Year	<u>31,081,669</u>
Net Assets - End of Year	<u>\$ 30,817,381</u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA
Statement of Cash Flows
Solid Waste Management Fund
For the Fiscal Year Ended June 30, 2008

Cash Flows from Operating Activities	
Cash received from customers	\$ 6,216,277
Cash paid for goods and services	(2,122,346)
Cash paid to employees	(1,509,528)
Other operating revenues	<u>97,764</u>
Net cash provided (used) by operating activities	<u>2,682,167</u>
 Cash Flows from Noncapital Financing Activities	
Tire disposal tax	169,794
White goods disposal tax	58,230
Scrap tire grant	41,279
Transfer from general fund	<u>2,750</u>
Total cash provided by noncapital financing activities	<u>272,053</u>
 Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(4,465,006)
Capital contribution - economic development grant	<u>148,518</u>
Net cash provided (used) by capital and related financing activities	<u>(4,316,488)</u>
 Cash Flows from Investing Activities	
Investment earnings	<u>910,672</u>
 Net increase (decrease) in cash and cash equivalents	(451,596)
 Cash and cash equivalents - beginning of year	<u>16,362,206</u>
 Cash and cash equivalents - end of year	<u>\$ 15,910,610</u>
 Reconciliation of operating income to net cash provided by operating activities	
Operating income	<u>\$ (1,546,208)</u>
 Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization	1,014,493
Increase (decrease) in landfill closure and postclosure care costs	2,661,686
Changes in assets and liabilities	
(Increase) decrease in refundable sales tax	(18,031)
(Increase) decrease in other receivables	(294,152)
Increase (decrease) in accounts payable	813,794
Increase (decrease) in other liabilities	42,556
Increase (decrease) in accrued compensated absences	<u>8,029</u>
Total adjustments	<u>4,228,375</u>
 Net cash provided by operating activities	<u>\$ 2,682,167</u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Agency Funds
Assets	
Cash and investments	\$ 92,074
 Liabilities	
Miscellaneous liabilities	\$ 92,074

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Catawba County (government) and its discretely presented component units conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The Catawba County Industrial Facility and Pollution Control Financing Authority (the *Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. Catawba Valley Medical Center (the *Medical Center*) and the Catawba County ABC Board (the *Board*) both have a June 30 year end and are presented as if they are separate proprietary funds of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Catawba County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board that is appointed by the Board of County Commissioners. The County can remove any member of the Authority with or without cause.	None Issued.
Catawba Valley Medical Center	Discrete	The Medical Center is a public hospital that was organized in 1962 by resolution of the Board of Commissioners of Catawba County. The County appoints the board of trustees for the Medical Center. The County has also issued revenue bonds for improvement of the Medical Center facilities, which are paid from Medical Center revenues.	Catawba Valley Medical Center 810 Fairgrove Church Road S.E. Hickory, NC 28602
Catawba County ABC Board	Discrete	The members of the ABC Board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Catawba County ABC Board 1910 Fairgrove Church Road Newton, NC 28658

B. Basis of Presentation

Government-wide Statements - The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities except for interfund services provided and used which are not eliminated in the consolidation process. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. *Indirect expense allocations* that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges by the recipients of goods or services offered by the programs and 2) 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, including all taxes, are presented as *general revenues*.

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result in 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 non-exchange transactions or ancillary services.

The County reports the following major governmental funds:

General Fund - The *General Fund* is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, Federal and State grants, and other various taxes and licenses. The primary expenditures are for education, human services, public safety, economic and physical development, environmental protection, cultural and recreational projects, and general government services.

Water and Sewer Construction Fund - The *Water and Sewer Construction Fund* accounts for the financing and construction of all major water and sewer capital projects throughout the County.

School Construction Fund - The School Construction Fund accounts for the financing and construction of major capital projects for the three public school systems and community college in the County.

The County reports the following major proprietary fund:

Solid Waste Management Fund - The *Solid Waste Management Fund* accounts for the operation, maintenance and development of various landfills and disposal sites and other solid waste activities.

The County reports the following fiduciary fund types:

Agency Funds - *Agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency funds: Social Services fund, Mental Health fund, Sheriff Commissary fund and Delinquent Motor Vehicle fund. The Social Services, Mental Health and Sheriff Commissary funds account for monies deposited with the Social Services and Mental Health department for the benefit of certain individuals and with the Sheriff department for inmates. The Delinquent Motor Vehicle fund accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina general statutes, all funds of the County are maintained during the

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus*, except for agency funds that have no measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recording when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund, the Solid Waste Management Fund, are charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated balances, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change, Catawba County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principals Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General, Special Revenue, and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances that may span more than one year are adopted for the Capital Projects Funds. These appropriations are carried over until the projects are completed. All budgets were prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the fund and departmental level for all annually budgeted and multi-year funds. Transfers of appropriations between funds may be made only by the Board, with the exception of merit, reclassification funds, and special contingency which the County Manager has the authority to transfer. Transfers of appropriations between departments in a fund or from contingency shall be approved by the Board, but may be approved by the County Manager if he finds they are consistent with operational needs and any Board approved goals and do not exceed \$50,000 for department transfers or \$50,000 for transfers from contingency. Transfers from contingency approved by the Manager can exceed \$50,000 if he determines an emergency exists. All such transfers approved by the Manager must be presented to the Board at its next regular meeting. 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 the time until the annual ordinance can be adopted.

E. Assets, Liabilities and Fund Equity

Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the unit may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorized the County 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; and the North Carolina Capital Management Trust (NCCMT), a SEC-registered money market mutual fund.

The County's investments are carried at fair value at June 30, 2008 as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

Cash and Cash Equivalents

A cash and investment pool is maintained by the County to facilitate disbursement and investment and

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

to maximize investment income. The pool is used by all funds except social services, mental health and sheriff commissary agency funds. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The social services and mental health agency accounts are maintained in time deposit accounts as reflected on Schedule G-1, and the sheriff commissary account is maintained in a noninterest bearing demand deposit account.

Restricted Assets

The unexpended installment purchase proceeds are classified as restricted assets within the General Fund and the School Construction Project Fund because their use is completely restricted to the purpose for which the funds were borrowed.

The unexpended Certificates of Participation proceeds are classified as restricted assets within the General Capital Project Fund and School Construction Project Fund because their use is completely restricted to the purpose for which the Certificates were issued.

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2007.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Inventories and Prepaid Items

Inventories of the County are valued at cost, which approximates market, using the first-in, first-out method. The inventory of the County's General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The County holds title to certain Catawba County Board of Education and Hickory Public Schools Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit financing of acquisition and construction costs. Agreements between the County and the Boards of Education give the Boards full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the properties back to the Boards of Education, once all restrictions of the financing agreements have been met. The properties are reflected as capital assets in the financial statements of the Catawba County Board of Education and the Hickory Public Schools Board of Education.

Capital assets of the County are depreciated on a straight-line method over the estimated useful lives:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Building and improvements	50 years
Furniture and office equipment	10 years
Maintenance and construction equipment	8 years
Medium and heavy motor trucks	6 years
Automobiles and light trucks	4 years
Computer equipment	5 years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

Compensated Absences

It is the policy of the County to permit employees to accumulate up to thirty (30) days earned but unused vacation leave, with such leave being fully vested when earned. The County's liability for accumulated earned vacation and salary-related payments as of June 30, 2008, is recorded in the government-wide financial statements. For the County's proprietary fund, an expense and liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned, if the amount is considered to be material.

The sick leave policy of the County provides for an unlimited accumulation of earned but unused sick leave. Sick leave does not vest, but an unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

Net Assets/Fund Balances

Net Assets

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

Restricted Net Assets are classified as follows:

Public Safety - portion of net assets constituting investment in joint venture.

Register of Deeds - portion of net assets constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds office. The funds are legally restricted for computer and imaging technology in the register of deeds' office.

Fund Balances

In the governmental fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The governmental fund types classify fund balances as follows:

Reserved

Reserved for inventories and prepaid items - portion of fund balance *not* available for appropriation because it represents the year-end balance of ending inventories and prepaid items, which are not expendable available resources.

Reserved for encumbrances - portion of fund balance available to pay for any commitments related to purchase orders and contracts that remained unperformed at year-end.

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is *not* available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of the receivable balances that are not offset by deferred revenues.

Reserved for register of deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the register of deeds' office.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2008-2009 budget ordinance.

Designations of Catawba County represent tentative management plans that are subject to change. The unreserved fund balance had the following designations at June 30, 2008.

Designated for subsequent year's expenditures:

General Fund	\$	10,536,169
Water and Sewer Construction Fund	\$	21,686,551
School Construction Fund	\$	33,489,498
Nonmajor Special Revenue Funds	\$	468,531
Nonmajor Capital Project Funds	\$	16,891,075

Undesignated - portion of total balance available for appropriation that is uncommitted at year-end.

F. Management Estimates

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. The net adjustment of \$(24,868,255) consists of several elements as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND
FINANCIAL STATEMENTS POLICIES**

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)	\$ 143,029,345
Less accumulated depreciation	<u>(46,480,822)</u>
Net capital assets	<u>96,548,523</u>
Equity in joint ventures recorded on government-wide statement of net assets but not on fund statements because it is not a current financial source of funds	760,149
Deferred charges related to advance refunding issued - included on government-wide statement of net assets but are not current financial resources	661,233
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	4,795,371
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
General obligation bonds	(30,160,000)
Certificates of participation	(45,435,000)
Installment purchase	(45,008,793)
Qualified zone academy bonds	(700,000)
Compensated absences	(3,956,455)
Net pension obligation	(528,099)
Net other post employment benefits	<u>(1,845,184)</u>
Total adjustment	<u>\$ (24,868,255)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances 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 assets in governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(14,262,977) as follows:

Governmental funds report capital outlays as expenditures. In the Statement of activities the cost of those assets is allocated over their estimated useful lives	\$ 9,064,218
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(3,291,966)
New debt issued during the year is recorded as a source of funds on the fund statements: it has no effect on the statement of activities - it affects only the government-wide statement of net assets	

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND
FINANCIAL STATEMENTS POLICIES (continued)**

Installment purchase	(28,607,000)
Qualified zone academy bonds	(700,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affects only the statement of net assets in the government-wide statements	
General obligation bonds	6,380,000
Certificates of participation	2,790,000
Installment purchases	1,554,874
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	
Amortization of refunding costs not recorded on fund statements	(95,599)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(262,861)
Net (increase) decrease in pension obligation	(18,821)
Net (increase) decrease in other post employment benefits	(1,845,184)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Increase in value of joint venture	50,000
Fair value of donated assets that is not recorded in the fund statement but is recorded in the government-wide statements	-
Reversal of deferred tax revenue recorded at 7/1/2007	(2,606,272)
Recording of tax receipts deferred in the fund statements as of 6/30/2008	3,020,443
Increase(decrease) in accrued receivables for year ended 6/30/2008	118,825
Amortization of premium on debt issuance	<u>186,366</u>
Total adjustment	<u><u>\$ (14,262,977)</u></u>

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance or Net Assets of Individual Funds

The Community Development Fund has a deficit fund balance of \$5,557 at June 30, 2008. The deficit fund balance is a direct result of reimbursement timing. Revenues are reimbursed after expenditures have occurred. Revenues for the June 30, 2008 expenditures will be received during the June 30, 2009 fiscal year.

NOTE 4. DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits and Investments

Deposits

All of the County'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 County's agent in the name of the County. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity, these deposits are considered held by their agents in the entities' names. 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 County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2008, the County's deposits had a carrying amount of \$565,290 and a bank balance of \$961,178. Of the bank balance, \$196,881 was covered by federal depository insurance, and \$764,297 in interest bearing deposits were covered by collateral under the Pooling Method.

At June 30, 2008, Catawba County had \$8,445 cash on hand.

Investments

As of June 30, 2008 the County had the following investments and maturities.

Investment Type	Fair Value	Less than 6		
		months	6-12 months	1-5 years
Certificates of deposit	\$ 8,294,698	\$ 8,294,698	\$ -	\$ -
U.S. Government-sponsored enterprises *	67,695,426	3,344,145	6,372,953	57,978,328
Money market-unrestricted	2,915,453	-	-	-
Money market-restricted	27,417,897	-	-	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	25,438,085	N/A	N/A	N/A
NC Capital Trust Management Trust				
Cash Portfolio-restricted	1,150,806	N/A	N/A	N/A
NC Education Assistance**	14,600,000	N/A	N/A	N/A
Total:	\$ 147,512,365	\$ 11,638,843	\$ 6,372,953	\$ 57,978,328

*\$24 million of these securities have call options. It is the intention of the County to hold these to final maturity and this time frame is reflected in the table.

**The North Carolina State Education Assistance Authority (NCSEAA) instruments in the portfolio have final stated maturities ranging from 2016 to 2036. Historically they could be redeemed at par and the interest rate reset every 7, 28, or 35 days making the effective maturity date the next reset date, until February 2008 when the auctions began failing. At that time the instruments became illiquid and there was no secondary market.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy is to stagger portfolio maturities to avoid undue concentration of assets in a specific maturity sector. A portion of the portfolio is continuously invested in maturities of less than 12 months. The investment policy limits all securities to a final maturity of not more than five years. The County does

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

not have a board approved policy on interest rate risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

Credit Risk

The County's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2008. The County's investment in U.S. government-sponsored enterprises includes Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (FreddieMac), Federal National Mortgage Association (FannieMae), and are rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. The County does not have a board approved policy on credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Proceeds from the issuance of certificates of participation and other installment financing are held in escrow in bank trust departments. These escrow agents purchase and hold the securities in the County's name. The County does not have a board approved policy on custodial credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

Concentration of Credit Risk

The County places no limit on the amount that the County may invest in any one issuer. More than 10% of the County's investments are in United States government-sponsored enterprises. Investments in Federal Home Loan Bank are 16%, Federal Home Loan Mortgage Corporation are 14%, and Federal National Mortgage Agency are 14% of the County's total investments. The County does not have a board approved policy on concentration of credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

Property Tax – Use – Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2005	686,160	107,384	793,544
2006	760,504	50,573	811,077
2007	920,875	9,439	930,314
2008	1,033,217	-	1,033,217
Total	<u>\$ 3,400,756</u>	<u>\$ 167,396</u>	<u>\$ 3,568,152</u>

Receivables

Receivables at the government-wide level at June 30, 2008 were as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

	<u>Accounts</u>	<u>Taxes</u>	<u>Notes Receivable</u>	<u>Due</u>		<u>Total</u>
				<u>From Other Governments</u>	<u>Other</u>	
Governmental activities						
General	\$4,427,770	\$ 5,896,643	\$ -	\$ 16,966,925	\$ 461,442	\$27,752,780
Other governmental	16,472	271,746	721,092	3,071,367	319,329	4,400,006
Total receivables	4,444,242	6,168,389	721,092	20,038,292	780,771	32,152,786
Allowance for doubtful accounts	(636,576)	(3,005,699)	-	-	-	(3,642,275)
Total governmental activities	<u>\$ 3,807,666</u>	<u>\$ 3,162,690</u>	<u>\$ 721,092</u>	<u>\$ 20,038,292</u>	<u>\$ 780,771</u>	<u>\$28,510,511</u>
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ 578,914	\$ -	\$ -	\$ 578,914
Business-type activities						
Solid Waste Management	\$ 367,350	\$ -	\$ -	\$ 164,460	\$ 98,002	\$ 629,812
Allowance for doubtful accounts	-	-	-	-	-	-
Total Business-type activities	<u>\$ 367,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,460</u>	<u>\$ 98,002</u>	<u>\$ 629,812</u>

The due from other governments that is owed to the County consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	\$ 10,064,314	\$ -
White goods disposal tax	-	13,071
Scrap tire tax	-	44,903
Various federal and state grants	9,204,253	272
Refundable sales tax	769,725	106,214
	<u>\$ 20,038,292</u>	<u>\$ 164,460</u>

Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 6,130,794	\$ 67,352	\$ -	\$ 6,198,146
Construction in progress	23,798,178	4,057,945	-	27,856,123
Total capital assets, not being depreciated	<u>29,928,972</u>	<u>4,125,297</u>	<u>-</u>	<u>34,054,269</u>
Capital assets, being depreciated				
Buildings	69,200,358	2,017,165	-	71,217,523
Other improvements	19,191,034	1,031,859	-	20,222,893
Equipment and vehicles	16,397,851	1,889,897	(753,088)	17,534,660
Total capital assets, being depreciated	<u>104,789,243</u>	<u>4,938,921</u>	<u>(753,088)</u>	<u>108,975,076</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

Less accumulated depreciation for				
Buildings	(29,226,147)	(1,404,421)	-	(30,630,568)
Other improvements	(3,389,797)	(423,100)	-	(3,812,897)
Equipment and vehicles	(11,326,000)	(1,464,445)	753,088	(12,037,357)
Total accumulated depreciation	<u>(43,941,944)</u>	<u>(3,291,966)</u>	<u>753,088</u>	<u>(46,480,822)</u>
Total capital assets, being depreciated, net	<u>60,847,299</u>	<u>1,646,955</u>	<u>-</u>	<u>62,494,254</u>
Governmental activities capital assets, net	<u>\$ 90,776,271</u>	<u>\$ 5,772,252</u>	<u>\$ -</u>	<u>\$ 96,548,523</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 156,120
Public safety	1,119,205
Environmental protection	38,764
Economic & physical development	595,587
Human services	1,305,421
Culture and recreation	76,869
Total depreciation expense	<u>\$ 3,291,966</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 6,307,006	\$ 266,276	\$ -	\$ 6,573,282
Construction in progress	3,106,359	2,123,741	-	5,230,100
Total capital assets, not being depreciated	<u>9,413,365</u>	<u>2,390,017</u>	<u>-</u>	<u>11,803,382</u>
Capital assets, being depreciated				
Buildings	949,127	-	(207,116)	742,011
Other improvements	16,009,065	907,068	(87,349)	16,828,784
Equipment and vehicles	7,751,333	1,167,921	(199,245)	8,720,009
Total capital assets, being depreciated	<u>24,709,525</u>	<u>2,074,989</u>	<u>(493,710)</u>	<u>26,290,804</u>
Less accumulated depreciation for				
Buildings	(157,986)	(153,190)	207,116	(104,060)
Other improvements	(9,899,622)	(177,632)	87,349	(9,989,905)
Equipment and vehicles	(5,394,649)	(683,671)	199,245	(5,879,075)
Total accumulated depreciation	<u>(15,452,257)</u>	<u>(1,014,493)</u>	<u>493,710</u>	<u>(15,973,040)</u>
Total capital assets, being depreciated, net	<u>9,257,268</u>	<u>1,060,496</u>	<u>-</u>	<u>10,317,764</u>
Business-type activities capital assets, net	<u>\$ 18,670,633</u>	<u>\$ 3,450,513</u>	<u>\$ -</u>	<u>\$ 22,121,146</u>

Construction Commitments

The County has active construction and other capital projects as of June 30, 2008. The government's commitments with contractors and vendors is composed of numerous projects within the following funds:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

<u>Fund</u>	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Committed</u>	<u>Required Future Financing</u>
General Capital Projects	\$ 34,656,119	\$ 27,134,266	7,521,853	None
Water and Sewer Construction	37,796,725	18,506,394	19,290,331	None
Schools Capital Projects	23,543,882	15,824,995	7,718,887	None
School Construction	60,710,949	27,267,451	33,443,498	None
School Bond Fund 1997	1,894,377	1,869,092	25,285	None
Total	<u>\$ 158,602,052</u>	<u>\$ 90,602,198</u>	<u>\$ 67,999,854</u>	

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2008 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities				
General	\$ 4,101,683	\$ 2,484,515	\$ 1,265,492	\$ 7,851,690
Other Governmental	1,988,676	15,874	875	2,005,425
Total governmental activities	<u>\$ 6,090,359</u>	<u>\$ 2,500,389</u>	<u>\$ 1,266,367</u>	<u>\$ 9,857,115</u>
Business-type Activities				
Solid Waste Management	<u>\$ 860,964</u>	<u>\$ 53,707</u>	<u>\$ 72</u>	<u>\$ 914,743</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. All permanent full-time employees of Catawba County participate in the statewide Local Government Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Covered employees are required by State statute to contribute six percent of their annual covered salary to LGERS. The County is required by the same statute to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers are 4.88% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of Catawba County are established and may be amended by the North Carolina General Assembly. The County's contribution to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$2,229,221, \$2,030,010 and \$1,985,217, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description. Catawba County administers public employee retirement systems (the Separation Allowance), single-employer, defined benefit pension plans that provide retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the office for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>117</u>
	<u>128</u>

A separate report was not issued for the County's plan.

Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures for the County are made from the General Fund, which is maintained on the modified accrual basis of accounting. Administration expenses are recognized as incurred.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and have, at the present, chosen to fund the benefit payments on a pay as you go basis. For the County, these benefits are funded through appropriations made in the General Fund operating budget. These benefit payments for the County are considered immaterial amounts. The County's obligation to contribute to the plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees to the County's plan.

The annual required contribution for the current year for the County was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. The inflation component was 3.75%. The assumptions do not include postretirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 109,823
Interest on net pension obligation	36,923
Adjustment to annual required contribution	<u>(31,294)</u>
Annual pension cost	\$ 115,452
Contributions made	<u>96,631</u>
Increase (decrease) in net pension obligation	\$ 18,821
Net pension obligation beginning of year	<u>509,278</u>
Net pension obligation end of year	<u>\$ 528,099</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	132,102	92.88	504,745
6/30/2007	118,330	96.17	509,278
6/30/2008	115,452	83.70	528,099

Funded Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$999,815. The covered payroll (annual payroll of active employees covered by the plan) was \$4,756,519, and the ratio of the UAAL to the covered payroll was 21.02%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. All law enforcement officers employed by the County participate in the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment, and benefits are provided to all law enforcement officers employed by the County. G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Total contributions for the County for the year ended June 30, 2008 were \$340,316 which consisted of \$241,313 from the County and \$99,003 from the law enforcement officers.

Register of Deeds' Supplemental Pension Fund

Plan Description. Catawba County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 151. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2008, the County's required and actual contributions were \$14,660.

**Other Postemployment Benefits (OPEB) – Catawba County
Healthcare Benefits**

Plan Description. According to County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

(LGERS) and have at least thirty years of creditable service with the County. The County will pay the individual premium for these individuals. Employees who retire with at least 15 years of service but less than 30 years can purchase coverage at the County's group rates. Also, retirees can purchase coverage for their dependents at the County's group rates. Eligibility for coverage ceases when the retiree and/or dependents receive Medicare.

Membership consisted of the following at December 31, 2005, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	42	13
Terminated plan members entitled to but not yet receiving benefits	0	0
Active plan members	1023	114
Total	1065	127

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under the County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 4.69% of annual covered payroll. For the current year, the County contributed \$0.00 or 0% of annual covered payroll. The County has a limited self-insurance plan covering health care coverage, and has a stop loss policy with private insurers.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 1,882,841
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	1,882,841
Contributions made	-
Increase (decrease) in net OPEB obligation	1,882,841
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 1,882,841</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 1,882,841	0.00%	\$ 1,882,841

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

Funded Status and Funding Progress. As of December 31, 2005, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$18,572,261. The covered payroll (annual payroll of active employees covered by the plan) was \$38,665,996, and the ratio of the UAAL to the covered payroll was 48.0 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value asses, consistent with the long-term perspective of the calculations.

In the December 31, 2005 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investment calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend decrease of 12.00 to 6.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2005, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership services in LGERS at the time of death are eligible for death benefits. Lump sum death benefits payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$40,114. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers represent .08% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

Closure and Postclosure Care Costs – Blackburn Landfill Facility

State and Federal laws and regulations require the County to place a final cover on its current operating

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

cell at Blackburn Landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County also has a closed cell at the Blackburn Landfill facility for which the entire amount of the closure and postclosure costs has been recognized as the cell capacity was used. Although closure and postclosure care costs will be paid only or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6,789,084 reported as landfill closure and postclosure care liability as of June 30, 2008 represents a cumulative amount reported to date based on the use of 70% of the total estimated capacity of the material solid waste operating cell and 80% of the total estimated capacity of the construction and demolition operating cell of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$9,277,769 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The County expects to close the current material solid waste operating cell at the Blackburn facility in 2013 and the construction and demolition operating cell in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and Federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements.

Deferred/Unearned Revenues

The balance in deferred revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

Governmental Activities	Deferred Revenue		Unearned Revenue
	General Fund	Special Revenue	
Taxes receivable (net)	\$ 3,020,443	\$ 142,245	\$ -
Ambulance receivable (net)	954,864	-	-
Business license receivable (net)	4,784	-	-
Human resource receivable (net)	2,588,379	-	-
Prepaid taxes not yet earned	335,263	-	335,263
Prepaid licenses and other	15,725	-	15,725
Unamortized debt premium	-	-	2,636,436
Other unearned revenues	3,940	16,418	20,358
Notes receivable	-	721,092	-
	<u>\$ 6,923,398</u>	<u>\$ 879,755</u>	<u>\$ 3,007,782</u>

Risk Management

The County 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 property of Catawba County Government is insured on a blanket basis with replacement cost coverage on buildings and contents, and actual cash value on equipment. The County self-insures its liability risk up to a deductible of \$100,000 each occurrence, and purchases excess liability insurance with limits of \$7 million for any one occurrence for bodily injury, property damage, and personal injury, including law enforcement, public officials, and employment practices liability. The County also self-insures its workers compensation risks up to \$350,000 each accident, and purchases excess workers compensation insurance to statutory limits. The insurance program includes physical damage coverage for owned autos at actual cash value, and fidelity insurance with limits of \$250,000 per occurrence. At the inception of the program, all of the property, liability, and workers compensation insurers utilized by the County have an A.M. Best's Company rating/financial size category of "A-/VII" or better with stable outlooks.

The County health plan is self insured with claims paid through a third party administrator. The plan has

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

specific stop loss coverage for individual losses in excess of \$100,000 and aggregate plan losses in excess of 120% of expected net paid claims.

The County carries flood insurance as a part of its property insurance through Argonaut Insurance Group with limits of \$1 million for any one occurrence. For all locations outside flood zone "A" (100 year flood plain), as designated by the Federal Emergency Management Association, a deductible of \$50,000 applies to flood damages. Locations within flood zone "A" are subject to a deductible equal to the maximum limit of flood coverage available through the National Flood Insurance Program. The County periodically reviews updated flood maps to identify any owned locations within designated flood zones.

In accordance with G.S. 159-29, The County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities for claims are reported in the County's General Fund.

Changes in the balances of claims liabilities during the past three fiscal year are as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning	\$ 730,282	\$ 389,000	\$ 491,000
Incurred claims	4,707,625	4,726,729	3,827,714
Claim payments	4,550,556	4,385,447	3,929,714
Unpaid claims, ending	<u>\$ 887,351</u>	<u>\$ 730,282</u>	<u>\$ 389,000</u>

Contingent Liabilities

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of management and the County attorney, the ultimate effect of these legal matters will not have a material effect on the County's financial position.

Long-Term Obligations

Operating Leases

Catawba County is committed under various operating leases for building space and equipment. These operating leases can be canceled with proper notice. For the year ended June 30, 2008, total lease expenditures reached \$545,095.

The following is a schedule of the future minimum lease payments under these leases:

<u>Year Ending</u>	<u>Amount</u>
2009	\$ 381,030
2010	350,764
2011	299,417
2012	289,910
	<u>\$ 1,321,121</u>

Installment Purchases

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement for the purpose of providing funds up to \$9,900,000 to pay a portion of the cost of construction and equipping a public middle school for Hickory City Schools. The installment purchase was executed on September 15, 2003 pursuant to a deed of trust that requires legal title remain with the

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

County as long as the debt is outstanding. The County entered into a lease with the Board of Education of the Hickory Administrative School Unit (“Board of Education”) that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The transaction requires fifteen principal payments by the County of \$660,000 and thirty semi-annual interest payments at an interest rate of 3.54%. For Catawba County, the future minimum payments as of June 30, 2008, including \$1,415,218 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 660,000	\$ 245,418
2010	660,000	222,054
2011	660,000	198,690
2012	660,000	175,774
2013	660,000	151,962
2014-2018	3,300,000	409,542
2019	660,000	11,778
Total principal payments	<u><u>\$ 7,260,000</u></u>	
Total interest payments		<u><u>\$ 1,415,218</u></u>

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement in April, 2006 for the purpose of providing funds up to \$9,200,000 to pay a portion of the cost of construction and equipping a public elementary school for Catawba County Schools. The installment purchase was issued pursuant to a deed of trust that requires legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Board of Education of Catawba County Schools (“Board of Education”) that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments with the lease term the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The transaction requires thirty semi-annual principal payments by the County of \$306,667 and thirty semi-annual interest payments at an interest rate of 4.19%. For Catawba County, the future minimum payments as of June 30, 2008, including \$2,255,058 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 613,333	\$ 327,658
2010	613,333	301,959
2011	613,333	276,261
2012	613,333	250,562
2013	613,333	224,863
2014-2018	3,066,670	738,837
2019-2021	1,840,000	134,918
Total principal payments	<u><u>\$ 7,973,335</u></u>	
Total interest payments		<u><u>\$ 2,255,058</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement in December, 2006 for the purpose of providing funds of \$1,450,000 for the purchase of telephone and computer equipment for the County.

The transaction requires nineteen quarterly payments by the County of \$90,178 including principal and interest at 4.29%. For Catawba County, the future minimum payments as of June 30, 2008, including \$96,848 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 315,617	\$ 45,095
2010	329,376	31,335
2011	343,735	16,975
2012	179,730	3,443
Total principal payments	<u>\$ 1,168,458</u>	
Total interest payments		<u>\$ 96,848</u>

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement for the purpose of providing funds up to \$21,607,000 to pay a portion of construction and renovation of public school and community college facilities. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Boards of Education that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education. The lease calls for nominal lease payments and a bargain purchase option. The lease term the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education and Community College. This agreement was executed on May 30, 2008 and requires forty semi-annual principal payments of \$540,175 and interest payments at an interest rate of 4.19%.

This installment financing agreement also provides funds up to \$7,000,000 for the construction of various wastewater system improvements, including sewer mains and lines, pump stations, and a utility bridge. Fees from developers and new customer connection and usage fees will be used to repay this debt. The agreement, executed on May 30, 2008 requires forty semi-annual principal payments in varying amounts and interest payments at an interest rate of 4.19%.

For Catawba County, the future minimum payments as of June 30, 2008 including interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,308,996	\$ 1,188,343
2010	1,319,515	1,129,991
2011	1,329,641	1,074,598
2012	1,340,196	1,018,777
2013	1,351,197	962,508
2014-2018	6,938,019	3,951,506
2019-2023	7,291,969	2,465,889
2024-2028	7,727,467	898,726
Total principal payments	<u>\$ 28,607,000</u>	
Total interest payments		<u>\$ 12,690,338</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

As authorized by State law (G.S. 160A-20), the County entered into an installment financing agreement on May 30, 2008 for the purpose of providing funds up to \$700,000 to pay a portion of the renovation of a public school facility. The County's obligation under the contract will be designated as "Qualified Zone Academy Bonds (QZAB)" pursuant to the federal QZAB program. Under the QZAB program, the County's obligation will be interest free and the lender will receive tax credits that approximate a rate of return commensurate to the return it would have received on certain U.S. Treasury obligations. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Boards of Education that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education. The lease calls for nominal lease payments and a bargain purchase option. The lease term the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education.

For Catawba County, the future minimum payments as of June 30, 2008 are:

	Governmental Activities	
	Principal	Interest
2009	\$ 50,000	\$ -
2010	50,000	-
2011	50,000	-
2012	50,000	-
2013	50,000	-
2014-2018	250,000	-
2019-2022	200,000	-
Total	\$ 700,000	\$ -

Catawba Valley Medical Center

In September, 2005, the County entered into a \$5 million installment financing agreement under North Carolina Statute 160A-20 on behalf of Catawba Valley Medical Center to finance the acquisition of capital equipment. The annual interest rate is 3.99% and the financing term is 59 months. Catawba Valley Medical Center will be responsible for the repayment of the loan with revenues from operations and no County funds will be obligated. The balance outstanding at June 30, 2008 was \$2.3 million.

In December, 2006, the County entered into a \$1.7 million installment financing agreement under North Carolina Statute 160A-20 on behalf of Catawba Valley Medical Center to finance the acquisition of medical equipment. The annual interest rate is 4.29% and the financing term is 59 months. Catawba Valley Medical Center will be responsible for the repayment of the loan with revenues from operations and no County funds will be obligated. The balance outstanding at June 30, 2008 was \$1.2 million.

Certificates of Participation

In August 2004, the County issued \$35,705,000 of Certificates of Participation to finance the construction and equipping of a new high school, the completion of construction and equipping and a new middle school, and the construction and equipping of a learning resource center at the local community college. The financing contract requires principal payments beginning June 2005 with interest rates ranging from 2.0 – 5.25% with a maturity date of June 1, 2024.

The future minimum payments of this installment purchase as of June 30, 2008, including \$12,676,900 of interest, are as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,805,000	\$ 1,443,500
2010	1,805,000	1,380,325
2011	1,805,000	1,296,500
2012	1,805,000	1,212,613
2013	1,805,000	1,122,225
2014-2018	9,015,000	4,237,237
2019-2023	9,000,000	1,890,000
2024	1,800,000	94,500
Total principal payments	<u>\$ 28,840,000</u>	
Total interest payments		<u>\$ 12,676,900</u>

In May 2005, the County issued \$19,550,000 of Certificates of Participation to finance the construction, equipping, renovation and improving certain governmental and public school facilities. The financing contract requires principal payments beginning June 2006 with interest rates ranging from 3.0 – 5.0% with a maturity date of June 1, 2025.

The future minimum payments of this installment purchase as of June 30, 2008, including \$7,178,825 of interest, are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 985,000	\$ 760,050
2010	985,000	720,650
2011	975,000	681,750
2012	975,000	643,500
2013	975,000	604,500
2014-2018	4,875,000	2,388,750
2019-2023	4,875,000	1,233,375
2024-2025	1,950,000	146,250
Total principal payments	<u>\$ 16,595,000</u>	
Total interest payments		<u>\$ 7,178,825</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due, from property tax revenues.

The County's general obligation bonds payable at June 30, 2008 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$9,800,000 1998 School Facility Series Bonds due in varying annual installments from \$550,000 - \$800,000 through June 1, 2013: interest at 4.3 - 4.4 %	\$ 3,850,000
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\$16,645,000 1999 School Facility Series Bonds due in varying annual installments from \$950,000 - \$1,400,000 through June 1, 2014: interest at 4.4 - 4.7%	7,650,000
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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

\$8,955,000 2000 School Facility Series Bonds due in varying annual installments from \$450,000 - \$805,000 through June 1, 2015: interest at 5.3 - 5.4% \$3.68 million of these bonds were refunded in June 2005.		1,225,000
\$14,495,000 2002 School Facility and Community College Refunding Bonds due in varying annual installments from \$420,000 - \$2,070,000 through June 1, 2014: interest at 2.0 - 4.0%		
Schools		4,624,000
Community College		1,156,000
\$16,035,000 2005 School Facility and Community College Refunding Bonds due in varying annual installments from \$760,000 - \$2,240,000 through June 1, 2015: interest at 3.0 - 3.75%		
Schools		11,193,462
Community College		461,538
Total		<u>\$ 30,160,000</u>

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

	Governmental Activities	
	Principal	Interest
2009	\$ 6,395,000	\$ 1,243,544
2010	6,455,000	993,494
2011	5,200,000	729,769
2012	4,395,000	523,106
2013	4,390,000	344,006
2014-2015	3,325,000	166,606
Total	<u>\$ 30,160,000</u>	<u>\$ 4,000,525</u>

At June 30, 2008, Catawba County had \$6,970,000 of authorized but unissued bonds and had a legal debt margin of \$1,051,130,601.

General Obligation Refunding Bonds

On June 1, 2005, the County issued \$16,035,000 of General Obligation Refunding Bonds to provide resources to purchase United States government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt payment of the following \$15,455,000 general obligation bonds.

\$3,575,000 School Bonds, Series 1995, dated 6/1/1995, and stated to mature in installments on June 1 in the years 2006 – 2010. These bonds were called August 1, 2005.

\$2,000,000 Public School Improvement Bonds, Series 1996, dated 5/1/1996, and stated to mature in installments on June 1 in the years 2006 – 2011. These bonds were called June 1, 2006.

\$6,200,000 School Bonds, Series 1997, dated 7/1/1997, and stated to mature in installments on June 1 in the years 2006-2013. These bonds were called June 1, 2007.

\$3,680,000 School Bonds, Series 2000, dated 6/1/2000, and stated to mature in installments on June 1 in the years 2006-2015. First call date is June 1, 2010.

As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$580,000. This amount is being netted against the new debt and am-

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

ortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt payments over the next 10 years by \$529,616 and resulted in an economic gain of \$495,644.

Total 2005 Refunding Bonds outstanding at June 30, 2008 were \$3,680,000.

Revenue Bonds

North Carolina Recreational Facilities

On December 22, 1999, the County issued County of Catawba, North Carolina Recreational Facilities Lease Revenue Bonds (YMCA of Catawba Valley Project), Series 1999 totaling \$4,300,000 pursuant to an Indenture of Trust dated as of December 1, 1999 (the "Indenture") between the County of Catawba, North Carolina (the "County") and First Citizens Bank and Trust Company, as trustee (the "Trustee"), and authorized by a bond order of the County adopted effective as of December 8, 1999. The proceeds received by the County from the sale of the Bonds will be used by the County to acquire, pursuant to the Ground Lease dated as of December 1, 1999 (the "Ground Lease") between the Young Mens Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and the County as Lessee, a long-term leasehold estate in (i) certain existing recreational facilities owned by the Corporation, and (ii), certain real property on which the Corporation intends to construct new recreational facilities to be owned by the Corporation ((i) and (ii) collectively, the "Property"), which Property the County simultaneously will lease back to the Corporation pursuant to the Lease Agreement dated as of December 1, 1999 (the "Lease Agreement") between the County and the Corporation. The Corporation intends to use the funds it receives from the lease of the property to the County under the Ground Lease and from other sources for the purpose of refinancing certain existing indebtedness and financing the costs of acquiring, constructing, improving, and equipping certain new recreational facilities, which are located within the County.

The Bonds will be limited obligations of the County. The Bonds and interest thereon and any redemption or purchase premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the County, the State of North Carolina (the "State") or any political subdivision thereof, within the meaning of any constitutional limitation or statutory provision and will not give rise to a charge against the general credit or taxing powers of any of them, but shall be payable solely from the revenues and income derived from the Lease Agreement, which revenues and income have been pledged and assigned to the Trustee to secure payment thereof, and from moneys available to be drawn by the Trustee under the Credit Facility. No owner of the Bonds shall have the right to compel the exercise of the taxing power of the County, the State or any political subdivision thereof to pay any principal installment or purchase price of, or redemption or purchase premium, if any, or interest on the Bonds.

Total NC Recreational Facilities Lease Revenue Bonds outstanding at June 30, 2008 were \$2.2 million.

Catawba Valley Medical Center

On March 1, 1999, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba Memorial Hospital Project) Series 1999 (the "Series 1999 Bonds") totaling \$23,620,000 for the purpose of refunding the Series 1992 Hospital Revenue bonds (the "Series 1992 Bonds"). The County defeased \$24,070,000 of the Series 1992 bonds in an escrow fund to provide for all future debt service. As a result of this defeasance transaction, a proportionate amount of the unamortized bond issuance costs were written off. A loss of \$2,286,075 was deferred and is being amortized over the remaining life of the refunded bonds. Costs of \$637,326 were incurred in connection with the issuance of the Series 1999 Bonds and have been deferred. Such cost have being amortized over the remaining terms of the Series 1999 Bonds. The revenue bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

any of its property in connection with any default under the bond order.

Total 1999 Hospital Refunding Bonds outstanding at June 30, 2008 were \$16.8 million.

Long-Term Obligation Activity

The following is a summary of changes in the County's general long-term obligations for the fiscal year ended June 30, 2008:

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Governmental activities					
General obligation debt	\$ 36,540,000	\$ -	\$ (6,380,000)	\$ 30,160,000	\$ 6,395,000
Certificates of participation	48,225,000		(2,790,000)	45,435,000	2,790,000
Installment purchase	17,956,667	28,607,000	(1,554,874)	45,008,793	2,897,946
Qualified Zone Academy Bond	-	700,000	-	700,000	50,000
Compensated absences	3,693,594	2,867,722	(2,604,861)	3,956,455	2,604,861
Net pension obligation	509,278	115,452	(96,631)	528,099	-
Net OPEB obligation	-	1,845,184	-	1,845,184	-
Total governmental activities	\$ 106,924,539	\$ 34,135,358	\$ (13,426,366)	\$ 127,633,531	\$ 14,737,807
Business-type activities					
Accrued landfill closure and postclosure costs	\$ 4,127,398	\$ 2,661,686	\$ -	\$ 6,789,084	\$ 194,879
Compensated absences	94,674	67,869	(59,840)	102,703	59,840
Net OPEB obligation	-	37,657	-	37,657	-
Total business-type activities	\$ 4,222,072	\$ 2,767,212	\$ (59,840)	\$ 6,929,444	\$ 254,719

Compensated absences typically have been liquidated in the general fund and are accounted for on a last in first out (LIFO) basis, assuming that employees are taking leave time as it is earned. The current portion of compensated absences is estimated at \$2,604,861 for governmental activities and \$59,840 for business-type activities.

Conduit Debt Obligations

Catawba County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, according to information furnished by the Economic Development Commission, there were eight series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$13.9 million.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2008, consists of the following:

The composition of interfund balances as of June 30, 2008 are as follows:

Due to General fund from Community Development Fund for the advance of funds for expenditures prior to grant reimbursement	<u>\$ 1,838</u>
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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

Transfers to/from other funds at June 30, 2008, consists of the following:

General Fund

From the General fund to the Reappraisal fund to accumulate resources for the four year cycle revaluation of real property	\$ 437,123
From the General fund to the Rescue Squads fund for the first responder program and to supplement other funding sources	924,000
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	897,310
From the General fund to the Water and Sewer Construction fund for the installation of waterline loop to supply adequate water to various County locations	2,100,000
From the General fund to the Schools Capital Projects fund to supplement other funding sources for school facility improvements	747,943
From the General fund to the School Construction fund to accumulate resources for the construction of new school facilities	199,000
From the General fund to the Solid Waste Management Fund to supplement other funding sources	<u>2,750</u>
Subtotal General Fund	<u><u>5,308,126</u></u>

School Construction Fund

From the School Construction fund to the General fund to supplement funds for debt service related to school construction	<u>97,487</u>
Subtotal School Construction Fund	<u><u>97,487</u></u>

Other Governmental Funds

From the Emergency Telephone System fund to the General fund for the transfer of E-911 fund balance as State regulations for these funds were lifted	\$ 732,033
From the Emergency Telephone System fund to the General Capital Projects fund for the transfer of E-911 fund balance as State regulations for these funds were lifted	2,782,752
From the General Capital Reserve fund to the General fund to supplement funds for economic development projects	52,059
From the Water and Sewer Reserve fund to the General fund to supplement funds for the expenditures of engineering manager of water and sewer projects	77,958
From the Parks/Historic Preservation fund to the General Capital Projects fund to supplement funds for the expenditures for the renovation and reactivation of St. Stephens Park	180,000
From the Community Development fund to the General fund to satisfy the Division of Community Assistance Office grant administrators to close out scattered site grant	11,479
From the General Capital Projects fund to the General Fund to supplement funds for debt service	215,995

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

From the Schools Capital Projects fund to the School Construction fund to supplement funds for new school construction	60,062
Subtotal Other Governmental Funds	<u>4,112,338</u>
Total transfers to other funds	<u>\$ 9,517,951</u>

NOTE 5. RELATED ORGANIZATION

The County's governing board is also responsible for appointing five members of the nine-member board of the Economic Development Corporation (EDC), but the County's accountability for this organization does not extend beyond making these appointments. The EDC is a nonprofit organization that exists for the purpose of recruitment, retention and expansion of established manufacturing and non-manufacturing businesses for economic development purposes. Its primary revenues are allocations from Catawba County and various municipalities within the County. The County is not responsible for the debt issued by the EDC and the EDC's debt is not included in determining the County's legal debt limit.

NOTE 6. JOINT VENTURES

The County, in conjunction with the State of North Carolina and the Catawba County, Newton-Conover and Hickory Boards of Education, participate in a joint venture to operate the Catawba Valley Community College. The State of North Carolina, Catawba County, and the Boards of Education each appoint four members of the thirteen-member board of trustees of the community college. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County has periodically issued general obligation bonds and installment purchase obligations to provide financing for new and restructured facilities. General obligation debt of \$1,617,538 and installment purchase obligations of \$6,867,991 are outstanding at June 30, 2008. The County has an ongoing financial responsibility for the Community College because of statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,821,526 and \$1,741,665 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. In addition, the County made debt service payments of \$504,550 during the fiscal year on general obligation bonds and debt service payments of \$660,530 on installment purchase obligations issued for capital facilities. The participating entities do not have any equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements at June 30, 2008. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 2550 Highway 70 SE, Hickory NC, 28602.

The County, in conjunction with three other counties, participates in the Lake Norman Marine Commission (the "Commission"), that was created by the North Carolina General Assembly in 1969. Board members are appointed by the four counties (Catawba, Iredell, Lincoln, and Mecklenburg) that fall within the jurisdiction of the Commission. At any given time and on a rotating basis, one of the Counties has two Board appointees and the other three have one Board appointee. Cash contributions in equal amounts from the participating counties comprise the majority of the Commission's revenues. Catawba County contributed \$29,083 to the Lake Norman Marine Commission for operating expenses during the fiscal year ended June 30, 2008. Complete financial statements for the Commission can be obtained from the Mecklenburg County Finance Department, PO Box 34486, Charlotte NC 28234.

The County, in conjunction with Burke County, participates in the operation of the Burke-Catawba Regional Jail Agency (the "Agency"), a regional jail facility. The Agency, established under North Carolina General Statute 153A-210, was created for that purpose. On dissolution of the corporation, the net assets of the Agency will be shared by the two counties, according to their allocation. The Agency is gov-

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**

NOTE 6. JOINT VENTURES (continued)

erned by a four-member board composed of two appointees from each county. The counties are each obligated by contract to remit amounts required annually to supplement the Agency's operating revenues and are entitled to an allocated share of the Agency's annual operating income, if any. The County's net investment and its share of the operating results of the Agency are reported in the County's Statement of Net Assets. The County's equity interest in the Agency was estimated at \$760,149 at June 30, 2008. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

NOTE 7. JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$39,868 to the Council during the fiscal year ended June 30, 2008.

NOTE 8. BENEFIT PAYMENTS ISSUED BY THE STATE

The amounts listed below were paid directly to individual recipients by the State from Federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations, that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the financial statements because they are not revenues and expenditures of the County. The amounts paid by the County are included in the financial statements.

	<u>Federal</u>	<u>State</u>
Medical assistance	\$ 83,470,404	\$ 43,801,638
Temporary assistance for needy families	872,158	(8)
Low-income energy assistance	315,100	-
Aid the aged and disabled	-	1,197,671
Adoptive services	-	1,018,832
WC	3,439,791	-
Food stamp program	18,356,323	-
	<u>\$ 106,453,776</u>	<u>\$ 46,018,133</u>

NOTE 9. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The County has received proceeds from various 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 monies to the grantor agencies. Based upon prior experience, management believes such disallowances, if any, will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 10. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

The North Carolina State Education Assistance Agency instruments in the portfolio having final stated maturities ranging from 2015 to 2036 have been called effective July 31, 2008 resolving the matter of illiquid investments for the County.

Required Supplemental Financial Data

This section contains additional information required by generally accepted accounting principles.

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Funding Progress for the Health Care Benefit – Pay As You Go.

Schedule of Employer Contributions for the Health Care Benefit – Pay As You Go.

Notes to the Required Schedules for the Health Care Benefit – Pay As You Go.

Please note: The Schedule of Funding Progress for Catawba Valley Medical Center can be found in the separately issued financial statements for the Medical Center, available from the Medical Center Finance office (see note 1.A. to the County statements for contact information.)

CATAWBA COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress
For Fiscal Years Ended June 30, 2003 to 2008

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
12/31/2002	0	1,010,915	1,010,915	0.00%	3,307,157	30.57%
12/31/2003	0	1,054,595	1,054,595	0.00%	3,335,259	31.62%
12/31/2004	0	1,138,936	1,138,936	0.00%	3,835,301	29.70%
12/31/2005	0	1,013,767	1,013,767	0.00%	3,953,071	25.65%
12/31/2006	0	922,560	922,560	0.00%	4,102,106	22.49%
12/31/2007	0	999,815	999,815	0.00%	4,756,519	21.02%

CATAWBA COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions
For Fiscal Years Ended June 30, 2003 to 2008

<u>Year Ended June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2003	116,322	71.17
2004	119,152	100.41
2005	119,791	111.14
2006	132,102	92.88
2007	118,330	96.17
2008	115,452	83.70

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - closed
Remaining amortization period	23 years
Asset valuation method	Market values
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

CATAWBA COUNTY, NORTH CAROLINA
Health Care Benefit - Pay As You Go
Required Supplementary Information
Schedule of Funding Progress
For Fiscal Years Ended June 30, 2008

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
12/31/2005	\$0	\$18,572,261	\$18,572,261	0.00%	\$38,665,996	48.00%

CATAWBA COUNTY, NORTH CAROLINA
Health Care Benefit - Pay As You Go
Required Supplementary Information
Schedule of Employer Contributions
For Fiscal Years Ended June 30, 2008

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2008	1,882,841	0.00%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2005
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - open
Remaining amortization period	30 years
Asset valuation method	Market values
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate increases (decreases)*	(12.00% - 6.00%)
*Includes inflation at	3.75%
Year of ultimate trend rate	2010

The assumed rate of return reflects the fact that no assets are set aside within Catawba County that are legally held exclusively for retiree health benefits.



Financial Statements of Individual Funds

General Fund

To account for resources traditionally associated with governments that are not required legally or by sound financial management to be accounted for in another fund. Revenues and expenditures of the *Self-Insurance Fund*, and the *Register of Deeds Fund* are integrated with the *General Fund* for reporting purposes.

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
REVENUES				
Ad Valorem Taxes				
Current year	\$ 74,043,826	\$ 75,692,583		
Prior year	1,050,000	1,806,614		
Penalties and interest	235,000	429,105		
Tax leased vehicles	48,555	76,606		
Total ad valorem taxes	<u>75,377,381</u>	<u>78,004,908</u>	<u>2,627,527</u>	<u>65,090,641</u>
Other Taxes				
Local Option Sales Taxes				
Article 39	13,438,321	15,325,305		
Article 40 - one half of one percent	4,296,613	4,511,623		
Article 42 - one half of one percent	3,919,645	2,550,828		
Article 44 - one half of one percent	5,642,158	6,119,176		
Article 46 - one quarter of one percent	-	1,033,255		
Subtotal local option sales taxes	<u>27,296,737</u>	<u>29,540,187</u>	<u>2,243,450</u>	<u>27,983,231</u>
Other Taxes and Licenses				
Real estate excise stamps	660,000	644,574		
ABC 5 cents per bottle	45,000	47,247		
Privilege licenses	30,000	25,127		
Subtotal other taxes and licenses	<u>735,000</u>	<u>716,948</u>	<u>(18,052)</u>	<u>845,686</u>
Total other taxes	<u>28,031,737</u>	<u>30,257,135</u>	<u>2,225,398</u>	<u>28,828,917</u>
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	300,000	369,567		
Video Programming fees	528,000	659,342		
Catawba County ABC profit distribution	942,000	942,000		
Total unrestricted intergovernmental revenues	<u>1,770,000</u>	<u>1,970,909</u>	<u>200,909</u>	<u>1,235,023</u>
Restricted Intergovernmental Revenues				
State of North Carolina				
Mental Health Services				
Mental health trust funds	1,053,994	1,059,383		
Assaultive children funds	617,086	597,612		
Mental health and mental illness funds	2,088,820	2,035,242		
Adult mental health	2,926,869	2,720,660		
Criminal justice partnership program	115,193	112,356		
Criminal justice offenders	52,000	18,518		
Child mental health	520,560	361,367		
Adult development disabilities	1,701,095	1,574,686		
Child development disabilities	160,000	46,094		
Adult substance abuse	681,670	520,339		
Crisis emergency services	702,275	648,959		
Child substance abuse	2,185	185		
State local managing entity funds	4,695,224	4,695,227		
Work first grant	50,000	28,734		
Social Services				
Rural general public funds	96,731	96,731		
Corner house	226,024	225,255		
Smart Start	2,223,573	2,032,965		

CATAWBA COUNTY, NORTH CAROLINA
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Share the warmth	625	625		
Consumers non-targeted	20,717	(200)		
Child boarding home funds	120,500	138,393		
Foster care visitation	-	23,422		
Child boarding home funds therapeutic	12,000	4,000		
State administrative aid	69,160	69,158		
Special permanency planning	9,963	9,963		
Community alternatives state in-home	40,116	52,190		
Medicaid expansion	31,742	29,597		
Adult day care	125,948	137,515		
Adult services	46,900	47,119		
Elderly handicapped transportation	125,657	125,657		
State maintenance of effort	451,052	540,999		
Child Protective Services	253,234	296,405		
Community transportation grant	13,000	23,836		
Aid to blind equalization	75	97		
Public Health				
Smart Start	303,660	303,274		
School based health center	71,200	71,200		
School nurse initiative	181,818	145,332		
Immunization program	42,340	34,122		
Heart healthy grant	500	500		
Communicable diseases	8,197	8,197		
Communicable diseases -aid to counties	12,500	12,500		
Eat smart, Move more	18,600	18,600		
Healthy Carolinians partnership	12,048	12,048		
Child health	97,793	85,793		
Child service coordination	42,776	42,776		
Child fatality prevention	1,589	18,956		
Childhood lead prevention	7,500	834		
Health aid to counties	98,175	71,096		
Maternal health	115,982	101,575		
Aids leadership grant	51,400	51,368		
Health promotion	26,752	23,852		
Glaxo funds	5,000	5,000		
Breast cancer grant	71,770	71,770		
North Carolina health and wellness grant	75,838	52,934		
Tuberculosis grant	26,926	24,926		
Public health interpreter grant	20,500	20,000		
Crude oil refund	-	72		
Veterans service	2,000	2,000		
Controlled substance tax	15,000	13,818		
Public school building capital lottery funds	1,400,000	1,702,247		
Juvenile Justice & Delinquency Prevention				
Project challenge	50,900	50,900		
Catawba parenting network	19,278	19,278		
Juvenile crime prevention planning	14,152	14,108		
Salvation army gang violence	54,166	50,000		
Reasoning and reacting cognitive skills	7,360	7,360		
Peace pipeline conflict resolution	18,975	20,240		
North Carolina agriculture cost share	26,239	26,824		
Court facility fees	200,000	220,194		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
District court fees	80,000	76,723		
State Aid - Library	166,278	168,545		
Library big read grant	7,500	12,500		
Safe roads act	15,000	12,918		
Emergency services homeland security grants	450,000	145,110		
Library services and technology grant	10,000	32,133		
Library summer reading grant	4,000	5,200		
Soil and water conservation grant	4,000	4,000		
Ecosystem enhancement program	3,000	200		
Subtotal state revenue	<u>23,096,955</u>	<u>22,034,112</u>	<u>(1,062,843)</u>	<u>14,186,294</u>
Federal				
Mental Health Services				
Adult mental health	262,795	242,642		
Child mental health	105,107	87,237		
Adult developmental disabilities	137,825	137,825		
Child developmental disabilities	67,293	67,293		
Adult substance abuse	218,462	217,857		
Child substance abuse	148,284	137,744		
Alternative treatment for women	69,263	63,026		
Social Services				
Permanency planning	44,748	39,905		
Energy assistance administration	36,915	35,397		
Employment and training	13,500	21,182		
Medical transportation administration	863,760	922,632		
Temporary assistance for needy family-domestic violence	30,000	32,157		
Social Security Payments	99,000	86,448		
US Department of Agriculture supplemental funds	1,714	3,701		
Supplemental meals	1,340	1,341		
Title III general transportation	56,670	60,093		
Title III medical transportation	6,560	3,135		
Community alternatives program chore	2,501,960	1,017,571		
Chore Level II	97,920	203,461		
Chore Level III	147,030	90,139		
In-home aid on site Social Security block grant	66,082	93,882		
IV-D administration	1,135,881	1,073,715		
IV-E board	256,000	294,304		
IV-E administration	1,184,747	840,210		
Independent living administration	35,775	38,366		
Links-independent living trust fund	30,000	14,793		
Case management at risk	129,155	136,890		
Work First block grant	1,474,947	1,368,856		
Food stamp fraud administration	82,185	54,206		
Food stamp administration	709,397	621,867		
Medicaid administration	1,212,321	1,228,537		
Adult day health	16,099	1,898		
IV-A Child care	272,508	220,562		
Title III Nutrition	118,860	144,459		
US Department of Agriculture nutrition	22,500	22,887		
US Department of Agriculture home delivered meals	34,056	35,053		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Home delivered meals	132,191	174,194		
Community assistance home delivered meals	14,100	12,940		
Community services block grant	207,555	232,624		
Crisis intervention	290,000	392,130		
Intensive family preservation restore families	50,104	50,109		
Public Health				
Bioterrorism grants	81,001	77,527		
Title X	196,871	207,012		
Help America Vote Grant	10,000	44,645		
Federal inmate transport	-	12,896		
Justice Assistance Grant	15,673	15,673		
Bullet proof vests grant	3,342	759		
State criminal alien assistance program	10,106	11,272		
Homeland security planning grant	12,000	11,810		
Emergency management planning grant	38,513	38,583		
Assistant secretary for preparedness and response grant	21,213	6,860		
Lifeskills funds	19,287	9,532		
Subtotal federal revenue	<u>13,056,088</u>	<u>10,959,837</u>	<u>(2,096,251)</u>	<u>11,941,009</u>
State of North Carolina and Federal				
Social Services				
Social Services block grant	547,195	527,796		
Aid to families with dependent children	51,331	30,623		
Child day care purchase of care	5,900,000	5,422,995		
Aid to families with dependent children-foster care	420,000	413,410		
IV-E foster care therapeutic	40,000	21,829		
Adoption assistance non-recurring	42,000	67,445		
Adoption assistance medical	250,000	276,531		
Special children adoption fund	100,000	126,000		
IV-E/Child protective services	1,165,391	1,091,657		
Family preservation	58,444	56,503		
High risk intervention	669,843	456,087		
Community transportation grant	196,541	191,647		
Title III Adult day care	82,443	71,232		
IV-D Aid to families with dependent children	50,000	50,039		
IV-D Child support - non AFDC	25,000	35,052		
IV-D Incentives	257,926	286,787		
Medicaid waiver-case management	380,454	417,884		
Community alternative program medical equipment and supplies	160,000	149,402		
Adult care home case management	73,291	73,270		
State adult specialist fund	40,099	42,599		
North Carolina Health Choice	56,743	62,020		
Public Health				
Women Infants Children funds	633,634	572,170		
IV-D Civil papers	71,400	69,874		
Legal services	-	2,096		
Medicaid-emergency medical services transports	340,000	421,674		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Subtotal state and federal revenue	11,622,235	10,936,622	(685,613)	10,785,251
Fines & Forfeitures	<u>1,287,495</u>	<u>1,081,098</u>	<u>(206,397)</u>	<u>1,126,095</u>
Other grants				
Mental Health Services				
Burke County	147,000	147,000		
Social Services				
Training services	465			
Hickory community relations nurturing	-	125		
Catawba County Medical Society Alliance	-	1,500		
Community relations teen up	-	606		
School summer programs	-	2,398		
Community corrections contractual	130,000	206,040		
Confidential intermediary	-	1,050		
Youth conference income	1,000	-		
Hickory Housing Authority	17,500	19,971		
Adult day care - local	7,235	6,887		
Duke Endowment grant	114,038	157,000		
Psychiatric contracts	17,160	-		
Medicaid contract local managing entity	10,000	29,410		
Child mental health local managing entity	168,300	167,130		
Other state revenue local managing entity	74,500	88,007		
Comprehensive treatment services program local managing entity	88,000	292,098		
Mental Health contract local managing entity	308,500	363,050		
Federal substance abuse local managing entity	19,746	24,696		
Medicaid direct billing	1,854,076	1,186,026		
Medicaid community support	681,563	353,666		
City of Hickory transportation	7,297	-		
Catawba Valley Medical Center	73,745	71,999		
Nurturing program parenting network	-	5,000		
Nurturing program training	-	1,500		
Catawba County Schools	51,095	51,095		
Hickory Public Schools	119,731	118,698		
United Fund emergency grant	26,000	26,662		
Public Health				
Catawba Valley Medical Center	298,975	335,714		
Catawba County Schools	107,958	83,873		
Newton-Conover City Schools	16,383	16,383		
Hickory Public Schools	107,457	93,127		
Municipalities				
City Of Newton	44,101	46,277		
Town Of Maiden	4,909	5,212		
City Of Conover	37,823	40,685		
City Of Hickory	18,110	23,143		
City Of Claremont	20,172	22,405		
Town of Catawba	780	780		
Town Of Longview	815	1,042		
Citizen alert notification	10,000	5,000		
Sex crimes investigation	51,513	51,602		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Transport mental health	20,000	24,532		
Social services local funds	18,910	18,910		
Community Schools-Cooperative Extension	7,641	16,500		
Lawn and mowing services	2,400	2,226		
Hospice	15,000	26,806		
Supervisor training	-	6,000		
Voice over internet protocol revenue	246,707	208,936		
Four-H Grant	-	13,495		
Tourism development authority	39,046	39,046		
Western Piedmont COG technology services	11,490	-		
Catawba County Schools/Dare	71,373	61,823		
Newton-Conover City Schools	38,380	4,680		
Hickory Public Schools	52,520	7,020		
Technical support	76,000	61,740		
Catawba Valley Community College - deputy reimbursement	93,035	92,047		
Catawba County Schools-deputy reimbursement	414,410	310,808		
Personnel indirect cost	1,576,113	1,614,914		
Subtotal other grants	<u>7,318,972</u>	<u>6,556,340</u>	<u>(762,632)</u>	<u>5,233,688</u>
Total restricted intergovernmental revenues	<u>56,381,745</u>	<u>51,568,009</u>	<u>(4,813,736)</u>	<u>43,272,337</u>
Licenses, Permits and Fees				
Marriage licenses	27,388	28,853		
Recording of legal instruments	766,850	668,493		
Uniform commercial code filing	13,694	11,559		
Gun permits	9,000	12,110		
Surrendered weapon storage fee	-	1,375		
Noise amplification permit	-	240		
Concealed weapon fees	17,000	25,897		
Public fingerprint fees	9,500	10,330		
Electronic house arrest fees	10,000	-		
Vehicle storage fees	1,000	545		
Building permits	2,125,913	2,599,804		
Building services after hours inspections	150	586		
Minor sub-division plat review	5,200	4,030		
Express plan review fee	21,600	8,260		
Contract services plan review	3,750	150		
Plan review fees	5,720	6,650		
Storm water and erosion control	63,845	39,330		
Plat review fees	9,200	10,289		
Performance guarantees	680	300		
Telecommunications tower fees	7,500	49,060		
Zoning permits	26,375	18,925		
Accessory permit fees	5,750	9,550		
Sign permits	1,000	-		
Homeowners recovery fund	800	723		
Park fees and permits	3,000	3,502		
Environmental health fees	458,057	355,319		
Election filing fees	-	2,191		
Fire inspection fees	1,500	6,600		
Animal control fines and citations	2,000	1,050		
Training fees	1,500	2,510		
Total licenses, permits, fees	<u>3,597,972</u>	<u>3,878,231</u>	<u>280,259</u>	<u>3,625,007</u>

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Sales and Services				
Mental Health				
Patient fees	-	160		
Medicaid community alternatives program	800,000	314,968		
Medicaid contracts	4,680,517	2,515,138		
Social Services				
Patient fees	53,700	61,026		
Insurance reimbursements	293,891	293,602		
State in-home fees	125	290		
Home study fees	-	700		
IV-D application fees	4,500	3,886		
Level II and III chore fees	75	238		
Title III adult day care fees	2,000	1,300		
Community alternatives program chore fee	600	-		
Trust account fees	5,800	4,803		
Adoption fees	2,500	3,738		
North Carolina health choice premiums	40,000	40,100		
IV-D blood test fees	1,200	839		
Access care	21,600	19,751		
Local support general assistance	8,000	18,826		
Public Health				
Patient fees	162,539	169,675		
Insurance reimbursements	20,000	8,712		
Home health/third party reimbursements	2,930,636	2,910,840		
Pregnancy fees	8,000	8,950		
Clinic fees	289,912	194,509		
Child health fees	4,500	2,781		
Adult health fees	2,000	918		
Medicaid health check fees	50,810	33,273		
Medicaid management fees	6,000	10,700		
Obstetrics services	605,000	387,570		
Child seats copay	362	480		
Medicaid escrow	37,536	-		
Medicaid earned	60,927	28,095		
Medicaid earned maternity care coordinator	264,644	272,730		
Medicaid earned maternal health	512,600	648,687		
Medicaid escrow maternal health	57,318	140,069		
Medicaid earned postpartum maternity	13,000	10,620		
Medicaid earned postpartum newborn	22,000	22,920		
Medicaid earned child service coordination	198,585	193,519		
Medicaid earned child health	10,000	13,921		
Medicaid escrow child health	335,960	282,247		
Medicaid earned dental	327,800	257,460		
Medicaid earned adult health	20,000	90,266		
Medicaid earned women's preventative health	280,000	257,797		
Medicaid escrow women's preventative health	98,204	85,611		
Medicaid earned enhanced nutrition	-	2,493		
Medicaid escrow sonogram	140,000	138,398		
Social services/public health contract services	9,000	8,464		
Municipalities				

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Tax billing/collection	174,985	158,896		
Data processing	500	26		
Election fees	134,700	74,267		
Animal shelter	108,511	81,874		
Fire inspections	30,377	22,295		
Tax fees and charges	9,625	31,413		
Motor vehicle tax-collection fee	37,855	38,216		
Leased vehicle tax - collection fee	695	1,104		
Sale of maps and publications	16,000	11,042		
Advertising fees for renaming streets	350	950		
Check processing fees	3,950	6,767		
Transport fees district confinement	48,696	24,348		
Garage services	13,000	13,027		
Insurance administration fees	-	6		
Sheriff service of process	182,000	213,339		
Project lifesavers	2,000	2,500		
Inmate services	187,000	182,166		
Ambulance services	3,968,000	4,571,564		
Animal services	84,200	69,920		
Planning department ordinance	200	225		
Zoning amendments	10,400	650		
Board of adjustment charges	6,375	8,995		
Clinic fees	4,000	4,253		
Rental Fees	35,650	47,434		
Copy and print charges	56,144	45,309		
Total sales and services	<u>17,497,054</u>	<u>15,071,656</u>	<u>(2,425,398)</u>	<u>12,849,786</u>
Investment Earnings				
Interest On Investments	<u>811,700</u>	<u>2,574,460</u>	<u>1,762,760</u>	<u>2,155,668</u>
Miscellaneous				
Mental Health Services				
Miscellaneous	63,113	15,402		
Social Services				
North Carolina Association of Residential Child				
Facilities Services	250	4,550		
Kellogg Foundation	3,127	4,811		
Restitution funds	5,000	2,330		
Fraud services	42,325	74,098		
Nutrition meals project income	31,775	30,718		
Donations	50,000	49,638		
Miscellaneous	3,264	5,848		
Public Health				
Kids in Need	74,910	32,573		
Cardio pulmonary resuscitation training	8,214	6,753		
Donations	2,000	443		
Duke Endowment	344,238	240,718		
Kate B. Reynolds grant	10,000	10,000		
Susan G. Komen grant	35,000	40,000		
Through Healing Eyes grant	5,000	24,000		
Miscellaneous	9,042	7,218		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Badge revenue	-	360		
Rents & Royalties	112,274	115,163		
Cell tower lease payments	18,540	18,586		
Cable television franchise	-	182,651		
Cable lease payment	-	1,176		
Park souvenir sales	200	187		
Concessions	75,000	50,121		
Commissary	16,000	21,131		
Sale of properties	12,200	66,125		
Insurance settlements	15,315	179,082		
Drug reimbursement	5,000	2,493		
Excise tax administrative cost	11,000	12,892		
Donations	5,500	12,342		
Emergency management/Duke Power grant	31,300	65,535		
Hazmat revenue	10,000	16,169		
Short term disability premiums	80,000	80,366		
Group health and dental premiums	1,496,000	1,639,044		
Miscellaneous revenue	206,670	797,017		
Total miscellaneous	<u>2,782,257</u>	<u>3,809,540</u>	<u>1,027,283</u>	<u>3,924,943</u>
 Total revenues	 <u>186,249,846</u>	 <u>187,134,848</u>	 <u>885,002</u>	 <u>160,982,322</u>
 EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	4,803	4,803		
Other operating	197,400	154,304		
	<u>202,203</u>	<u>159,107</u>	<u>43,096</u>	<u>251,785</u>
 Administration				
County Manager				
Salaries & employee benefits	755,705	685,498		
Other operating	37,750	49,755		
Non-operating	45,114	-		
	<u>838,569</u>	<u>735,253</u>	<u>103,316</u>	<u>821,709</u>
 Legal Services				
Salaries & employee benefits	254,824	253,524		
Other operating	23,100	11,935		
	<u>277,924</u>	<u>265,459</u>	<u>12,465</u>	<u>266,969</u>
 Budget				
Salaries & employee benefits	240,745	240,764		
Other operating	13,887	12,093		
	<u>254,632</u>	<u>252,857</u>	<u>1,775</u>	<u>239,599</u>
 Total Administration	 <u>1,371,125</u>	 <u>1,253,569</u>	 <u>117,556</u>	 <u>1,328,277</u>
 Tax Administration				
Tax Assessor				
Salaries & employee benefits	820,804	808,568		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	249,189	198,624		
Non-operating tax refunds	20,000	11,060		
	<u>1,089,993</u>	<u>1,018,252</u>	<u>71,741</u>	<u>947,459</u>
Tax Collector				
Salaries & employee benefits	381,527	386,673		
Other operating	120,907	102,977		
	<u>502,434</u>	<u>489,650</u>	<u>12,784</u>	<u>454,179</u>
Total Tax Administration	<u>1,592,427</u>	<u>1,507,902</u>	<u>84,525</u>	<u>1,401,638</u>
Board of Elections				
Salaries & employee benefits	421,848	344,098		
Other operating	435,247	258,683		
	<u>967,116</u>	<u>602,781</u>	<u>364,335</u>	<u>481,390</u>
Personnel				
Personnel				
Salaries & employee benefits	538,187	525,214		
Other operating	67,700	57,654		
Non-operating	136,235	-		
	<u>742,122</u>	<u>582,868</u>	<u>159,254</u>	<u>536,550</u>
Recruitment				
Salaries & employee benefits	56,841	56,919		
Other operating	46,350	31,967		
Non-operating	55,220	-		
	<u>158,411</u>	<u>88,886</u>	<u>69,525</u>	<u>94,374</u>
Risk Management				
Salaries & employee benefits	113,754	115,135		
Other operating	19,600	15,840		
	<u>133,354</u>	<u>130,975</u>	<u>2,379</u>	<u>127,066</u>
Total Personnel	<u>1,033,887</u>	<u>802,729</u>	<u>231,158</u>	<u>757,990</u>
Register of Deeds				
Salaries & employee benefits	530,475	495,759		
Other operating	328,646	303,393		
Capital outlay	44,000	43,516		
	<u>903,121</u>	<u>842,668</u>	<u>60,453</u>	<u>790,507</u>
Finance				
Administration				
Salaries & employee benefits	283,143	293,384		
Other operating	188,895	184,463		
	<u>472,038</u>	<u>477,847</u>	<u>(5,809)</u>	<u>425,309</u>
Accounting				
Salaries & employee benefits	415,443	413,279		
Other operating	338,200	345,938		
	<u>753,643</u>	<u>759,217</u>	<u>(5,574)</u>	<u>700,653</u>
Purchasing and Service Center				
Salaries & employee benefits	193,239	193,739		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	37,385	34,875		
Capital outlay	24,350	20,977		
	<u>254,974</u>	<u>249,591</u>	<u>5,383</u>	<u>224,696</u>
 Total Finance	 <u>1,480,655</u>	 <u>1,486,655</u>	 <u>(6,000)</u>	 <u>1,350,658</u>
Other General Government Programs				
Clerk of Courts				
Other operating	4,548	4,048		
Capital outlay	25,421	-		
	<u>29,969</u>	<u>4,048</u>	<u>25,921</u>	<u>55,967</u>
 Other Government Costs				
Salaries & employee benefits	66,073	14,809		
Other operating	265,778	210,901		
Non-operating	657,033	-		
	<u>988,884</u>	<u>225,710</u>	<u>763,174</u>	<u>368,479</u>
 Self Insurance				
Wellness	38,200	32,800		
Premiums	1,383,000	1,461,090		
Liability	1,105,034	1,140,092		
	<u>2,526,234</u>	<u>2,633,982</u>	<u>(107,748)</u>	<u>2,389,640</u>
 Total Self Insurance	 <u>2,526,234</u>	 <u>2,633,982</u>	 <u>(107,748)</u>	 <u>2,389,640</u>
 Total Other General Government Programs	 <u>3,545,087</u>	 <u>2,863,740</u>	 <u>681,347</u>	 <u>2,814,086</u>
 Total General Government	 <u>11,095,621</u>	 <u>9,519,151</u>	 <u>1,576,470</u>	 <u>9,176,331</u>
Public Safety				
Sheriff				
Administration and Law Enforcement				
Salaries & employee benefits	3,024,698	2,948,513		
Other operating	1,091,946	827,563		
Capital outlay	449,953	359,297		
	<u>4,566,597</u>	<u>4,135,373</u>	<u>431,224</u>	<u>3,628,096</u>
 Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	96,453	93,920	2,533	89,529
 School Resource Officers				
Salaries & employee benefits	551,180	523,663		
Other operating	39,600	39,599		
	<u>590,780</u>	<u>563,262</u>	<u>27,518</u>	<u>498,084</u>
 Records				
Salaries & employee benefits	288,096	280,792		
Other operating	19,070	18,354		
Capital outlay	1,828	-		
	<u>308,994</u>	<u>299,146</u>	<u>9,848</u>	<u>310,233</u>
 Mental Health Transport				
Salaries & employee benefits	17,547	7,417		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	7,453	1,930		
	<u>25,000</u>	<u>9,347</u>	15,653	-
Crime Prevention				
Salaries & employee benefits	143,614	142,937		
Other operating	15,930	14,975		
Capital outlay	9,965	-		
	<u>169,509</u>	<u>157,912</u>	11,597	149,143
Narcotics				
Salaries & employee benefits	301,210	292,122		
Other operating	73,387	72,646		
	<u>374,597</u>	<u>364,768</u>	9,829	307,359
Detectives				
Salaries & employee benefits	553,050	542,119		
Other operating	47,419	46,316		
Capital outlay	19,350	19,232		
	<u>619,819</u>	<u>607,667</u>	12,152	555,443
Lake Norman Water Patrol				
Salaries & employee benefits	136,949	131,966		
Other operating	39,078	37,693		
Capital outlay	48,057	49,215		
	<u>224,084</u>	<u>218,874</u>	5,210	140,478
Court Security				
Salaries & employee benefits	477,704	483,089		
Other operating	4,000	4,000		
	<u>481,704</u>	<u>487,089</u>	(5,385)	418,739
Newton Detention Center				
Salaries & employee benefits	3,243,835	3,077,031		
Other operating	866,339	758,748		
Capital outlay	28,067	28,067		
	<u>4,138,241</u>	<u>3,863,846</u>	274,395	2,135,955
Prisoner Food Services				
Other operating	295,096	288,466	6,630	239,929
District Confinement Facility				
Salaries & employee benefits	53,757	49,408		
Other operating	1,187,914	1,092,196		
	<u>1,241,671</u>	<u>1,141,604</u>	100,067	1,007,214
Total Sheriff	<u>13,132,545</u>	<u>12,231,274</u>	901,271	9,480,202
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	63,548	63,438		
Other operating	32,742	27,996		
Capital outlay	30,000	29,981		
	<u>126,290</u>	<u>121,415</u>	4,875	120,095

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Emergency Management				
Salaries & employee benefits	200,351	188,820		
Other operating	600,367	120,107		
Capital outlay	14,483	14,483		
	<u>815,201</u>	<u>323,410</u>	<u>491,791</u>	<u>469,206</u>
Veterans Services				
Salaries & employee benefits	40,614	40,891		
Other operating	5,500	4,884		
	<u>46,114</u>	<u>45,775</u>	<u>339</u>	<u>44,200</u>
Fire Marshal				
Salaries & employee benefits	151,595	129,527		
Other operating	27,790	24,434		
	<u>179,385</u>	<u>153,961</u>	<u>25,424</u>	<u>204,374</u>
Emergency Medical Services				
Salaries & employee benefits	5,260,313	5,159,114		
Other operating	1,019,868	895,234		
Capital outlay	455,489	452,740		
	<u>6,735,670</u>	<u>6,507,088</u>	<u>228,582</u>	<u>6,103,688</u>
Fire Fighting Alarms				
Other operating	36,000	36,000	-	33,600
Animal Control				
Salaries & employee benefits	159,006	123,222		
Other operating	39,529	32,404		
Capital outlay	70,000	69,983		
	<u>268,535</u>	<u>225,609</u>	<u>42,926</u>	<u>179,467</u>
Animal Shelter				
Salaries & employee benefits	202,727	175,361		
Other operating	156,431	130,569		
Capital outlay	49,557	49,545		
	<u>408,715</u>	<u>355,475</u>	<u>53,240</u>	<u>298,866</u>
Total Emergency Services	<u>8,615,910</u>	<u>7,768,733</u>	<u>847,177</u>	<u>7,453,496</u>
Citizen Alert Notification System				
Salaries & employee benefits	20,000	27,355		
Other operating	53,306	51,703		
Capital outlay	113,229	-		
Non-operating	14,935	-		
	<u>201,470</u>	<u>79,058</u>	<u>122,412</u>	<u>159,446</u>
Communication Center				
Salaries & employee benefits	1,154,076	1,077,259		
Other operating	215,760	202,990		
	<u>1,369,836</u>	<u>1,280,249</u>	<u>89,587</u>	<u>1,215,757</u>
Other Public Safety				
Other operating	177,146	139,148	37,998	131,065

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Total Public Safety	23,496,907	21,498,462	1,998,445	18,439,966
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	255,391	233,522		
Other operating	94,610	87,652		
Capital outlay	13,566	12,671		
Non-operating	64,101	-		
	<u>427,668</u>	<u>333,845</u>	<u>93,823</u>	<u>299,183</u>
Soil & Water Conservation				
Salaries & employee benefits	119,524	119,751		
Other operating	15,939	14,072		
	<u>135,463</u>	<u>133,823</u>	<u>1,640</u>	<u>130,643</u>
Forest Ranger				
Other operating	52,919	52,919	-	45,841
Total Environmental Protection	<u>616,050</u>	<u>520,587</u>	<u>95,463</u>	<u>475,667</u>
Economic and Physical Development Technology				
Information Technology Center				
Salaries & employee benefits	1,497,944	1,473,982		
Other operating	1,167,085	1,066,056		
Capital outlay	322,520	300,958		
	<u>2,987,549</u>	<u>2,840,996</u>	<u>146,553</u>	<u>3,533,652</u>
Geospatial Information Services				
Salaries & employee benefits	236,183	235,319		
Other operating	96,489	68,877		
	<u>332,672</u>	<u>304,196</u>	<u>28,476</u>	<u>264,309</u>
Total Technology	<u>3,320,221</u>	<u>3,145,192</u>	<u>175,029</u>	<u>3,797,961</u>
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	486,391	474,133		
Other operating	195,294	139,101		
	<u>681,685</u>	<u>613,234</u>	<u>68,451</u>	<u>673,905</u>
County Parks				
Salaries & employee benefits	181,466	183,729		
Other operating	54,931	51,025		
Capital outlay	21,900	13,157		
	<u>258,297</u>	<u>247,911</u>	<u>10,386</u>	<u>215,362</u>
Other Economic and Physical Development				
Other operating	1,555,041	1,111,064	443,977	1,170,246
Total Economic Development and Planning	<u>2,495,023</u>	<u>1,972,209</u>	<u>522,814</u>	<u>2,059,513</u>
Utilities & Engineering				
Utilities & Engineering Administration				

CATAWBA COUNTY, NORTH CAROLINA
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	156,430	156,917		
Other operating	31,961	28,119		
	<u>188,391</u>	<u>185,036</u>	<u>3,355</u>	<u>143,509</u>
Building Inspection				
Salaries & employee benefits	1,313,716	1,252,479		
Other operating	448,638	418,696		
Capital outlay	91,521	55,726		
	<u>1,853,875</u>	<u>1,726,901</u>	<u>126,974</u>	<u>1,560,694</u>
Water & Sewer				
Salaries & employee benefits	46,784	46,723		
Other operating	66,593	53,955		
	<u>113,377</u>	<u>100,678</u>	<u>12,699</u>	<u>93,916</u>
Permit Center				
Salaries & employee benefits	283,396	277,868		
Other operating	28,178	23,292		
	<u>311,574</u>	<u>301,160</u>	<u>10,414</u>	<u>344,924</u>
Plan Review				
Salaries & employee benefits	308,686	306,268		
Other operating	20,372	14,610		
	<u>329,058</u>	<u>320,878</u>	<u>8,180</u>	<u>315,881</u>
Storm water and Erosion Control				
Salaries & employee benefits	186,704	180,059		
Other operating	26,460	18,736		
Capital outlay	940	940		
	<u>214,104</u>	<u>199,735</u>	<u>14,369</u>	<u>144,968</u>
Total Utilities & Engineering	<u>3,010,379</u>	<u>2,834,388</u>	<u>175,991</u>	<u>2,603,892</u>
Finance/Facilities Division				
Garage				
Salaries & employee benefits	199,582	201,844		
Other operating	295,930	319,943		
Capital outlay	27,500	26,461		
	<u>523,012</u>	<u>548,248</u>	<u>(25,236)</u>	<u>464,383</u>
General maintenance				
Salaries & employee benefits	499,175	487,004		
Other operating	115,710	117,789		
Capital outlay	43,300	40,416		
	<u>658,185</u>	<u>645,209</u>	<u>12,976</u>	<u>551,207</u>
General Buildings				
Other operating	495,728	474,663		
Capital outlay	53,500	5,500		
	<u>549,228</u>	<u>480,163</u>	<u>69,065</u>	<u>401,915</u>
Justice Buildings				
Other operating	665,626	642,863		
Capital outlay	40,000	-		
	<u>705,626</u>	<u>642,863</u>	<u>62,763</u>	<u>553,747</u>

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Library Buildings				
Other operating	65,835	62,507	3,328	65,765
Leased Buildings				
Other operating	12,375	12,127	248	20,929
Social Services Buildings				
Other operating	98,456	98,165		88,728
Capital outlay	57,900	57,891		
	<u>156,356</u>	<u>156,056</u>	<u>300</u>	<u>88,728</u>
Public Health Buildings				
Other operating	25,651	23,283	2,368	23,942
Mental Health Buildings				
Other operating	31,850	22,560	9,290	33,123
Street Signs				
Other operating	16,000	15,926	74	27,189
Total Finance/Facilities Division	<u>2,744,118</u>	<u>2,608,942</u>	<u>135,176</u>	<u>2,230,928</u>
Total Economic & Physical Development	<u>11,569,741</u>	<u>10,560,731</u>	<u>1,009,010</u>	<u>10,692,294</u>
Human Services				
Medical Examiner				
Other operating	120,500	120,400	100	68,800
Mental Health Department				
General Administration				
Salaries & employee benefits	840,540	899,537		
Other operating	2,049,947	1,780,893		
Mental health assistance	-	80,500		
Non operating	43,987	-		
Capital outlay	34,000	5,000		
	<u>2,968,474</u>	<u>2,765,930</u>	<u>202,544</u>	<u>1,330,126</u>
Area Administration				
Salaries & employee benefits	1,292,546	1,248,341		
Other operating	103,000	30,675		
	<u>1,395,546</u>	<u>1,279,016</u>	<u>116,530</u>	<u>766,782</u>
Consumer Affairs				
Salaries & employee benefits	137,950	135,020		
Other operating	19,900	15,307		
Mental health assistance	30,000	23,244		
	<u>187,850</u>	<u>173,571</u>	<u>14,279</u>	<u>274,673</u>
Consumer Services				
Salaries & employee benefits	799,820	731,528		
Other operating	44,300	28,369		
	<u>844,120</u>	<u>759,897</u>	<u>84,223</u>	<u>565,143</u>

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Community Assistance				
Salaries & employee benefits	-	-		
Other operating	-	-		
Mental health assistance	-	-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,171</u>
Direct Services				
Other operating	60,000	43,920		
Mental health assistance	12,408,016	9,950,343		
	<u>12,468,016</u>	<u>9,994,263</u>	<u>2,473,753</u>	<u>9,149,666</u>
Burke County Services				
Other operating	53,500	53,148		
Mental health assistance	6,058,049	4,539,067		
	<u>6,111,549</u>	<u>4,592,215</u>	<u>1,519,334</u>	<u>-</u>
Total Mental Health Department	<u>23,975,555</u>	<u>19,564,892</u>	<u>4,410,663</u>	<u>12,093,561</u>
Social Services Department				
Administration				
Salaries & employee benefits	1,157,865	1,171,667		
Other operating	1,472,532	1,318,271		
Non-operating	3,419,448	-		
Capital outlay	52,000	4,458		
	<u>6,101,845</u>	<u>2,494,396</u>	<u>3,607,449</u>	<u>2,341,452</u>
Children and Family Services				
Salaries & employee benefits	1,620,299	1,572,514		
Other operating	482,569	484,085		
Social Services assistance	1,000	228		
	<u>2,103,868</u>	<u>2,056,827</u>	<u>47,041</u>	<u>1,994,818</u>
Department of Human Resources Teams				
Salaries & employee benefits	398,712	390,817		
Other operating	9,056	15,127		
Social Services assistance	4,000	3,219		
	<u>411,768</u>	<u>409,163</u>	<u>2,605</u>	<u>376,593</u>
Children's Day Care				
Salaries & employee benefits	404,448	394,130		
Other operating	5,527	5,281		
	<u>409,975</u>	<u>399,411</u>	<u>10,564</u>	<u>332,830</u>
Intensive Family Preservation				
Salaries & employee benefits	230,787	170,536		
Other operating	11,108	11,108		
Social Services assistance	500	663		
	<u>242,395</u>	<u>182,307</u>	<u>60,088</u>	<u>167,194</u>
Early Childhood Development				
Salaries & employee benefits	104,015	102,210		
Other operating	11,577	8,461		
	<u>115,592</u>	<u>110,671</u>	<u>4,921</u>	<u>104,173</u>

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Prevention Management				
Salaries & employee benefits	102,091	97,757	4,334	115,630
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,224,408	3,141,770		
Other operating	37,782	39,868		
Social Services assistance	37,000	18,987		
	<u>3,299,190</u>	<u>3,200,625</u>	<u>98,565</u>	<u>2,921,319</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	73,604	57,702		
Other operating	36,934	8,874		
Social Services assistance	3,500	2,737		
	<u>114,038</u>	<u>69,313</u>	<u>44,725</u>	<u>-</u>
Teen Up				
Salaries & employee benefits	170,019	163,444		
Other operating	6,000	13,006		
Social Services assistance	5,900	10,442		
	<u>181,919</u>	<u>186,892</u>	<u>(4,973)</u>	<u>182,044</u>
Families for Kids				
Social Services assistance	1,127	1,089	38	1,541
Community Services Block Grant				
Salaries & employee benefits	204,529	204,922		
Other operating	18,100	17,008		
Social Services assistance	5,000	2,681		
	<u>227,629</u>	<u>224,611</u>	<u>3,018</u>	<u>219,689</u>
Therapeutic Foster Care				
Salaries & employee benefits	240,823	204,093		
Other operating	24,277	31,204		
Social Services assistance	500	927		
	<u>265,600</u>	<u>236,224</u>	<u>29,376</u>	<u>176,031</u>
Adoptions				
Salaries & employee benefits	812,969	798,448		
Other operating	26,797	27,561		
Social Services assistance	6,500	4,026		
	<u>846,266</u>	<u>830,035</u>	<u>16,231</u>	<u>819,533</u>
Child Advocacy				
Salaries & employee benefits	143,290	149,321		
Other operating	119,400	114,136		
Social Services assistance	3,030	1,959		
	<u>265,720</u>	<u>265,416</u>	<u>304</u>	<u>234,156</u>
Temporary Assistance Needy Families				
Salaries & employee benefits	38,230	1,006		
Other operating	7,776	-		
Social Services assistance	18,489	-		
	<u>64,495</u>	<u>1,006</u>	<u>63,489</u>	<u>52,025</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
FamilyNet Administration				
Salaries & employee benefits	580,772	539,994		
Other operating	711,090	561,832		
Capital outlay	8,000	7,382		
Social Services assistance	10,000	10,521		
	<u>1,309,862</u>	<u>1,119,729</u>	<u>190,133</u>	<u>1,061,290</u>
FamilyNet Community Support				
Salaries & employee benefits	529,741	522,450		
Other operating	35,554	42,944		
	<u>565,295</u>	<u>565,394</u>	<u>(99)</u>	<u>263,594</u>
FamilyNet Act				
Salaries & employee benefits	357,872	385,502		
Other operating	60,250	27,859		
Social Services assistance	500	285		
	<u>418,622</u>	<u>413,646</u>	<u>4,976</u>	<u>355,313</u>
FamilyNet In-home Services				
Salaries & employee benefits	201,580	190,173		
Other operating	19,581	20,355		
	<u>221,161</u>	<u>210,528</u>	<u>10,633</u>	<u>69,406</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	454,264	396,301		
Other operating	22,728	9,500		
	<u>476,992</u>	<u>405,801</u>	<u>71,191</u>	<u>446,624</u>
FamilyNet Family Services				
Salaries & employee benefits	669,865	396,091		
Other operating	7,345	8,269		
	<u>677,210</u>	<u>404,360</u>	<u>272,850</u>	<u>424,800</u>
FamilyNet Children Services				
Salaries & employee benefits	536,289	389,737		
Other operating	7,748	10,192		
	<u>544,037</u>	<u>399,929</u>	<u>144,108</u>	<u>384,447</u>
FamilyNet ECST				
Salaries & employee benefits	414,709	414,067		
Other operating	39,960	36,539		
Social Services assistance	4,000	4,282		
	<u>458,669</u>	<u>454,888</u>	<u>3,781</u>	<u>457,716</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	263,442	131,158		
Other operating	21,675	18,931		
	<u>285,117</u>	<u>150,089</u>	<u>135,028</u>	<u>61,726</u>
Work First				
Salaries & employee benefits	637,575	552,091		
Other operating	267,180	197,720		
Social Services assistance	216,300	128,432		

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	1,121,055	878,243	242,812	876,702
Office Juvenile Justice Girls Program				
Other operating	55,350	52,634		
Social Services assistance	2,000	706		
	<u>57,350</u>	<u>53,340</u>	<u>4,010</u>	<u>48,522</u>
Administration Group Homes				
Salaries & employee benefits	1,315,831	1,259,619		
Other operating	39,988	39,988		
	<u>1,355,819</u>	<u>1,299,607</u>	<u>56,212</u>	<u>1,289,437</u>
Emergency Shelter				
Other operating	50,550	49,972		
Social Services assistance	3,250	2,465		
	<u>53,800</u>	<u>52,437</u>	<u>1,363</u>	<u>49,810</u>
Girls Program				
Other operating	56,000	56,033		
Social Services assistance	4,000	2,387		
Capital outlay	17,400	17,350		
	<u>77,400</u>	<u>75,770</u>	<u>1,630</u>	<u>77,287</u>
Boys Program				
Other operating	56,550	56,580		
Social Services assistance	5,000	2,091		
	<u>61,550</u>	<u>58,671</u>	<u>2,879</u>	<u>47,027</u>
Office Juvenile Justice Boys Program				
Other operating	60,930	59,045		
Social Services assistance	4,000	3,768		
	<u>64,930</u>	<u>62,813</u>	<u>2,117</u>	<u>62,116</u>
Adult Services				
Other operating	2,555,798	1,329,462		
Social Services assistance	699,557	789,474		
	<u>3,255,355</u>	<u>2,118,936</u>	<u>1,136,419</u>	<u>2,993,464</u>
Adult Social Work				
Salaries & employee benefits	1,247,794	1,216,277		
Other operating	83,399	93,753		
Social Services assistance	12,600	11,655		
	<u>1,343,793</u>	<u>1,321,685</u>	<u>22,108</u>	<u>1,331,473</u>
Medicaid Administration				
Salaries & employee benefits	788,406	779,969		
Other operating	7,904	8,029		
	<u>796,310</u>	<u>787,998</u>	<u>8,312</u>	<u>733,294</u>
Transportation				
Salaries & employee benefits	361,337	366,970		
Other operating	557,981	459,421		
Capital outlay	135,271	92,911		
	<u>1,054,589</u>	<u>919,302</u>	<u>135,287</u>	<u>1,020,037</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Nutrition				
Salaries & employee benefits	78,851	71,855		
Other operating	20,123	18,413		
Social Services assistance	398,327	393,006		
	<u>497,301</u>	<u>483,274</u>	<u>14,027</u>	<u>452,187</u>
Public Assistance Administration				
Salaries & employee benefits	1,163,947	1,150,419		
Other operating	48,289	45,208		
	<u>1,212,236</u>	<u>1,195,627</u>	<u>16,609</u>	<u>1,090,595</u>
Food Stamps				
Salaries & employee benefits	992,670	952,856		
Other operating	101,139	76,135		
Social Services assistance	27,000	43,388		
	<u>1,120,809</u>	<u>1,072,379</u>	<u>48,430</u>	<u>960,077</u>
Child Support				
Salaries & employee benefits	1,282,969	1,260,870		
Other operating	28,031	29,279		
	<u>1,311,000</u>	<u>1,290,149</u>	<u>20,851</u>	<u>1,200,494</u>
General Assistance				
Other operating	81,600	87,263		
Social Services assistance	183,525	148,983		
	<u>265,125</u>	<u>236,246</u>	<u>28,879</u>	<u>161,376</u>
Public Assistance Payments				
Social Services assistance	7,765,012	6,964,392	800,620	7,946,543
Children's Purchase Services				
Social Services assistance	9,647,367	8,756,962	890,405	8,475,543
Total Social Services	<u>50,771,284</u>	<u>42,517,938</u>	<u>8,253,346</u>	<u>42,379,928</u>
Public Health Department				
Health Administration				
Salaries & employee benefits	624,324	626,729		
Other operating	279,160	221,001		
	<u>903,484</u>	<u>847,730</u>	<u>55,754</u>	<u>766,507</u>
Home Health				
Salaries & employee benefits	1,291,682	1,300,379		
Other operating	1,195,956	1,148,564		
	<u>2,487,638</u>	<u>2,448,943</u>	<u>38,695</u>	<u>2,219,527</u>
Environmental Health				
Salaries & employee benefits	787,042	752,803		
Other operating	156,785	143,252		
	<u>943,827</u>	<u>896,055</u>	<u>47,772</u>	<u>853,234</u>
Maternal Health				
Salaries & employee benefits	637,724	622,679		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	961,204	955,702		
Public Health assistance	26,125	23,131		
	<u>1,625,053</u>	<u>1,601,512</u>	<u>23,541</u>	<u>1,516,680</u>
Maternity Care Coordinator				
Salaries & employee benefits	257,694	257,810		
Other operating	18,184	15,614		
	<u>275,878</u>	<u>273,424</u>	<u>2,454</u>	<u>253,273</u>
Child Health				
Salaries & employee benefits	422,875	435,041		
Other operating	107,650	84,360		
	<u>530,525</u>	<u>519,401</u>	<u>11,124</u>	<u>480,712</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	473,984	459,778		
Other operating	40,026	29,963		
	<u>514,010</u>	<u>489,741</u>	<u>24,269</u>	<u>471,757</u>
Child Health - Smart Start				
Salaries & employee benefits	154,779	156,458		
Other operating	32,472	32,434		
	<u>187,251</u>	<u>188,892</u>	<u>(1,641)</u>	<u>175,893</u>
Child Health - Health Check				
Salaries & employee benefits	75,697	60,197		
Other operating	4,025	1,650		
	<u>79,722</u>	<u>61,847</u>	<u>17,875</u>	<u>75,790</u>
Adolescent Health				
Salaries & employee benefits	98,971	97,751		
Other operating	91,038	79,950		
	<u>190,009</u>	<u>177,701</u>	<u>12,308</u>	<u>168,539</u>
Child Service Coordinator				
Salaries & employee benefits	254,502	252,081		
Other operating	22,781	17,954		
	<u>277,283</u>	<u>270,035</u>	<u>7,248</u>	<u>256,657</u>
Health and Wellness				
Salaries & employee benefits	47,778	47,950		
Other operating	28,060	21,752		
	<u>75,838</u>	<u>69,702</u>	<u>6,136</u>	<u>33,751</u>
School Health Assistants				
Salaries & employee benefits	82,372	83,224		
Other operating	775	324		
	<u>83,147</u>	<u>83,548</u>	<u>(401)</u>	<u>80,840</u>
School Nurse Fund Initiative				
Salaries & employee benefits	144,084	119,937		
Other operating	11,263	6,988		
	<u>155,347</u>	<u>126,925</u>	<u>28,422</u>	<u>96,897</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Child Service Coordinator - Burke				
Salaries & employee benefits				
Other operating				15,412
	-	-	-	
School Nurses Initiative - Catawba Valley Medical Center				
Salaries & employee benefits	274,336	264,895		
Other operating	24,720	19,037		
	299,056	283,932	15,124	271,342
School Nurses - Catawba County				
Salaries & employee benefits	353,258	345,985		
Other operating	50,255	42,799		
	403,513	388,784	14,729	435,615
School Nurses - Newton-Conover				
Salaries & employee benefits	52,539	45,011		
Other operating	3,235	1,326		
	55,774	46,337	9,437	-
School Nurses Initiative - Catawba County				
Salaries & employee benefits	38,116	30,769		
Other operating	4,193	2,760		
	42,309	33,529	8,780	-
Dental Health				
Salaries & employee benefits	167,057	162,741		
Other operating	179,413	150,024		
Public Health assistance	43,569	42,820		
	390,039	355,585	34,454	395,320
Dental - Smart Start				
Salaries & employee benefits	55,986	55,716		
Other operating	10,825	11,014		
	66,811	66,730	81	63,502
Glaucoma/Adult Health				
Salaries & employee benefits	241,724	235,994		
Other operating	447,360	372,147		
	689,084	608,141	80,943	518,123
Bioterrorism Grant				
Salaries & employee benefits	68,369	58,199		
Other operating	25,658	13,383		
	94,027	71,582	22,445	75,906
NAP-SACC Smart Start				
Salaries & employee benefits	-	-		
Other operating	13,350	13,094		
	13,350	13,094	256	-
Nurses/Family Planning				
Salaries & employee benefits	737,462	725,011		
Other operating	287,948	262,525		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	1,025,410	987,536	37,874	928,558
Women Infants Children Program				
Salaries & employee benefits	550,294	495,533		
Other operating	83,422	79,129		
	<u>633,716</u>	<u>574,662</u>	59,054	<u>539,831</u>
Total Public Health	<u>12,042,101</u>	<u>11,485,368</u>	556,733	<u>10,693,666</u>
Total Human Services	<u>86,909,440</u>	<u>73,688,598</u>	13,220,842	<u>65,235,955</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	905,617	853,929		
Other operating	283,343	323,364		
Capital outlay	36,000	35,721		
Non-operating	88,297	-		
	<u>1,313,257</u>	<u>1,213,014</u>	100,243	<u>1,177,187</u>
Sherrills Ford Branch				
Salaries & employee benefits	78,515	78,073		
Other operating	42,346	40,898		
	<u>120,861</u>	<u>118,971</u>	1,890	<u>116,534</u>
Maiden Branch				
Salaries & employee benefits	86,537	86,527		
Other operating	33,621	32,473		
	<u>120,158</u>	<u>119,000</u>	1,158	<u>113,986</u>
St. Stephens Branch				
Salaries & employee benefits	266,126	265,972		
Other operating	117,898	115,878		
	<u>384,024</u>	<u>381,850</u>	2,174	<u>374,143</u>
Southwest Branch Library				
Salaries & employee benefits	160,207	152,143		
Other operating	120,297	118,212		
	<u>280,504</u>	<u>270,355</u>	10,149	<u>277,144</u>
Conover Branch Library				
Salaries & employee benefits	46,026	45,925		
Other operating	21,198	12,958		
	<u>67,224</u>	<u>58,883</u>	8,341	<u>49,439</u>
Claremont Branch Library				
Salaries & employee benefits	32,696	31,862		
Other operating	17,102	16,818		
	<u>49,798</u>	<u>48,680</u>	1,118	<u>89,060</u>
Total County Library	<u>2,335,826</u>	<u>2,210,753</u>	125,073	<u>2,197,493</u>
Arts-Administration				
Other operating	478,713	478,713	-	467,930

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other Cultural				
Other operating	5,000	5,000	-	5,000
Total Culture and Recreation	<u>2,819,539</u>	<u>2,694,466</u>	<u>125,073</u>	<u>2,670,423</u>
Education				
Catawba County Schools				
Current expense	24,050,502	24,050,502		
Fines and forfeitures	907,902	766,214		
	<u>24,958,404</u>	<u>24,816,716</u>	<u>141,688</u>	<u>22,081,599</u>
Newton-Conover City Schools				
Current expense	4,011,119	4,011,119		
Fines and forfeitures	151,419	127,467		
	<u>4,162,538</u>	<u>4,138,586</u>	<u>23,952</u>	<u>3,777,238</u>
Hickory City Schools				
Current expense	6,044,374	6,044,374		
Fines and forfeitures	228,174	193,252		
	<u>6,272,548</u>	<u>6,237,626</u>	<u>34,922</u>	<u>5,735,859</u>
Catawba Valley Community College				
Current expense	2,821,526	2,821,526	-	2,627,599
Total Education	<u>38,215,016</u>	<u>38,014,454</u>	<u>200,562</u>	<u>34,222,295</u>
Debt Service				
General obligation bonds				
Principal	6,380,005	6,380,000		
Interest	1,489,875	1,489,869		
	<u>7,869,880</u>	<u>7,869,869</u>	<u>11</u>	<u>8,017,519</u>
Installment purchases				
Principal	2,882,845	1,554,874		
Interest	874,570	702,014		
	<u>3,757,415</u>	<u>2,256,888</u>	<u>1,500,527</u>	<u>1,944,534</u>
Certificates of Participation				
Principal	6,791,005	2,790,000		
Interest	2,297,105	2,297,100		
	<u>9,088,110</u>	<u>5,087,100</u>	<u>4,001,010</u>	<u>5,190,423</u>
Total Debt Service	<u>20,715,405</u>	<u>15,213,857</u>	<u>5,501,548</u>	<u>15,152,476</u>
Total expenditures	<u>195,437,719</u>	<u>171,710,306</u>	<u>23,727,413</u>	<u>156,065,407</u>
Revenues over (under) expenditures	<u>(9,187,873)</u>	<u>15,424,542</u>	<u>24,612,415</u>	<u>4,916,915</u>
Other financing sources (uses)				
Transfers from				
Emergency Telephone Fund	732,033	732,033	-	32,668
Wireless Fund	-	-	-	32,668
General Capital Reserve Fund	52,059	52,059	-	71,866

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Water & Sewer Reserve Fund	77,958	77,958	-	60,117
Community Development Fund	11,479	11,479	-	-
General Capital Projects Fund	215,995	215,995	-	1,034,000
School Capital Fund	-	-	-	237,000
School Construction Fund	97,487	97,487	-	803,747
Transfers to				
Emergency Telephone Fund	-	-	-	(601)
Wireless Fund	-	-	-	(150)
Reappraisal Fund	(437,123)	(437,123)	-	(455,121)
General Capital Reserve Fund	-	-	-	(70,000)
Rescue Squads Fund	(924,000)	(924,000)	-	(840,536)
General Capital Projects Fund	(897,310)	(897,310)	-	(1,006,500)
Water and Sewer Construction Fund	(2,100,000)	(2,100,000)	-	(1,950,000)
School Capital Fund	(1,200,000)	(747,943)	452,057	-
School Construction Fund	(199,000)	(199,000)	-	-
Solid Waste Management Fund	(2,750)	(2,750)	-	-
Installment purchase obligation issued	1,500,230	-	(1,500,230)	1,450,000
Sale of capital assets	-	-	-	124,730
Fund Balance appropriated/contingency	12,260,815	-	(12,260,815)	-
Total other financing sources (uses)	<u>9,187,873</u>	<u>(4,121,115)</u>	<u>(13,308,988)</u>	<u>(476,112)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>11,303,427</u>	<u>11,303,427</u>	<u>4,440,803</u>
Fund Balances - Beginning of Year		<u>44,024,753</u>		
Fund Balances - End of Year		<u>\$ 55,328,180</u>		

Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	<u>Special Revenue Funds (Schedule C-1)</u>	<u>Capital Project Funds (Schedule D-1)</u>	<u>Total Nonmajor Governmental Funds (Exhibit 3)</u>
Assets			
Cash and investments	\$ 9,807,876	\$ 25,288,755	\$ 35,096,631
Taxes receivable - net	142,247	-	142,247
Due from other governments	200,432	1,544,284	1,744,716
Notes receivable	721,092	-	721,092
Interest receivable	64,196	123,392	187,588
Restricted cash and investment	-	<u>1,020,532</u>	<u>1,020,532</u>
Total assets	<u>10,935,843</u>	<u>27,976,963</u>	<u>38,912,806</u>
Liabilities			
Accounts payable	75,862	187,893	263,755
Deferred revenues	879,755	-	879,755
Due to General Fund	<u>1,838</u>	<u>-</u>	<u>1,838</u>
Total liabilities	<u>957,455</u>	<u>187,893</u>	<u>1,145,348</u>
Fund Balances			
Reserved for encumbrances	6,174	-	6,174
Reserved by State statute	264,628	-	264,628
Unreserved	<u>9,707,586</u>	<u>27,789,070</u>	<u>37,496,656</u>
Total fund balances	<u>9,978,388</u>	<u>27,789,070</u>	<u>37,767,458</u>
Total liabilities and fund balances	<u>\$ 10,935,843</u>	<u>\$ 27,976,963</u>	<u>\$ 38,912,806</u>

CATAWBA COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 3,620,315	\$ -	\$ 3,620,315
Other taxes	374,348	5,759,627	6,133,975
Restricted intergovernmental revenues	1,481,695	2,053,499	3,535,194
Licenses and permits	33,798	-	33,798
Investment earnings	586,749	1,051,034	1,637,783
Miscellaneous	3,704	495,998	499,702
Total revenues	<u>6,100,609</u>	<u>9,360,158</u>	<u>15,460,767</u>
Expenditures			
Current			
General government	425,420	-	425,420
Public safety	5,418,376	-	5,418,376
Economic and physical development	121,821	-	121,821
Human services	1,729	-	1,729
Culture and recreation	25,000	-	25,000
Capital outlay	-	7,460,595	7,460,595
Total expenditures	<u>5,992,346</u>	<u>7,460,595</u>	<u>13,452,941</u>
Excess of revenues over (under) expenditures	108,263	1,899,563	2,007,826
Other Financing Sources (Uses)			
Transfers from other funds	1,361,123	4,608,005	5,969,128
Transfers to other funds	(3,836,281)	(276,057)	(4,112,338)
Qualified Zone Academy Bonds Issued	-	700,000	700,000
Total other financing sources (uses)	<u>(2,475,158)</u>	<u>5,031,948</u>	<u>2,556,790</u>
Net change in fund balance	(2,366,895)	6,931,511	4,564,616
Fund Balances - Beginning of Year	<u>12,345,283</u>	<u>20,857,559</u>	<u>33,202,842</u>
Fund Balances - End of Year	<u>\$ 9,978,388</u>	<u>\$ 27,789,070</u>	<u>\$ 37,767,458</u>



Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Emergency Telephone System Fund -

Established in accordance with North Carolina law to account for the revenues received by the Communication Center for the 911 charges and the expenditure of those funds for the emergency telephone systems.

Narcotics Seized Funds and Property Fund -

To account for the revenues received by the Sheriff's Department for Drug Reimbursements and the expenditure of those funds to further narcotics enforcement efforts.

Reappraisal Fund -

The County maintains this fund as required by the General Statutes of North Carolina for financing the cost of the next reappraisal.

General Capital Reserve Fund -

To account for the accumulation of funds for the financing and construction of schools, general and hospital capital projects.

Water & Sewer Reserve Fund –

To account for the accumulation of funds for the financing and construction of water and sewer capital projects in the unincorporated sections of the County.

Hospital Capital Reserve Fund -

To account for the accumulation of funds for the financing and construction of major capital projects for the County hospital.

Rescue Squads Fund -

To account for the accumulation of funds for the financing of future capital needs of the six rescue squads within the County.

Library Endowment Fund –

To account for donations that are stipulated for the purchase of library books.

Gretchen Peed Scholarship Fund –

To account for donations that are stipulated for scholarships.

Parks/Historic Preservation Trust Fund –

To account for donations and other funds that are stipulated for park expenditures.

Community Development Fund –

To account for the accumulation of various grants for the financing of critical housing needs for low-income families and other community projects.

Fire District Funds -

The County maintains sixteen separate fire district funds under its budgetary control to account for tax receipts and disbursements to the fire districts.

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2008

	Emergency Telephone System Fund	Narcotics Seized Funds And Property Fund	Reappraisal Fund	General Capital Reserve Fund	Water & Sewer Reserve Fund
Assets					
Cash and investments	\$ 1,405,613	\$ 122,405	\$ 72,556	\$ 172,809	\$ 1,780,894
Taxes receivable - net	-	-	-	-	-
Due from other governments	130,078	162	4,105	-	64,336
Notes receivable	-	-	-	-	721,092
Interest receivable	17,626	681	799	962	9,154
Total assets	<u>1,553,317</u>	<u>123,248</u>	<u>77,460</u>	<u>173,771</u>	<u>2,575,476</u>
Liabilities					
Accounts payable and accrued liabilities	58,763	-	13,326	-	-
Deferred revenues	-	-	-	-	721,092
Due to General Fund	-	-	-	-	-
Total liabilities	<u>58,763</u>	<u>-</u>	<u>13,326</u>	<u>-</u>	<u>721,092</u>
Fund Balances					
Reserved for encumbrances	6,174	-	-	-	-
Reserved by State statute	147,704	843	4,904	962	73,490
Unreserved	1,340,676	122,405	59,230	172,809	1,780,894
Total fund balances	<u>1,494,554</u>	<u>123,248</u>	<u>64,134</u>	<u>173,771</u>	<u>1,854,384</u>
Total liabilities and fund balances	<u>\$ 1,553,317</u>	<u>\$ 123,248</u>	<u>\$ 77,460</u>	<u>\$ 173,771</u>	<u>\$ 2,575,476</u>

<u>Hospital Capital Reserve Fund</u>	<u>Rescue Squads Fund</u>	<u>Library Endowment Fund</u>	<u>Gretchen Peed Scholarship Fund</u>	<u>Parks/ Historic Preservation Fund</u>	<u>Community Development Fund</u>	<u>Fire District Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 4,960,687	\$ 107,216	\$ 240,662	\$ 32,234	\$ 109,648	\$ -	\$ 803,152	\$ 9,807,876
-	-	-	-	-	-	142,247	142,247
-	-	1,688	63	-	-	-	200,432
-	-	-	-	-	-	-	721,092
27,607	1,140	1,339	179	601	-	4,108	64,196
<u>4,988,294</u>	<u>108,356</u>	<u>243,689</u>	<u>32,476</u>	<u>110,249</u>	<u>-</u>	<u>949,507</u>	<u>10,935,843</u>
-	-	-	-	-	3,719	54	75,862
-	-	-	-	-	-	158,663	879,755
-	-	-	-	-	1,838	-	1,838
-	-	-	-	-	5,557	158,717	957,455
-	-	-	-	-	-	-	6,174
27,607	1,140	3,027	242	601	-	4,108	264,628
4,960,687	107,216	240,662	32,234	109,648	(5,557)	786,682	9,707,586
<u>4,988,294</u>	<u>108,356</u>	<u>243,689</u>	<u>32,476</u>	<u>110,249</u>	<u>(5,557)</u>	<u>790,790</u>	<u>9,978,388</u>
<u>\$ 4,988,294</u>	<u>\$ 108,356</u>	<u>\$ 243,689</u>	<u>\$ 32,476</u>	<u>\$ 110,249</u>	<u>\$ -</u>	<u>\$ 949,507</u>	<u>\$ 10,935,843</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2008

	Mountain View Fire District Fund	Propst Fire District Fund	St. Stephens Fire District Fund	Conover Rural Fire District Fund	Oxford Fire District Fund
Assets					
Cash and investments	\$ 43,094	\$ 35,415	\$ 41,376	\$ 14,424	\$ 92,961
Taxes receivable - net	12,563	9,212	18,148	3,495	14,786
Interest receivable	193	176	190	68	485
Total assets	<u>55,850</u>	<u>44,803</u>	<u>59,714</u>	<u>17,987</u>	<u>108,232</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Deferred revenues	14,412	10,221	20,636	4,024	15,781
Total liabilities	<u>14,412</u>	<u>10,221</u>	<u>20,636</u>	<u>4,024</u>	<u>15,781</u>
Fund Balances					
Reserved by State statute	193	176	190	68	485
Unreserved	41,245	34,406	38,888	13,895	91,966
Total fund balances	<u>41,438</u>	<u>34,582</u>	<u>39,078</u>	<u>13,963</u>	<u>92,451</u>
Total liabilities and fund balances	<u>\$ 55,850</u>	<u>\$ 44,803</u>	<u>\$ 59,714</u>	<u>\$ 17,987</u>	<u>\$ 108,232</u>

(continued on page 100)

Sherrills Ford Fire District Fund	Bandys Fire District Fund	Maiden Fire District Fund	Claremont Fire District Fund	Catawba Fire District Fund	Long View Fire District Fund	Newton Rural Fire District Fund
\$ 184,888	\$ 110,135	\$ 64,008	\$ 22,413	\$ 72,586	\$ 12,173	\$ 41,268
15,686	15,460	7,019	10,739	7,628	1,205	14,656
984	568	346	98	391	67	193
<u>201,558</u>	<u>126,163</u>	<u>71,373</u>	<u>33,250</u>	<u>80,605</u>	<u>13,445</u>	<u>56,117</u>
-	-	-	-	-	54	-
18,098	16,930	7,967	11,886	8,410	1,411	16,160
<u>18,098</u>	<u>16,930</u>	<u>7,967</u>	<u>11,886</u>	<u>8,410</u>	<u>1,465</u>	<u>16,160</u>
984	568	346	98	391	67	193
<u>182,476</u>	<u>108,665</u>	<u>63,060</u>	<u>21,266</u>	<u>71,804</u>	<u>11,913</u>	<u>39,764</u>
<u>183,460</u>	<u>109,233</u>	<u>63,406</u>	<u>21,364</u>	<u>72,195</u>	<u>11,980</u>	<u>39,957</u>
<u>\$ 201,558</u>	<u>\$ 126,163</u>	<u>\$ 71,373</u>	<u>\$ 33,250</u>	<u>\$ 80,605</u>	<u>\$ 13,445</u>	<u>\$ 56,117</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2008

	Cooksville Fire District Fund	Denver Fire District Fund	Hickory Rural Fire District Fund	Fairbrook Fire District Fund
Assets				
Cash and investments	\$ 29,025	\$ 26,458	\$ 12,928	\$ -
Taxes receivable - net	3,363	4,021	4,266	-
Interest receivable	151	137	61	-
Total assets	<u>32,539</u>	<u>30,616</u>	<u>17,255</u>	<u>-</u>
Liabilities				
Accounts payable and accrued liabilities	-	-	-	-
Deferred revenues	3,881	4,021	4,825	-
Total liabilities	<u>3,881</u>	<u>4,021</u>	<u>4,825</u>	<u>-</u>
Fund Balances				
Reserved by State statute	151	137	61	-
Unreserved	28,507	26,458	12,369	-
Total fund balances	<u>28,658</u>	<u>26,595</u>	<u>12,430</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 32,539</u>	<u>\$ 30,616</u>	<u>\$ 17,255</u>	<u>\$ -</u>

Viewmont Fire District Fund	Total Fire District Funds
\$ -	\$ 803,152
-	142,247
-	4,108
<u>-</u>	<u>949,507</u>
-	54
-	<u>158,663</u>
-	<u>158,717</u>
-	4,108
-	<u>786,682</u>
-	<u>790,790</u>
<u>\$ -</u>	<u>\$ 949,507</u>

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

	Emergency Telephone System Fund	Narcotics Seized Funds And Property Fund	Reappraisal Fund	General Capital Reserve Fund	Water & Sewer Reserve Fund
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	374,348	-	-	-	-
Restricted intergovernmental revenues	592,199	24,297	-	-	724,766
Licenses and permits	-	-	-	-	-
Investment earnings	196,469	5,706	13,326	8,311	30,040
Miscellaneous	-	80	-	-	-
Total revenues	<u>1,163,016</u>	<u>30,083</u>	<u>13,326</u>	<u>8,311</u>	<u>754,806</u>
Expenditures					
Current					
General government	-	-	425,420	-	-
Public safety	859,166	9,393	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>859,166</u>	<u>9,393</u>	<u>425,420</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>303,850</u>	<u>20,690</u>	<u>(412,094)</u>	<u>8,311</u>	<u>754,806</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	437,123	-	-
Transfers to other funds	<u>(3,514,785)</u>	<u>-</u>	<u>-</u>	<u>(52,059)</u>	<u>(77,958)</u>
Total other financing sources (uses)	<u>(3,514,785)</u>	<u>-</u>	<u>437,123</u>	<u>(52,059)</u>	<u>(77,958)</u>
Net change in fund balance	(3,210,935)	20,690	25,029	(43,748)	676,848
Fund Balances - Beginning of Year	<u>4,705,489</u>	<u>102,558</u>	<u>39,105</u>	<u>217,519</u>	<u>1,177,536</u>
Fund Balances - End of Year	<u>\$ 1,494,554</u>	<u>\$ 123,248</u>	<u>\$ 64,134</u>	<u>\$ 173,771</u>	<u>\$ 1,854,384</u>

<u>Hospital Capital Reserve Fund</u>	<u>Rescue Squads Fund</u>	<u>Library Endowment Fund</u>	<u>Gretchen Peed Scholarship Fund</u>	<u>Parks/ Historic Preservation Fund</u>	<u>Community Development Fund</u>	<u>Fire District Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,620,315	\$ 3,620,315
-	-	-	-	-	-	-	374,348
-	-	-	-	-	140,433	-	1,481,695
-	-	-	-	33,798	-	-	33,798
239,789	20,409	11,589	1,542	8,396	1,385	49,787	586,749
-	-	-	2,750	874	-	-	3,704
<u>239,789</u>	<u>20,409</u>	<u>11,589</u>	<u>4,292</u>	<u>43,068</u>	<u>141,818</u>	<u>3,670,102</u>	<u>6,100,609</u>
-	-	-	-	-	-	-	425,420
-	1,037,511	-	-	-	-	3,512,306	5,418,376
-	-	-	-	-	121,821	-	121,821
-	-	-	1,729	-	-	-	1,729
-	-	25,000	-	-	-	-	25,000
-	<u>1,037,511</u>	<u>25,000</u>	<u>1,729</u>	-	<u>121,821</u>	<u>3,512,306</u>	<u>5,992,346</u>
<u>239,789</u>	<u>(1,017,102)</u>	<u>(13,411)</u>	<u>2,563</u>	<u>43,068</u>	<u>19,997</u>	<u>157,796</u>	<u>108,263</u>
-	924,000	-	-	-	-	-	1,361,123
-	-	-	-	(180,000)	(11,479)	-	(3,836,281)
-	<u>924,000</u>	-	-	<u>(180,000)</u>	<u>(11,479)</u>	-	<u>(2,475,158)</u>
239,789	(93,102)	(13,411)	2,563	(136,932)	8,518	157,796	(2,366,895)
<u>4,748,505</u>	<u>201,458</u>	<u>257,100</u>	<u>29,913</u>	<u>247,181</u>	<u>(14,075)</u>	<u>632,994</u>	<u>12,345,283</u>
<u>\$ 4,988,294</u>	<u>\$ 108,356</u>	<u>\$ 243,689</u>	<u>\$ 32,476</u>	<u>\$ 110,249</u>	<u>\$ (5,557)</u>	<u>\$ 790,790</u>	<u>\$ 9,978,388</u>

CATAWBA COUNTY, NORTH CAROLINA
Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Other taxes				
911 system subscriber fees	\$ 708,000	\$ 374,348	\$ (333,652)	\$ 809,568
Restricted intergovernmental revenues				
North Carolina 911 wireless funds	261,000	206,536	(54,464)	270,544
North Carolina 911 funds	-	385,663	385,663	-
Investment earnings	-	196,469	196,469	247,010
Miscellaneous	-	-	-	2,588
Total revenues	<u>969,000</u>	<u>1,163,016</u>	<u>194,016</u>	<u>1,329,710</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	91,872	73,890	17,982	121,030
Other operating	542,090	390,049	152,041	430,918
Capital outlay	500,000	395,227	104,773	89,846
Nonoperating	208,432	-	208,432	28,777
Total expenditures	<u>1,342,394</u>	<u>859,166</u>	<u>483,228</u>	<u>670,571</u>
Excess of revenues over (under) expenditures	<u>(373,394)</u>	<u>303,850</u>	<u>677,244</u>	<u>659,139</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	751
Transfers to				
General Fund	(732,033)	(732,033)	-	-
General Capital Projects Fund	(2,782,752)	(2,782,752)	-	(65,336)
Fund balance appropriated	3,888,179	-	(3,888,179)	-
Total other financing sources (uses)	<u>373,394</u>	<u>(3,514,785)</u>	<u>(3,888,179)</u>	<u>(64,585)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,210,935)</u>	<u>\$ (3,210,935)</u>	594,554
Fund Balances - Beginning of Year		<u>4,705,489</u>		<u>4,110,935</u>
Fund Balances - End of Year		<u>\$ 1,494,554</u>		<u>\$ 4,705,489</u>

CATAWBA COUNTY, NORTH CAROLINA
Narcotics Seized Funds and Property Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ 5,000	\$ 24,297	\$ 19,297	\$ 2,261
Investment earnings	-	5,706	5,706	6,020
Miscellaneous	2,000	80	(1,920)	-
Total revenues	<u>7,000</u>	<u>30,083</u>	<u>23,083</u>	<u>8,281</u>
Expenditures				
Current				
Public Safety				
Other operating	21,000	9,393	11,607	11,617
Drug prevention contingency	9,800	-	9,800	-
Total expenditures	<u>30,800</u>	<u>9,393</u>	<u>21,407</u>	<u>11,617</u>
Excess of revenues over (under) expenditures	<u>(23,800)</u>	<u>20,690</u>	<u>44,490</u>	<u>(3,336)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	23,800	-	(23,800)	-
Total other financing sources (uses)	<u>23,800</u>	<u>-</u>	<u>(23,800)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	20,690	<u>\$ 20,690</u>	(3,336)
Fund Balances - Beginning of Year		<u>102,558</u>		<u>105,894</u>
Fund Balances - End of Year		<u>\$ 123,248</u>		<u>\$ 102,558</u>

CATAWBA COUNTY, NORTH CAROLINA
Reappraisal Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	2008			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 13,326	\$ 13,326	\$ 1,599
Total revenues	<u>-</u>	<u>13,326</u>	<u>13,326</u>	<u>1,599</u>
Expenditures				
Current				
General government				
Salaries & employee benefits	389,338	389,236	102	373,812
Other operating	<u>49,069</u>	<u>36,184</u>	<u>12,885</u>	<u>63,070</u>
Total expenditures	<u>438,407</u>	<u>425,420</u>	<u>12,987</u>	<u>436,882</u>
Excess of revenues over (under) expenditures	<u>(438,407)</u>	<u>(412,094)</u>	<u>26,313</u>	<u>(435,283)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	437,123	437,123	-	455,121
Fund balance appropriated	<u>1,284</u>	<u>-</u>	<u>(1,284)</u>	<u>-</u>
Total other financing sources (uses)	<u>438,407</u>	<u>437,123</u>	<u>(1,284)</u>	<u>455,121</u>
Net change in fund balance	<u>\$ -</u>	25,029	<u>\$ 25,029</u>	19,838
Fund Balances - Beginning of Year		<u>39,105</u>		<u>19,267</u>
Fund Balances - End of Year		<u>\$ 64,134</u>		<u>\$ 39,105</u>

CATAWBA COUNTY, NORTH CAROLINA
General Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 8,311	\$ 8,311	\$ 9,417
Total revenues	<u>-</u>	<u>8,311</u>	<u>8,311</u>	<u>9,417</u>
Expenditures				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>8,311</u>	<u>8,311</u>	<u>9,417</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	70,000
Fund balance appropriated	52,059	-	(52,059)	-
Transfers to				
General Fund	(52,059)	(52,059)	-	(71,866)
Total other financing sources (uses)	<u>-</u>	<u>(52,059)</u>	<u>(52,059)</u>	<u>(1,866)</u>
Net change in fund balance	<u>\$ -</u>	<u>(43,748)</u>	<u>\$ (43,748)</u>	<u>7,551</u>
Fund Balances - Beginning of Year		<u>217,519</u>		<u>209,968</u>
Fund Balances - End of Year		<u>\$ 173,771</u>		<u>\$ 217,519</u>

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues	\$ 600,280	\$ 724,766	\$ 124,486	\$ 476,529
Investment earnings	-	30,040	30,040	271,567
Miscellaneous	-	-	-	49,600
Total revenues	<u>600,280</u>	<u>754,806</u>	<u>154,526</u>	<u>797,696</u>
Expenditures				
Capital Outlay				
Future Project Reserve	<u>522,322</u>	-	<u>522,322</u>	-
Total expenditures	<u>522,322</u>	-	<u>522,322</u>	-
Excess of revenues over (under) expenditures	<u>77,958</u>	<u>754,806</u>	<u>676,848</u>	<u>797,696</u>
Other Financing Sources (Uses)				
Transfers to				
General Fund	(77,958)	(77,958)	-	(60,117)
Water & Sewer Construction Fund	-	-	-	(4,810,172)
Total other financing sources (uses)	<u>(77,958)</u>	<u>(77,958)</u>	-	<u>(4,870,289)</u>
Net change in fund balance	<u>\$ -</u>	676,848	<u>\$ 676,848</u>	(4,072,593)
Fund Balances - Beginning of Year		<u>1,177,536</u>		<u>5,250,129</u>
Fund Balances - End of Year		<u>\$ 1,854,384</u>		<u>\$ 1,177,536</u>

CATAWBA COUNTY, NORTH CAROLINA
Hospital Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 239,789	\$ 239,789	\$ 265,161
Total revenues	<u>-</u>	<u>239,789</u>	<u>239,789</u>	<u>265,161</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>239,789</u>	<u>239,789</u>	<u>265,161</u>
Other Financing Sources (Uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>239,789</u>	<u>\$ 239,789</u>	<u>265,161</u>
Fund Balances - Beginning of Year		<u>4,748,505</u>		<u>4,483,344</u>
Fund Balances - End of Year		<u>\$ 4,988,294</u>		<u>\$ 4,748,505</u>

CATAWBA COUNTY, NORTH CAROLINA
Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	-	20,409	20,409	12,532
Total revenues	-	20,409	20,409	12,532
Expenditures				
Public Safety				
Other operating	1,061,017	1,037,511	23,506	842,753
Total expenditures	1,061,017	1,037,511	23,506	842,753
Excess of revenues over (under) expenditures	(1,061,017)	(1,017,102)	43,915	(830,221)
Other Financing Sources (Uses)				
Transfers from				
General Fund	924,000	924,000	-	840,536
Fund balance appropriated	137,017	-	(137,017)	-
Total other financing sources (uses)	1,061,017	924,000	(137,017)	840,536
Net change in fund balance	<u>\$ -</u>	(93,102)	<u>\$ (93,102)</u>	10,315
Fund Balances - Beginning of Year		<u>201,458</u>		<u>191,143</u>
Fund Balances - End of Year		<u>\$ 108,356</u>		<u>\$ 201,458</u>

CATAWBA COUNTY, NORTH CAROLINA
Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	2008			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	-	11,589	11,589	15,394
Total revenues	-	11,589	11,589	15,394
Expenditures				
Culture and recreation				
Other operating	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Excess of revenues over (under) expenditures	(25,000)	(13,411)	11,589	(9,606)
Other Financing Sources (Uses)				
Fund balance appropriated	25,000	-	(25,000)	-
Total other financing sources (uses)	25,000	-	(25,000)	-
Net change in fund balance	\$ -	(13,411)	\$ (13,411)	(9,606)
Fund Balances - Beginning of Year		257,100		266,706
Fund Balances - End of Year		\$ 243,689		\$ 257,100

CATAWBA COUNTY, NORTH CAROLINA
Gretchen Peed Scholarship Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	-	1,542	1,542	1,633
Miscellaneous				
Donations	<u>1,650</u>	<u>2,750</u>	<u>1,100</u>	<u>1,500</u>
Total revenues	<u>1,650</u>	<u>4,292</u>	<u>2,642</u>	<u>3,133</u>
Expenditures				
Human services				
Scholarship awards	<u>1,650</u>	<u>1,729</u>	<u>(79)</u>	<u>500</u>
Total expenditures	<u>1,650</u>	<u>1,729</u>	<u>(79)</u>	<u>500</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>2,563</u>	<u>2,563</u>	<u>2,633</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,563</u>	<u>\$ 2,563</u>	<u>2,633</u>
Fund Balances - Beginning of Year		<u>29,913</u>		<u>27,280</u>
Fund Balances - End of Year		<u>\$ 32,476</u>		<u>\$ 29,913</u>

CATAWBA COUNTY, NORTH CAROLINA
Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Licenses and permits				
Developer fee	-	33,798	33,798	-
Investment earnings	-	8,396	8,396	14,167
Miscellaneous				
Donations	-	50	50	5,408
Cookbook sales	-	824	824	10,983
Total revenues	<u>-</u>	<u>43,068</u>	<u>43,068</u>	<u>30,558</u>
Expenditures				
Economic and physical development				
Other operating	<u>1,989</u>	<u>-</u>	<u>1,989</u>	<u>8,011</u>
Total expenditures	<u>1,989</u>	<u>-</u>	<u>1,989</u>	<u>8,011</u>
Excess of revenues over (under) expenditures	<u>(1,989)</u>	<u>43,068</u>	<u>45,057</u>	<u>22,547</u>
Other Financing Sources (Uses)				
Fund balance appropriated	181,989	-	(181,989)	-
Transfers to				
General Capital Projects Fund	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,989</u>	<u>(180,000)</u>	<u>(181,989)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(136,932)</u>	<u>\$ (136,932)</u>	<u>22,547</u>
Fund Balances - Beginning of Year		<u>247,181</u>		<u>224,634</u>
Fund Balances - End of Year		<u>\$ 110,249</u>		<u>\$ 247,181</u>

CATAWBA COUNTY, NORTH CAROLINA
Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
From Inception and for the Fiscal Year Ended June 30, 2007

NC Housing Finance Agency 2007 Urgent Repair Grant - URP0704	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	1,385	1,385	1,385
Total revenues	75,000	-	38,885	38,885	(36,115)
Expenditures					
Economic and physical development					
Administration	7,500	-	314	314	7,186
Rehabilitation	67,500	-	27,478	27,478	40,022
Total expenditures	75,000	-	27,792	27,792	47,208
Excess of revenues over (under) expenditures	-	-	11,093	11,093	11,093
Net change in fund balance	\$ -	\$ -	11,093	\$ 11,093	\$ 11,093
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			\$ 11,093		
Community Development Block Grant Scattered Site Housing (06-C-1521)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 400,000	\$ 125,040	\$ 80,194	\$ 205,234	\$ (194,766)
Program Income	-	11,479	-	11,479	11,479
Total revenues	400,000	136,519	80,194	216,713	(183,287)
Expenditures					
Economic and physical development					
Administration	40,000	21,298	6,812	28,110	11,890
Rehabilitation	270,500	42,931	46,228	89,159	(181,341)
Clearance	6,000	3,140	-	3,140	2,860
Relocation	80,000	65,650	15,675	81,325	(1,325)
Planning	3,500	3,500	-	3,500	-
Total expenditures	400,000	136,519	68,715	205,234	(167,916)
Excess of revenues over (under) expenditures	-	-	11,479	11,479	11,479
Other Financing Sources (Uses)					
Transfers to					
General Fund	-	-	(11,479)	(11,479)	-
Total other financing sources (uses)	-	-	(11,479)	(11,479)	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			\$ -		

CATAWBA COUNTY, NORTH CAROLINA
Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
From Inception and for the Fiscal Year Ended June 30, 2007

NCDOT Enhancement Project Bunker Hill Covered Bridge (E-4806)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 105,000	\$ 100	\$ -	\$ 100	\$ (104,900)
Total revenues	<u>105,000</u>	<u>100</u>	<u>-</u>	<u>100</u>	<u>(104,900)</u>
Expenditures					
Economic and physical development Capital Outlay	105,000	14,175	1,575	15,750	89,250
Total expenditures	<u>105,000</u>	<u>14,175</u>	<u>1,575</u>	<u>15,750</u>	<u>89,250</u>
Excess of revenues over (under) expenditures	-	(14,075)	(1,575)	(15,650)	(15,650)
Net change in fund balance	<u>\$ -</u>	<u>\$ (14,075)</u>	<u>(1,575)</u>	<u>\$ (15,650)</u>	<u>\$ (15,650)</u>
Fund Balances - Beginning of Year			(14,075)		
Fund Balances - End of Year			<u>\$ (15,650)</u>		

Community Development Block Grant Individual Development Accounts (05-C-1472)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 70,000	\$ 25,965	\$ 22,739	\$ 48,704	\$ (21,296)
Total revenues	<u>70,000</u>	<u>25,965</u>	<u>22,739</u>	<u>48,704</u>	<u>(21,296)</u>
Expenditures					
Economic and physical development Administration	10,000	3,186	2,069	5,255	4,745
Rehabilitation	60,000	22,779	21,670	44,449	15,551
Total expenditures	<u>70,000</u>	<u>25,965</u>	<u>23,739</u>	<u>49,704</u>	<u>20,296</u>
Excess of revenues over (under) expenditures	-	-	(1,000)	(1,000)	(1,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			<u>\$ (1,000)</u>		
Grand Total					
Fund Balances - Beginning of Year			(14,075)		
Fund Balances - End of Year			<u>\$ (5,557)</u>		

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
Revenues					
Ad valorem taxes	\$ 334,921	\$ 204,282	\$ 432,268	\$ 80,833	\$ 258,516
Investment earnings	2,874	2,429	3,326	718	5,470
Total revenues	<u>337,795</u>	<u>206,711</u>	<u>435,594</u>	<u>81,551</u>	<u>263,986</u>
Expenditures					
Current					
Public safety	331,313	204,273	429,334	75,589	245,601
Total expenditures	<u>331,313</u>	<u>204,273</u>	<u>429,334</u>	<u>75,589</u>	<u>245,601</u>
Excess of revenue over (under) expenditures	<u>6,482</u>	<u>2,438</u>	<u>6,260</u>	<u>5,962</u>	<u>18,385</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6,482	2,438	6,260	5,962	18,385
Fund Balances - Beginning of Year	<u>34,956</u>	<u>32,144</u>	<u>32,818</u>	<u>8,001</u>	<u>74,066</u>
Fund Balances - End of Year	<u>\$ 41,438</u>	<u>\$ 34,582</u>	<u>\$ 39,078</u>	<u>\$ 13,963</u>	<u>\$ 92,451</u>

(continued on page 118)

Sherrills Ford Fire District Fund	Bandys Fire District Fund	Maiden Fire District Fund	Claremont Fire District Fund	Catawba Fire District Fund	Long View Fire District Fund	Newton Rural Fire District Fund
\$ 758,669	\$ 358,052	\$ 139,887	\$ 223,921	\$ 130,398	\$ 22,443	\$ 340,456
11,218	6,497	3,588	1,517	3,938	685	3,019
<u>769,887</u>	<u>364,549</u>	<u>143,475</u>	<u>225,438</u>	<u>134,336</u>	<u>23,128</u>	<u>343,475</u>
717,653	340,603	135,771	229,644	123,967	22,326	332,767
<u>717,653</u>	<u>340,603</u>	<u>135,771</u>	<u>229,644</u>	<u>123,967</u>	<u>22,326</u>	<u>332,767</u>
52,234	23,946	7,704	(4,206)	10,369	802	10,708
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
52,234	23,946	7,704	(4,206)	10,369	802	10,708
131,226	85,287	55,702	25,570	61,826	11,178	29,249
<u>131,226</u>	<u>85,287</u>	<u>55,702</u>	<u>25,570</u>	<u>61,826</u>	<u>11,178</u>	<u>29,249</u>
\$ 183,460	\$ 109,233	\$ 63,406	\$ 21,364	\$ 72,195	\$ 11,980	\$ 39,957
<u>\$ 183,460</u>	<u>\$ 109,233</u>	<u>\$ 63,406</u>	<u>\$ 21,364</u>	<u>\$ 72,195</u>	<u>\$ 11,980</u>	<u>\$ 39,957</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

	<u>Cooksville Fire District Fund</u>	<u>Denver Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Fairbrook Fire District Fund</u>
Revenues				
Ad valorem taxes	\$ 75,456	\$ 118,116	\$ 142,097	\$ -
Investment earnings	1,633	1,610	1,265	-
Total revenues	<u>77,089</u>	<u>119,726</u>	<u>143,362</u>	<u>-</u>
Expenditures				
Current				
Public safety	71,248	111,653	140,564	-
Total expenditures	<u>71,248</u>	<u>111,653</u>	<u>140,564</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>5,841</u>	<u>8,073</u>	<u>2,798</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	-	9,632	-
Transfers to other funds	-	-	-	(7,319)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,632</u>	<u>(7,319)</u>
Net change in fund balance	5,841	8,073	12,430	(7,319)
Fund Balances - Beginning of Year	<u>22,817</u>	<u>18,522</u>	<u>-</u>	<u>7,319</u>
Fund Balances - End of Year	<u>\$ 28,658</u>	<u>\$ 26,595</u>	<u>\$ 12,430</u>	<u>\$ -</u>

<u>Viewmont Fire District Fund</u>	<u>Total Fire District Funds</u>
\$ -	\$ 3,620,315
<u>-</u>	<u>49,787</u>
<u>-</u>	<u>3,670,102</u>
 <u>-</u>	 <u>3,512,306</u>
 <u>-</u>	 <u>3,512,306</u>
 <u>-</u>	 <u>157,796</u>
 <u>-</u>	 <u>9,632</u>
<u>(2,313)</u>	<u>(9,632)</u>
<u>(2,313)</u>	<u>-</u>
 <u>(2,313)</u>	 <u>157,796</u>
 <u>2,313</u>	 <u>632,994</u>
 <u>\$ -</u>	 <u>\$ 790,790</u>

CATAWBA COUNTY, NORTH CAROLINA
Mountain View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 319,269	\$ 334,921	\$ 15,652	\$ 318,701
Investment earnings	-	2,874	2,874	1,659
Total revenues	<u>319,269</u>	<u>337,795</u>	<u>18,526</u>	<u>320,360</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>331,313</u>	<u>331,313</u>	-	<u>309,857</u>
Total expenditures	<u>331,313</u>	<u>331,313</u>	-	<u>309,857</u>
Excess of revenues over (under) expenditures	(12,044)	6,482	18,526	10,503
Other Financing Sources (Uses)				
Fund balance appropriated	<u>12,044</u>	-	<u>(12,044)</u>	-
Total other financing sources (uses)	<u>12,044</u>	-	<u>(12,044)</u>	-
Net change in fund balance	<u>\$ -</u>	6,482	<u>\$ 6,482</u>	10,503
Fund Balances - Beginning of Year		<u>34,956</u>		<u>24,453</u>
Fund Balances - End of Year		<u>\$ 41,438</u>		<u>\$ 34,956</u>

CATAWBA COUNTY, NORTH CAROLINA
Propst Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 194,887	\$ 204,282	\$ 9,395	\$ 198,883
Investment earnings	-	2,429	2,429	1,098
Total revenues	<u>194,887</u>	<u>206,711</u>	<u>11,824</u>	<u>199,981</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>204,273</u>	<u>204,273</u>	-	<u>184,312</u>
Total expenditures	<u>204,273</u>	<u>204,273</u>	-	<u>184,312</u>
Excess of revenues over (under) expenditures	(9,386)	2,438	11,824	15,669
Other Financing Sources (Uses)				
Fund balance appropriated	<u>9,386</u>	-	<u>(9,386)</u>	-
Total other financing sources (uses)	<u>9,386</u>	-	<u>(9,386)</u>	-
Net change in fund balance	<u>\$ -</u>	2,438	<u>\$ 2,438</u>	15,669
Fund Balances - Beginning of Year		<u>32,144</u>		<u>16,475</u>
Fund Balances - End of Year		<u>\$ 34,582</u>		<u>\$ 32,144</u>

CATAWBA COUNTY, NORTH CAROLINA
St. Stephens Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 418,874	\$ 432,268	\$ 13,394	\$ 398,200
Investment earnings	-	3,326	3,326	1,435
Total revenues	<u>418,874</u>	<u>435,594</u>	<u>16,720</u>	<u>399,635</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>429,334</u>	<u>429,334</u>	<u>-</u>	<u>386,844</u>
Total expenditures	<u>429,334</u>	<u>429,334</u>	<u>-</u>	<u>386,844</u>
Excess of revenues over (under) expenditures	(10,460)	6,260	16,720	12,791
Other Financing Sources (Uses)				
Fund balance appropriated	<u>10,460</u>	-	<u>(10,460)</u>	-
Total other financing sources (uses)	<u>10,460</u>	-	<u>(10,460)</u>	-
Net change in fund balance	<u>\$ -</u>	6,260	<u>\$ 6,260</u>	12,791
Fund Balances - Beginning of Year		<u>32,818</u>		<u>20,027</u>
Fund Balances - End of Year		<u>\$ 39,078</u>		<u>\$ 32,818</u>

CATAWBA COUNTY, NORTH CAROLINA
Conover Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actuals
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 75,589	\$ 80,833	\$ 5,244	\$ 70,889
Investment earnings	-	718	718	333
Total revenues	<u>75,589</u>	<u>81,551</u>	<u>5,962</u>	<u>71,222</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>75,589</u>	<u>75,589</u>	-	<u>68,548</u>
Total expenditures	<u>75,589</u>	<u>75,589</u>	-	<u>68,548</u>
Excess of revenues over (under) expenditures	-	5,962	5,962	2,674
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	5,962	<u>\$ 5,962</u>	2,674
Fund Balances - Beginning of Year		<u>8,001</u>		<u>5,327</u>
Fund Balances - End of Year		<u>\$ 13,963</u>		<u>\$ 8,001</u>

CATAWBA COUNTY, NORTH CAROLINA
Oxford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 245,601	\$ 258,516	\$ 12,915	\$ 247,745
Investment earnings	-	5,470	5,470	3,472
Total revenues	<u>245,601</u>	<u>263,986</u>	<u>18,385</u>	<u>251,217</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>245,601</u>	<u>245,601</u>	-	<u>232,733</u>
Total expenditures	<u>245,601</u>	<u>245,601</u>	-	<u>232,733</u>
Excess of revenues over (under) expenditures	-	18,385	18,385	18,484
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	18,385	<u>\$ 18,385</u>	18,484
Fund Balances - Beginning of Year		<u>74,066</u>		<u>55,582</u>
Fund Balances - End of Year		<u>\$ 92,451</u>		<u>\$ 74,066</u>

CATAWBA COUNTY, NORTH CAROLINA
Sherrills Ford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 717,653	\$ 758,669	\$ 41,016	\$ 542,534
Investment earnings	-	11,218	11,218	5,751
Total revenues	<u>717,653</u>	<u>769,887</u>	<u>52,234</u>	<u>548,285</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>717,653</u>	<u>717,653</u>	-	<u>528,203</u>
Total expenditures	<u>717,653</u>	<u>717,653</u>	-	<u>528,203</u>
Excess of revenues over (under) expenditures	-	52,234	52,234	20,082
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	52,234	<u>\$ 52,234</u>	20,082
Fund Balances - Beginning of Year		<u>131,226</u>		<u>111,144</u>
Fund Balances - End of Year		<u>\$ 183,460</u>		<u>\$ 131,226</u>

CATAWBA COUNTY, NORTH CAROLINA
Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 340,603	\$ 358,052	\$ 17,449	\$ 322,972
Investment earnings	-	6,497	6,497	4,028
Total revenues	<u>340,603</u>	<u>364,549</u>	<u>23,946</u>	<u>327,000</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>340,603</u>	<u>340,603</u>	-	<u>307,650</u>
Total expenditures	<u>340,603</u>	<u>340,603</u>	-	<u>307,650</u>
Excess of revenues over (under) expenditures	-	23,946	23,946	19,350
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	23,946	<u>\$ 23,946</u>	19,350
Fund Balances - Beginning of Year		<u>85,287</u>		<u>65,937</u>
Fund Balances - End of Year		<u>\$ 109,233</u>		<u>\$ 85,287</u>

CATAWBA COUNTY, NORTH CAROLINA
Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 135,771	\$ 139,887	\$ 4,116	\$ 124,669
Investment earnings	-	3,588	3,588	2,980
Total revenues	<u>135,771</u>	<u>143,475</u>	<u>7,704</u>	<u>127,649</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>135,771</u>	<u>135,771</u>	-	<u>121,453</u>
Total expenditures	<u>135,771</u>	<u>135,771</u>	-	<u>121,453</u>
Excess of revenues over (under) expenditures	-	7,704	7,704	6,196
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	7,704	<u>\$ 7,704</u>	6,196
Fund Balances - Beginning of Year		<u>55,702</u>		<u>49,506</u>
Fund Balances - End of Year		<u>\$ 63,406</u>		<u>\$ 55,702</u>

CATAWBA COUNTY, NORTH CAROLINA
Claremont Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 208,903	\$ 223,921	\$ 15,018	\$ 199,857
Investment earnings	-	1,517	1,517	1,350
Total revenues	<u>208,903</u>	<u>225,438</u>	<u>16,535</u>	<u>201,207</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>229,644</u>	<u>229,644</u>	<u>-</u>	<u>201,637</u>
Total expenditures	<u>229,644</u>	<u>229,644</u>	<u>-</u>	<u>201,637</u>
Excess of revenues over (under) expenditures	(20,741)	(4,206)	16,535	(430)
Other Financing Sources (Uses)				
Fund balance appropriated	<u>20,741</u>	<u>-</u>	<u>(20,741)</u>	<u>-</u>
Total other financing sources (uses)	<u>20,741</u>	<u>-</u>	<u>(20,741)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(4,206)	<u>\$ (4,206)</u>	(430)
Fund Balances - Beginning of Year		<u>25,570</u>		<u>26,000</u>
Fund Balances - End of Year		<u>\$ 21,364</u>		<u>\$ 25,570</u>

CATAWBA COUNTY, NORTH CAROLINA
Catawba Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 123,967	\$ 130,398	\$ 6,431	\$ 110,268
Investment earnings	-	3,938	3,938	3,158
Total revenues	<u>123,967</u>	<u>134,336</u>	<u>10,369</u>	<u>113,426</u>
Expenditures				
Public safety				
Transmitted to fire department	123,967	123,967	-	103,040
Total expenditures	<u>123,967</u>	<u>123,967</u>	<u>-</u>	<u>103,040</u>
Excess of revenues over (under) expenditures	-	10,369	10,369	10,386
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	10,369	<u>\$ 10,369</u>	10,386
Fund Balances - Beginning of Year		<u>61,826</u>		<u>51,440</u>
Fund Balances - End of Year		<u>\$ 72,195</u>		<u>\$ 61,826</u>

CATAWBA COUNTY, NORTH CAROLINA
Long View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 22,326	\$ 22,443	\$ 117	\$ 22,383
Investment earnings	-	685	685	631
Total revenues	<u>22,326</u>	<u>23,128</u>	<u>802</u>	<u>23,014</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>22,326</u>	<u>22,326</u>	-	<u>22,383</u>
Total expenditures	<u>22,326</u>	<u>22,326</u>	<u>-</u>	<u>22,383</u>
Excess of revenues over (under) expenditures	-	802	802	631
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	802	<u>\$ 802</u>	631
Fund Balances - Beginning of Year		<u>11,178</u>		<u>10,547</u>
Fund Balances - End of Year		<u>\$ 11,980</u>		<u>\$ 11,178</u>

CATAWBA COUNTY, NORTH CAROLINA
Newton Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 326,567	\$ 340,456	\$ 13,889	\$ 309,607
Investment earnings	-	3,019	3,019	962
Total revenues	<u>326,567</u>	<u>343,475</u>	<u>16,908</u>	<u>310,569</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>332,767</u>	<u>332,767</u>	-	<u>295,132</u>
Total expenditures	<u>332,767</u>	<u>332,767</u>	-	<u>295,132</u>
Excess of revenues over (under) expenditures	(6,200)	10,708	16,908	15,437
Other Financing Sources (Uses)				
Fund balance appropriated	<u>6,200</u>	-	<u>(6,200)</u>	-
Total other financing sources (uses)	<u>6,200</u>	-	<u>(6,200)</u>	-
Net change in fund balance	<u>\$ -</u>	10,708	<u>\$ 10,708</u>	15,437
Fund Balances - Beginning of Year		<u>29,249</u>		<u>13,812</u>
Fund Balances - End of Year		<u>\$ 39,957</u>		<u>\$ 29,249</u>

CATAWBA COUNTY, NORTH CAROLINA
Cooksville Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 71,248	\$ 75,456	\$ 4,208	\$ 72,582
Investment earnings	-	1,633	1,633	1,093
Total revenues	<u>71,248</u>	<u>77,089</u>	<u>5,841</u>	<u>73,675</u>
Expenditures				
Public safety				
Transmitted to fire department	71,248	71,248	-	67,830
Total expenditures	<u>71,248</u>	<u>71,248</u>	<u>-</u>	<u>67,830</u>
Excess of revenues over (under) expenditures	-	5,841	5,841	5,845
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	5,841	<u>\$ 5,841</u>	5,845
Fund Balances - Beginning of Year		<u>22,817</u>		<u>16,972</u>
Fund Balances - End of Year		<u>\$ 28,658</u>		<u>\$ 22,817</u>

CATAWBA COUNTY, NORTH CAROLINA
Denver Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 107,996	\$ 118,116	\$ 10,120	\$ 111,968
Investment earnings	-	1,610	1,610	513
Total revenues	<u>107,996</u>	<u>119,726</u>	<u>11,730</u>	<u>112,481</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>111,653</u>	<u>111,653</u>	-	<u>101,679</u>
Total expenditures	<u>111,653</u>	<u>111,653</u>	-	<u>101,679</u>
Excess of revenues over (under) expenditures	(3,657)	8,073	11,730	10,802
Other Financing Sources (Uses)				
Fund balance appropriated	<u>3,657</u>	-	<u>(3,657)</u>	-
Total other financing sources (uses)	<u>3,657</u>	-	<u>(3,657)</u>	-
Net change in fund balance	<u>\$ -</u>	8,073	<u>\$ 8,073</u>	10,802
Fund Balances - Beginning of Year		<u>18,522</u>		<u>7,720</u>
Fund Balances - End of Year		<u>\$ 26,595</u>		<u>\$ 18,522</u>

CATAWBA COUNTY, NORTH CAROLINA
Hickory Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 136,003	\$ 142,097	\$ 6,094	\$ -
Investment earnings	-	1,265	1,265	-
Total revenues	<u>136,003</u>	<u>143,362</u>	<u>7,359</u>	<u>-</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>140,564</u>	<u>140,564</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>140,564</u>	<u>140,564</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(4,561)	2,798	7,359	-
Other Financing Sources (Uses)				
Transfers from other funds	-	9,632	9,632	
Fund balance appropriated	<u>4,561</u>	<u>-</u>	<u>(4,561)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,561</u>	<u>9,632</u>	<u>5,071</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	12,430	<u>\$ 12,430</u>	-
Fund Balances - Beginning of Year		<u>-</u>		<u>-</u>
Fund Balances - End of Year		<u>\$ 12,430</u>		<u>\$ -</u>

CATAWBA COUNTY, NORTH CAROLINA
Fairbrook Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 86,436
Investment earnings	-	-	-	265
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,701</u>
Expenditures				
Public safety				
Transmitted to fire department	-	-	-	83,125
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,125</u>
Excess of revenues over (under) expenditures	-	-	-	3,576
Other Financing Sources (Uses)				
Transfers to other funds	-	(7,319)	(7,319)	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,319)</u>	<u>(7,319)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,319)</u>	<u>\$ (7,319)</u>	3,576
Fund Balances - Beginning of Year		<u>7,319</u>		<u>3,743</u>
Fund Balances - End of Year		<u>\$ -</u>		<u>\$ 7,319</u>

CATAWBA COUNTY, NORTH CAROLINA
Viewmont Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	<u>2008</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 42,572
Investment earnings	-	-	-	103
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,675</u>
Expenditures				
Public safety				
Transmitted to fire department	-	-	-	41,716
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,716</u>
Excess of revenues over (under) expenditures	-	-	-	959
Other Financing Sources (Uses)				
Transfers to other funds	-	(2,313)	(2,313)	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,313)</u>	<u>(2,313)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,313)</u>	<u>\$ (2,313)</u>	959
Fund Balances - Beginning of Year		<u>2,313</u>		<u>1,354</u>
Fund Balances - End of Year		<u>\$ -</u>		<u>\$ 2,313</u>

Capital Projects Funds

To account for financial resources to used for the acquisition of construction of major capital facilities.

Major Funds

Water & Sewer Construction Fund -

To account for the financing and construction of all major water and sewer capital projects in the unincorporated sections of the County.

School Construction Fund -

To account for the financing and construction of major capital projects for the three school systems and community college in the County.

Non Major Funds

General Capital Projects Fund -

To account for the financing and construction of all major general government capital projects.

School Capital Projects Fund -

To account for the financing and construction of all major capital projects for the three school systems and community college in the County.

School Bond Fund - 1997 Series -

To account for the construction of major capital projects for the three school systems in the County to be paid for out of bond proceeds.

Hospital Construction Fund -

To account for the financing and construction of all major capital projects for Catawba Valley Medical Center.

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2008

	<u>General Capital Projects Fund</u>	<u>School Capital Fund</u>	<u>School Bond Fund - 1997 Series</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Assets					
Cash and investments	\$ 11,075,054	\$ 14,103,898	\$ 88,013	\$ 21,790	\$ 25,288,755
Due from other governments	98,767	1,445,517	-	-	1,544,284
Interest receivables	51,831	70,950	490	121	123,392
Restricted cash and investments	<u>1,020,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,020,532</u>
Total assets	<u>12,246,184</u>	<u>15,620,365</u>	<u>88,503</u>	<u>21,911</u>	<u>27,976,963</u>
Liabilities					
Accounts payable	<u>44,921</u>	<u>142,972</u>	<u>-</u>	<u>-</u>	<u>187,893</u>
Total liabilities	<u>44,921</u>	<u>142,972</u>	<u>-</u>	<u>-</u>	<u>187,893</u>
Fund Balance					
Unreserved	<u>12,201,263</u>	<u>15,477,393</u>	<u>88,503</u>	<u>21,911</u>	<u>27,789,070</u>
Total fund balances	<u>12,201,263</u>	<u>15,477,393</u>	<u>88,503</u>	<u>21,911</u>	<u>27,789,070</u>
Total liabilities and fund balances	<u>\$ 12,246,184</u>	<u>\$ 15,620,365</u>	<u>\$ 88,503</u>	<u>\$ 21,911</u>	<u>\$ 27,976,963</u>

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

	General Capital Projects Fund	School Capital Fund	School Bond Fund - 1997 Series Fund	Hospital Construction Fund	Total Nonmajor Capital Projects Fund
Revenues					
Other taxes	\$ -	\$ 5,759,627	\$ -	\$ -	\$ 5,759,627
Restricted intergovernmental revenues	125,000	1,928,499	-	-	2,053,499
Investment earnings	504,191	542,546	3,244	1,053	1,051,034
Miscellaneous	<u>495,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,998</u>
Total revenues	<u>1,125,189</u>	<u>8,230,672</u>	<u>3,244</u>	<u>1,053</u>	<u>9,360,158</u>
Expenditures					
Capital outlay	<u>2,081,859</u>	<u>5,377,572</u>	<u>1,164</u>	<u>-</u>	<u>7,460,595</u>
Total expenditures	<u>2,081,859</u>	<u>5,377,572</u>	<u>1,164</u>	<u>-</u>	<u>7,460,595</u>
Excess of revenues over (under) expenditures	<u>(956,670)</u>	<u>2,853,100</u>	<u>2,080</u>	<u>1,053</u>	<u>1,899,563</u>
Other Financing Sources (Uses)					
Transfers from other funds	3,860,062	747,943	-	-	4,608,005
Transfers to other funds	(215,995)	(60,062)	-	-	(276,057)
Qualified Zone Academy Bonds issued	-	700,000	-	-	700,000
Total other financing sources (uses)	<u>3,644,067</u>	<u>1,387,881</u>	<u>-</u>	<u>-</u>	<u>5,031,948</u>
Net change in fund balance	2,687,397	4,240,981	2,080	1,053	6,931,511
Fund Balances - Beginning of Year	<u>9,513,866</u>	<u>11,236,412</u>	<u>86,423</u>	<u>20,858</u>	<u>20,857,559</u>
Fund Balances - End of Year	<u>\$ 12,201,263</u>	<u>\$ 15,477,393</u>	<u>\$ 88,503</u>	<u>\$ 21,911</u>	<u>\$ 27,789,070</u>

CATAWBA COUNTY, NORTH CAROLINA
General Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Geospatial grant	\$ -	\$ 12,118	\$ -	\$ 12,118	\$ 12,118
North Carolina Department of Health and Human Services - Division of Mental Health	150,000	150,000	-	150,000	-
Parks and Recreation grant	125,000	-	125,000	125,000	-
Investment earnings	321,179	4,404,377	504,191	4,908,568	4,587,389
Miscellaneous					
Personnel indirect cost	50,000	50,000	-	50,000	-
Mental Health	1,498,719	1,498,719	-	1,498,719	-
Miscellaneous	158,136	144,163	-	144,163	(13,973)
Rental - Jail Beds	150,000	-	129,002	129,002	(20,998)
Rental - Mental Health	360,000	-	366,996	366,996	6,996
Total revenues	<u>2,813,034</u>	<u>6,259,377</u>	<u>1,125,189</u>	<u>7,384,566</u>	<u>4,571,532</u>
Expenditures					
Capital outlay					
Animal Shelter - HVAC	8,000	-	6,160	6,160	1,840
Dental Clinic	403,400	118,024	-	118,024	285,376
Finance/Budget/Personnel Software	1,396,323	1,394,654	-	1,394,654	1,669
Future Debt Service	2,137,615	-	-	-	2,137,615
Future Unspecified Projects	17,809	-	-	-	17,809
General Renovations	915,468	593,766	272,731	866,497	48,971
Hickory Rescue Squad	387,447	-	-	-	387,447
Imaging System	60,000	34,830	5,372	40,202	19,798
Jail Expansion	18,171,405	16,547,536	1,023,161	17,570,697	600,708
Jail Expansion - Federal Beds	150,000	-	-	-	150,000
Justice Center Expansion	300,000	208,323	79,559	287,882	12,118
Justice Center Roofing	140,000	139,572	-	139,572	428
Justice Center Security System	20,000	18,191	-	18,191	1,809
Mental Health Lifeskills Building	2,036,550	1,548,310	360,811	1,909,121	127,429
Microsoft Software Licensing	615,000	507,433	14,764	522,197	92,803
Mobile Field Applications	391,000	37,768	28,346	66,114	324,886
Newton-Conover Rescue Squad	120,000	-	-	-	120,000
PeopleSoft Financials Project	298,702	298,513	-	298,513	189
Permitting/Inspections System	50,000	-	-	-	50,000
Public Health Billing System	60,000	59,985	-	59,985	15
Public Safety Center	2,000,000	-	-	-	2,000,000
Public Safety Software System	622,149	599,062	21,732	620,794	1,355
Radio Frequency Study	1,114,904	1,050,353	23,302	1,073,655	41,249
Right of Way Acquisition	85,268	20,617	-	20,617	64,651
Riverbend Park Renovation	285,000	275,574	-	275,574	9,426
Roofing Projects	175,227	171,374	-	171,374	3,853
Sherrills Ford Library	375,000	-	-	-	375,000
Snow Creek Park Gardens	180,000	-	6,683	6,683	173,317
Tax Software	315,000	299,332	15,668	315,000	-
Technology Infrastructure Upgrades	418,100	16,501	223,570	240,071	178,029
Viper 800mhz System	282,752	-	-	-	282,752
Voting Equipment	1,124,000	1,112,689	-	1,112,689	11,311
Total expenditures	<u>34,656,119</u>	<u>25,052,407</u>	<u>2,081,859</u>	<u>27,134,266</u>	<u>7,521,853</u>
Excess of revenues over (under) expenditures	<u>(31,843,085)</u>	<u>(18,793,030)</u>	<u>(956,670)</u>	<u>(19,749,700)</u>	<u>12,093,385</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	12,946,328	12,049,018	897,310	12,946,328	-
Emergency Telephone Fund Transfer	2,782,752	-	2,782,752	2,782,752	-

CATAWBA COUNTY, NORTH CAROLINA
General Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Park Preservation Fund	340,000	160,000	180,000	340,000	-
Transfers to					
General Fund	(2,249,995)	(2,034,000)	(215,995)	(2,249,995)	-
Sales of Capital Assets	24,000	322,428	-	322,428	298,428
Certificates of Participation Issued - Series 2005	18,000,000	16,950,000	-	16,950,000	(1,050,000)
Premium on Certificates of Participation	-	859,450	-	859,450	859,450
Total other financing sources (uses)	<u>31,843,085</u>	<u>28,306,896</u>	<u>3,644,067</u>	<u>31,950,963</u>	<u>107,878</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,513,866</u>	2,687,397	<u>\$ 12,201,263</u>	<u>\$ 12,201,263</u>
Fund Balances - Beginning of Year			<u>9,513,866</u>		
Fund Balances - End of Year			<u>\$ 12,201,263</u>		

CATAWBA COUNTY, NORTH CAROLINA
School Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other taxes					
Sales Taxes-Article 40-one half of one percent	\$ 5,893,551	\$ 6,185,721	\$ 1,933,553	\$ 8,119,274	\$ 2,225,723
Sales Taxes-Article 42-one half of one percent	4,321,599	5,627,088	3,826,074	9,453,162	5,131,563
Restricted intergovernmental revenues					
Public School Building Capital Fund	6,700,000	6,138,222	1,749,595	7,887,817	1,187,817
Public School Building Lottery Fund	178,904	-	178,904	178,904	-
Investment earnings	4,704,890	3,827,804	542,546	4,370,350	(334,540)
Total revenues	<u>21,798,944</u>	<u>21,778,835</u>	<u>8,230,672</u>	<u>30,009,507</u>	<u>8,210,563</u>
Expenditures					
Capital outlay					
Catawba County Schools					
American with Disabilities Act Renovations	650,000	548,046	21,731	569,777	80,223
Arndt Middle School Chiller	223,233	221,927	1,306	223,233	-
Balls Creek Elementary Sewer	10,000	-	-	-	10,000
Banoak Elementary Property	100,000	18,500	12,000	30,500	69,500
Bunker Hill High Cafeteria/Class Renovation	1,622,182	1,587,204	34,978	1,622,182	-
Bus Garage - Biodiesel Tank	41,000	-	-	-	41,000
Capital Projects Manager	30,488	-	30,488	30,488	-
Catawba Elementary Infrastructure	370,000	163,320	206,680	370,000	-
Catawba Elementary Technology	150,000	-	150,000	150,000	-
Emergency Generators	70,000	-	21,385	21,385	48,615
Fred T Foard High School Air Conditioning	206,700	-	89,064	89,064	117,636
Gym Bleacher Replacements	105,000	-	105,000	105,000	-
Gym Floor Replacements	95,000	-	19,804	19,804	75,196
Maiden High School Furnishings	947,096	892,033	55,063	947,096	-
Maiden High School Infrastructure	630,000	605,510	175	605,685	24,315
Maintenance Vehicles	99,000	19,992	79,008	99,000	-
Per Capita Allocation	854,496	-	854,496	854,496	-
Roofing Projects	1,145,000	463,040	445,356	908,396	236,604
School Buses	2,533,155	1,807,105	204,342	2,011,447	521,708
Sherrills Ford Wastewater	40,000	19,942	9,335	29,277	10,723
St. Stephens High School Air Conditioning	240,000	-	-	-	240,000
Total Catawba County Schools	<u>10,162,350</u>	<u>6,346,619</u>	<u>2,340,211</u>	<u>8,686,830</u>	<u>1,475,520</u>
Catawba County Community College					
Energy Management	95,343	-	95,343	95,343	-
General Renovations	1,633,716	486,868	100,183	587,051	1,046,665
HVAC Replacement	60,000	-	60,000	60,000	-
Newton Center Renovations	236,000	121,436	114,560	235,996	4
Parking Lot Security	40,000	-	-	-	40,000
Paving Projects	420,000	-	-	-	420,000
Student Services Renovation	100,000	7,631	47,851	55,482	44,518
Student Transportation/Van	45,492	-	45,492	45,492	-
Turf Management Building	350,000	25,184	324,816	350,000	-
Total Catawba Valley Community College	<u>2,980,551</u>	<u>641,119</u>	<u>788,245</u>	<u>1,429,364</u>	<u>1,551,187</u>
Hickory Public Schools					
American with Disabilities Act	150,000	117,505	-	117,505	32,495
Bus Handicapped Activity	65,000	64,991	-	64,991	9
Drainage and Erosion Control	20,000	5,040	8,605	13,645	6,355
Fire Alarms	50,000	34,669	-	34,669	15,331
Hickory High School American Legion Renovation	2,883,467	1,653,943	548,849	2,202,792	680,675
Hickory High School Asbestos	600,000	499,673	45,331	545,004	54,996
Hickory High School Classroom Addition	440,200	405,193	35,007	440,200	-
Hickory High School Roofing	75,000	3,434	62,189	65,623	9,377
Hickory High School Vocational Building	25,000	7,708	-	7,708	17,292
Jenkins Elementary HVAC	342,669	-	342,669	342,669	-

CATAWBA COUNTY, NORTH CAROLINA
School Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

Project	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Jenkins Elementary Fence and Wall	20,000	-	-	-	20,000
Maintenance Trucks	34,500	-	34,500	34,500	-
Northview Middle Gymnasium Floor	6,986	-	6,986	6,986	-
Parking Lots	195,930	185,232	-	185,232	10,698
Per Capita Allocation	214,752	-	214,752	214,752	-
Southwest Elementary Roof	173,972	91,834	1,521	93,355	80,617
Viewmont Gym Floor	63,165	-	-	-	63,165
Total Hickory Public Schools	5,360,641	3,069,222	1,300,409	4,369,631	991,010
Newton-Conover City Schools					
Activity Buses	74,856	-	55,000	55,000	19,856
Administration Building - Covered Walkways	78,980	-	78,980	78,980	-
Americans with Disabilities Act	80,000	29,436	47,561	76,997	3,003
Asbestos Removal	66,869	22,276	6,017	28,293	38,576
Capital Projects Manager	30,488	-	30,488	30,488	-
Community Schools Renovation	50,205	-	50,205	50,205	-
Maintenance Vehicles	18,533	-	18,011	18,011	522
Newton-Conover Health Science School	178,904	-	-	-	178,904
Newton-Conover High School Computer Lab	26,191	-	26,191	26,191	-
Newton-Conover High School Gym Roof	148,027	147,863	164	148,027	-
Newton-Conover High School Press Box	35,000	-	-	-	35,000
Newton-Conover High School Track Resurface	64,598	-	-	-	64,598
Newton-Conover High School Underground Tank	60,000	31,259	-	31,259	28,741
Newton-Conover Middle School Multizone Units	382,792	115,000	267,792	382,792	-
Per Capita Allocation	142,512	-	142,512	142,512	-
South Newton Elementary Renovations	30,000	7,672	-	7,672	22,328
South Newton/Thornton Intercom System	60,500	35,175	25,325	60,500	-
Summit System	70,000	1,782	46,350	48,132	21,868
Warehouse	155,000	-	154,111	154,111	889
Total Newton-Conover City Schools	1,753,455	390,463	948,707	1,339,170	414,285
Future Unspecified Projects	3,286,885	-	-	-	3,286,885
Total expenditures	23,543,882	10,447,423	5,377,572	15,824,995	7,718,887
Excess of revenues over (under) expenditures	(1,744,938)	11,331,412	2,853,100	14,184,512	15,929,450
Other Financing Sources (Uses)					
Transfers from					
General Fund	1,200,000	-	747,943	747,943	(452,057)
School Construction Fund	142,000	142,000	-	142,000	-
Transfers to					
General Fund	(297,062)	(237,000)	(60,062)	(297,062)	-
Proceeds from Qualified Zone Academy Bonds (QZAB) Financing	700,000	-	700,000	700,000	-
Total other financing sources (uses)	1,744,938	(95,000)	1,387,881	1,292,881	(452,057)
Net change in fund balance	\$ -	\$ 11,236,412	4,240,981	\$ 15,477,393	\$ 15,477,393
Fund Balances - Beginning of Year			11,236,412		
Fund Balances - End of Year			\$ 15,477,393		

CATAWBA COUNTY, NORTH CAROLINA
School Bond Fund - 1997 Series
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ 1,883,390	\$ 1,943,364	\$ 3,244	\$ 1,946,608	\$ 63,218
Expenditures					
Hickory Public Schools					
College Park Renovations	419,377	410,724	-	410,724	8,653
Technology	1,475,000	1,457,204	1,164	1,458,368	16,632
Total expenditures	1,894,377	1,867,928	1,164	1,869,092	25,285
Excess of revenues over (under) expenditures	(10,987)	75,436	2,080	77,516	88,503
Other Financing Sources (Uses)					
Transfer from School Capital Fund	10,987	10,987	-	10,987	-
Total other financing sources (uses)	10,987	10,987	-	10,987	-
Net change in fund balance	\$ -	\$ 86,423	2,080	\$ 88,503	\$ 88,503
Fund Balances - Beginning of Year			86,423		
Fund Balances - End of Year			\$ 88,503		

CATAWBA COUNTY, NORTH CAROLINA
Hospital Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual			Over/ Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 20,858	\$ 1,053	\$ 21,911	\$ 21,911
Expenditures					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	20,858	1,053	21,911	21,911
Net change in fund balance	\$ -	\$ 20,858	1,053	\$ 21,911	\$ 21,911
Fund Balances - Beginning of Year			20,858		
Fund Balances - End of Year			\$ 21,911		

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Clean Water Bond High Unit Cost Grant					
SECC Water Loop	\$ 151,260	\$ 145,363	\$ -	\$ 145,363	\$ (5,897)
Community Development Block Grants (CDBG)					
Mt. Grove Shiloh Water	850,000	850,000	-	850,000	-
Advents Crossroads	850,000	850,000	-	850,000	-
Infrastructure Water Hookup	75,000	39,989	-	39,989	(35,011)
State Clean Water Grants					
Balls Creek	1,400,000	981,673	321,234	1,302,907	(97,093)
Municipal Grants	57,615	31,079	1,290	32,369	(25,246)
Licenses and permits					
Capital and engineering fees	380,000	525,477	64,127	589,604	209,604
Domestic haulers	962,548	841,656	125,418	967,074	4,526
Investment earnings	-	4,586,696	1,267,131	5,853,827	5,853,827
Miscellaneous					
Sherrills Ford Development Water Project	489,563	454,101	-	454,101	(35,462)
Miscellaneous	264,647	999,087	-	999,087	734,440
Total revenues	5,480,633	10,305,121	1,779,200	12,084,321	6,603,688
Expenditures					
Capital outlay					
Advents Crossroads Waterline	1,191,595	1,120,998	61,500	1,182,498	9,097
Clarks Creek Wastewater	120,000	-	-	-	120,000
State Clean Water Grants					
Balls Creek Elementary	1,684,524	1,369,066	-	1,369,066	315,458
Bunker Hill Sewer	2,930,000	88,225	73,041	161,266	2,768,734
Conover/Southeastern Catawba County Pass Through					
Through	17,000	12,000	-	12,000	5,000
EPA Stormwater Phase II	119,986	44,986	-	44,986	75,000
Feasibility Study & Engineering	713,645	540,461	5,670	546,131	167,514
Future Water & Sewer Projects	2,994,212	-	-	-	2,994,212
Hwy 150 Water Service	2,806,805	2,771,854	-	2,771,854	34,951
Infrastructure Water Hookup	75,000	39,510	7,200	46,710	28,290
Mt. Grove Shiloh Water	1,016,685	911,814	-	911,814	104,871
Newton Pass Through	15,000	-	-	-	15,000
Regional Biosolids Facility	950,000	71,692	408,941	480,633	469,367
Regional Water Supply Study	50,000	-	-	-	50,000
Rocky Ford/Startown Water	160,000	-	-	-	160,000
Sherrills Ford/Terrell Water	783,475	771,334	-	771,334	12,141
Shiloh Road Water Line	167,146	157,700	-	157,700	9,446
Sludge Composting Project	4,122,385	3,420,745	283,394	3,704,139	418,246
Southeastern Catawba County Interconnect Water Line					
Water Line	552,047	539,627	-	539,627	12,420
Southeastern Catawba County Wastewater	7,866,415	277,304	1,177,433	1,454,737	6,411,678
Southeastern Catawba County Water Supply Loop	9,220,805	902,403	3,210,426	4,112,829	5,107,976
Stormwater Layers Flyover	240,000	239,070	-	239,070	930
Total expenditures	37,796,725	13,278,789	5,227,605	18,506,394	19,290,331

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2008

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Excess of revenues over (under) expenditures	<u>(32,316,092)</u>	<u>(2,973,668)</u>	<u>(3,448,405)</u>	<u>(6,422,073)</u>	<u>25,894,019</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	17,012,368	16,149,592	2,100,000	18,249,592	1,237,224
Water and Sewer Reserve Fund	10,671,556	14,130,144	-	14,130,144	3,458,588
Transfers to					
General Fund	(55,014)	(55,014)	-	(55,014)	-
Water and Sewer Reserve Fund	(2,312,818)	(2,312,818)	-	(2,312,818)	-
Installment Purchase Obligations Issued 2008	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>32,316,092</u>	<u>27,911,904</u>	<u>9,100,000</u>	<u>37,011,904</u>	<u>4,695,812</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 24,938,236</u>	<u>5,651,595</u>	<u>\$ 30,589,831</u>	<u>\$ 30,589,831</u>
Fund Balances - Beginning of Year			<u>24,938,236</u>		
Fund Balances - End of Year			<u>\$ 30,589,831</u>		

CATAWBA COUNTY, NORTH CAROLINA
School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2008

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Public School Building Lottery Fund	1,039,116	-	1,057,266	1,057,266	18,150
Catawba County Schools	52,900	-	-	-	(52,900)
Investment earnings	2,607,918	1,691,605	120,953	1,812,558	(795,360)
Total revenues	<u>3,699,934</u>	<u>1,691,605</u>	<u>1,178,219</u>	<u>2,869,824</u>	<u>(830,110)</u>
Expenditures					
Catawba County Schools					
Bandys High School Renovation	5,878,474	-	1,471,916	1,471,916	4,406,558
Bunker Hill High School Renovation	7,956,000	-	471,436	471,436	7,484,564
Catawba Elementary	9,527,159	8,364,985	1,156,459	9,521,444	5,715
Fred T Foard High School Renovation	79,900	-	79,837	79,837	63
Snow Creek Elementary	12,028,704	-	2,948,439	2,948,439	9,080,265
Webb Murray Elementary	175,000	-	147,969	147,969	27,031
Catawba Valley Community College					
Multi-use Driver Training Facility	1,500,000	-	7,922	7,922	1,492,078
Paving Project	225,000	-	76,584	76,584	148,416
Roofing Project	910,000	-	-	-	910,000
Student Services Center	2,500,000	-	1,096	1,096	2,498,904
Hickory Public Schools					
Grandview Middle School	11,931,503	11,906,926	20,047	11,926,973	4,530
Hickory High School Renovation	3,940,000	-	480,969	480,969	3,459,031
Newton-Conover City Schools					
Newton-Conover High School Renovation	2,863,000	-	132,866	132,866	2,730,134
Future Projects	850,000	-	-	-	850,000
Future Debt Service	346,209	-	-	-	346,209
Total expenditures	<u>60,710,949</u>	<u>20,271,911</u>	<u>6,995,540</u>	<u>27,267,451</u>	<u>33,443,498</u>
Excess of revenues over (under) expenditures	<u>(57,011,015)</u>	<u>(18,580,306)</u>	<u>(5,817,321)</u>	<u>(24,397,627)</u>	<u>32,613,388</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	5,180,743	4,981,743	199,000	5,180,743	-
School Capital Fund	721,126	661,064	60,062	721,126	-
Transfers to					
General Fund	(4,999,854)	(4,902,367)	(97,487)	(4,999,854)	-
School Capital Fund	(142,000)	(142,000)	-	(142,000)	-
Installment Purchase Obligations Issued 2008	34,551,000	-	21,607,000	21,607,000	(12,944,000)
Installment Purchase Obligations Issued 2006	9,200,000	9,200,000	-	9,200,000	-
Installment Purchase Obligations Issued 2004	9,900,000	9,900,000	-	9,900,000	-
Certificates of Participation Issued-Series 2005	2,600,000	2,600,000	-	2,600,000	-
Total other financing sources (uses)	<u>57,011,015</u>	<u>22,298,440</u>	<u>21,768,575</u>	<u>44,067,015</u>	<u>(12,944,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,718,134</u>	<u>15,951,254</u>	<u>\$ 19,669,388</u>	<u>\$ 19,669,388</u>
Fund Balances - Beginning of Year			<u>3,718,134</u>		
Fund Balances - End of Year			<u>\$ 19,669,388</u>		

Enterprise Fund
(Proprietary Fund Type)

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes. The County has one Enterprise Fund, the *Solid Waste Management Fund*, which accounts for the operations of the County's solid waste activities.

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	2008			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 5,799,000	\$ 6,007,387		
Methane recovery	624,000	521,073		
Other operating	67,600	97,764		
Total operating revenues	<u>6,490,600</u>	<u>6,626,224</u>	<u>135,624</u>	<u>6,677,959</u>
Nonoperating revenues				
Investment earnings	-	861,349		
Tire disposal tax	120,000	169,794		
White goods disposal tax	50,000	58,230		
Scrap tire grant	50,000	41,279		
Economic development grant	-	148,518		
Total nonoperating revenues	<u>220,000</u>	<u>1,279,170</u>	<u>1,059,170</u>	<u>1,720,274</u>
Total revenues	<u>6,710,600</u>	<u>7,905,394</u>	<u>1,194,794</u>	<u>8,398,233</u>
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	207,125	210,306		
Other operating	246,738	239,316		
Solid waste reserve	650,000	-		
	<u>1,103,863</u>	<u>449,622</u>	<u>654,241</u>	<u>418,569</u>
Recycling				
Other operating	49,740	46,849		
	<u>49,740</u>	<u>46,849</u>	<u>2,891</u>	<u>52,233</u>
Solid Waste Management Improvements				
Other operating	808,735	653,991		
	<u>808,735</u>	<u>653,991</u>	<u>154,744</u>	<u>597,676</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	71,799	60,474		
Other operating	76,036	51,413		
	<u>147,835</u>	<u>111,887</u>	<u>35,948</u>	<u>88,930</u>
Sanitary Landfill				
Salaries & employee benefits	1,118,759	1,123,702		
Other operating	1,350,887	1,136,034		
	<u>2,469,646</u>	<u>2,259,736</u>	<u>209,910</u>	<u>1,996,923</u>
Convenience Centers				
Other operating	318,244	336,331		
	<u>318,244</u>	<u>336,331</u>	<u>(18,087)</u>	<u>289,342</u>
Household Hazardous Waste				

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2008
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2007

	2008			Actual Prior Year
	Budget	Actual	Over/Under	
Other operating	94,275	70,966		
	<u>94,275</u>	<u>70,966</u>	23,309	<u>57,907</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	122,580	119,521		
Other operating	506,418	439,321		
	<u>628,998</u>	<u>558,842</u>	70,156	<u>584,757</u>
Total operating expenditures	<u>5,621,336</u>	<u>4,488,224</u>	1,133,112	<u>4,086,337</u>
Capital outlay	<u>7,744,389</u>	<u>4,465,006</u>	3,279,383	<u>2,419,909</u>
Total expenditures	<u>13,365,725</u>	<u>8,953,230</u>	4,412,495	<u>6,506,246</u>
Excess of revenues over (under) expenditures	<u>(6,655,125)</u>	<u>(1,047,836)</u>	5,607,289	<u>1,891,987</u>
Other Financing Sources (Uses)				
Transfer from General fund	2,750	2,750	-	-
Fund balance appropriated	<u>6,652,375</u>	-	<u>(6,652,375)</u>	-
Total other financing sources (uses)	<u>6,655,125</u>	<u>2,750</u>	<u>(6,652,375)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,045,086)</u>	<u>\$ (1,045,086)</u>	<u>\$ 1,891,987</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Net change in fund balance		<u>\$ (1,045,086)</u>		
Reconciling items				
Capital outlay		4,465,006		
Depreciation		(1,014,493)		
(Increase) decrease in accrued landfill closure and postclosure care costs		(2,661,686)		
(Increase) decrease in compensated absences		(8,029)		
Total reconciling items		<u>780,798</u>		
Increase (decrease) in net assets (Exhibit 7) (full accrual)		<u>\$ (264,288)</u>		



Agency Funds
(Fiduciary Fund Types)

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Mental Health Fund – accounts for monies held by the Mental Health Department for the benefit of certain individuals for whom the County serves as agent.

Social Services Fund – accounts for monies held by the Social Services Department for the benefit of certain individuals for whom the County serves as agent.

Sheriff Commissary Fund – accounts for monies held by the Sheriff's Department on behalf of inmates detained in the County jail.

Delinquent Motor Vehicle Fund - accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

CATAWBA COUNTY, NORTH CAROLINA
All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Fiscal Year Ended June 30, 2008

	<u>Balance June 20, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Mental Health Fund				
Assets				
Cash and investments	\$ 4,345	\$ 76,544	\$ 70,821	\$ 10,068
Liabilities				
Miscellaneous liabilities	\$ 4,345	\$ 74,633	\$ 68,910	\$ 10,068
Social Services Fund				
Assets				
Cash and investments	\$ 72,261	\$ 343,317	\$ 363,368	\$ 52,210
Liabilities				
Miscellaneous liabilities	\$ 72,261	\$ 343,317	\$ 363,368	\$ 52,210
Sheriff Commissary Fund				
Assets				
Cash and investments	\$ 19,696	\$ 267,220	\$ 261,952	\$ 24,964
Liabilities				
Miscellaneous liabilities	\$ 19,696	\$ 267,220	\$ 261,952	\$ 24,964
Delinquent Motor Vehicle Fund				
Assets				
Cash and investments	\$ 4,891	\$ 62,304	\$ 62,363	\$ 4,832
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 4,891	\$ 62,304	\$ 62,363	\$ 4,832
Total - All Agency Funds				
Assets				
Cash and investments	\$ 101,193	\$ 749,385	\$ 758,504	\$ 92,074
Liabilities				
Miscellaneous liabilities	\$ 101,193	\$ 747,474	\$ 756,593	\$ 92,074

Other Schedules

This section contains additional information on *cash and investments, property taxes, and general long-term debt.*

Schedule of Cash and Investment Balances

Analysis of Current Tax Levy

Schedule of Taxes Receivable

Schedule of General Bonded Indebtedness and Debt Service Requirement

General Long-Term Debt Requirements and Maturity Schedule

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Cash and Investment Balances
June 30, 2008

	<u>Amounts Represented on Statements</u>	<u>Cost Value</u>	<u>Fair Value</u>
Cash			
On hand	\$ 8,445	\$ 8,445	\$ 8,445
In demand deposits (interest bearing)	530,258	530,258	530,258
(noninterest bearing)	35,032	35,032	35,032
Total cash	<u>\$ 573,735</u>	<u>\$ 573,735</u>	<u>\$ 573,735</u>
Other Investments			
North Carolina Capital Management Trust, unrestricted	\$ 25,438,085	\$ 25,438,085	\$ 25,438,085
North Carolina Capital Management Trust, restricted for capital	1,150,806	1,150,806	1,150,806
Finistar	2,319,921	2,319,921	2,319,921
Federal Home Loan Bank	23,600,142	23,506,528	23,600,142
Federal Home Loan Mortgage Corporation	20,921,435	20,775,457	20,921,435
Federal National Mortgage Association	20,853,928	20,847,398	20,853,928
Money Market, unrestricted	2,915,453	2,915,453	2,915,453
Money Market, restricted for capital	27,417,897	27,417,897	27,417,897
Certificates of deposit	8,294,698	8,294,698	8,294,698
North Carolina Education Assistance	14,600,000	14,600,000	14,600,000
Total other investments	<u>\$ 147,512,365</u>	<u>\$ 147,266,243</u>	<u>\$ 147,512,365</u>
Total cash and investments	<u><u>\$ 148,086,100</u></u>	<u><u>\$ 147,839,978</u></u>	<u><u>\$ 148,086,100</u></u>

Distribution by funds

General Fund	\$ 44,964,334	
Restricted Cash	475,893	\$ 45,440,227
Special Revenue Funds		
Emergency Telephone System Fund	\$ 1,405,613	
Narcotics Seized Funds and Property Fund	122,405	
Reappraisal Fund	72,556	
General Capital Reserve Fund	172,809	
Water & Sewer Reserve Fund	1,780,894	
Hospital Capital Reserve Fund	4,960,687	
Rescue Squads Fund	107,216	
Library Endowment Fund	240,662	
Gretchen Peed Scholarship Fund	32,234	
Parks Preservation Trust Fund	109,648	
Community Development Fund	-	
Fire District Funds	<u>803,152</u>	9,807,876
Capital Projects Funds		
General Capital Projects Fund	\$ 11,075,054	
Restricted Cash	1,020,532	
Water & Sewer Construction Fund	23,453,748	
Restricted Cash	7,000,000	
Schools Capital Projects Fund	14,103,898	
School Construction Fund		
Restricted Cash	20,072,278	
School Bond Fund 1997 Series	88,013	
Hospital Construction Fund	<u>21,790</u>	76,835,313
Enterprise Fund		15,910,610
Fiduciary Funds		
Social Services Fund	\$ 52,210	
Mental Health Fund	10,068	
Sheriff Commissary Fund	24,964	
Delinquent Motor Vehicle Fund	<u>4,832</u>	<u>92,074</u>
Total		<u>\$ 148,086,100</u>

CATAWBA COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2008

	<u>County-wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 14,655,429,923	0.535	\$ 78,406,550	\$ 71,820,560	\$ 6,585,990
Penalties	-		85,252	85,252	-
Total	<u>\$ 14,655,429,923</u>		<u>\$ 78,491,802</u>	<u>\$ 71,905,812</u>	<u>\$ 6,585,990</u>
Discoveries and releases - net			(274,496)	(170,971)	(103,525)
Total property valuation	<u>\$ 14,655,429,923</u>				
Net levy			\$ 78,217,306	\$ 71,734,841	\$ 6,482,465
Uncollected taxes at June 30, 2008			2,524,724	1,497,722	1,027,002
Current year's taxes collected			<u>\$ 75,692,582</u>	<u>\$ 70,237,119</u>	<u>\$ 5,455,463</u>
Current levy collection percentage			<u>96.77%</u>	<u>97.91%</u>	<u>84.16%</u>

Secondary Market Disclosures

Assessed Valuation:

Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 11,444,764,023
Personal Property	2,606,879,334
Public Service Companies ⁽²⁾	603,786,566
Total Assessed Valuation	<u>\$ 14,655,429,923</u>
Tax Rate per \$100	0.535
Levy	\$ 78,406,550

In addition to the County-wide rate, the following is the total levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

Fire Protection Districts	\$ 3,645,135
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⁽¹⁾ Percentage of appraised value has been established by statute.

⁽²⁾ Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Taxes Receivable
For the Year Ended June 30, 2008

General Fund	Uncollected Balance June 30, 2007	Additions	Collections	Discoveries Releases	Uncollected Balance June 30, 2008
2007	\$ -	\$ 78,491,802	\$ 75,692,582	\$ (274,496)	\$ 2,524,724
2006	2,089,233	-	1,395,711	(25,292)	668,230
2005	725,861	-	265,078	(9,929)	450,854
2004	462,221	-	79,212	(10,132)	372,877
2003	392,687	-	29,652	(16,406)	346,629
2002	321,846	-	16,468	(1,636)	303,742
2001	285,553	-	8,699	(1,218)	275,636
2000	243,475	-	5,623	(694)	237,158
1999	322,360	-	3,694	(876)	317,790
Prior to 1999	402,136	-	2,478	(655)	399,003
	<u>\$ 5,245,372</u>	<u>\$ 78,491,802</u>	<u>\$ 77,499,197</u>	<u>\$ (341,334)</u>	<u>\$ 5,896,643</u>
Less allowance for uncollectible taxes	<u>2,639,100</u>				<u>2,876,200</u>
Taxes receivable -- net	<u>\$ 2,606,272</u>				<u>\$ 3,020,443</u>

<u>Reconciliation with revenues:</u>	
Ad valorem taxes - General Fund	\$ 78,004,908
Reconciling items:	
Penalties and interest collected	(429,105)
Tax on leased vehicle collected	<u>(76,606)</u>
Total reconciling items	<u>(505,711)</u>
Total collections	<u>\$ 77,499,197</u>

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Bonded Indebtedness and Debt Service Requirement
For the Fiscal Year Ended June 30, 2008

Date of Issue	Purpose	Maturity	Interest	Notes and Bonds	Notes and Bonds	Notes and Bonds	Interest Paid 2007-2008	Notes and Bonds	Falling Due Within Next Fiscal Year	
				Outstanding June 30, 2007	Issued 2007-2008	Retired 2007-2008		Outstanding June 30, 2008	Principal	Interest
6/01/1998	School Bonds Series 1998	1998-13	4.30-4.40	4,550,000	-	700,000	200,200	3,850,000	725,000	169,400
6/01/1999	School Bonds Series 1999	2000-14	4.40-4.70	8,800,000	-	1,150,000	411,300	7,650,000	1,200,000	359,550
6/01/2000	School Bonds Series 2000	2001-15	5.30-5.40	1,825,000	-	600,000	96,725	1,225,000	600,000	64,925
12/1/2002	Refunding Series 2002 Schools	2003-14	2.00-4.00	5,984,000	-	1,360,000	225,880	4,624,000	1,336,000	178,280
	Community College	2003-14	2.00-4.00	1,496,000	-	340,000	56,470	1,156,000	334,000	44,570
6/1/2005	Refunding Series 2005 Schools	2006-15	3.00-3.75	13,335,154	-	2,141,692	479,522	11,193,462	2,112,880	409,917
	Community College	2006-15	3.00-3.75	549,846	-	88,308	19,772	461,538	87,120	16,902
				<u>\$ 36,540,000</u>	<u>\$ -</u>	<u>\$ 6,380,000</u>	<u>\$ 1,489,869</u>	<u>\$ 30,160,000</u>	<u>\$ 6,395,000</u>	<u>\$ 1,243,544</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
For the Fiscal Year Ended June 30, 2008

<u>Fiscal Year Ended June 30</u>	<u>Existing Debt Principal</u>	<u>Interest</u>	<u>Total</u>
2009	12,132,946	5,253,608	17,386,554
2010	12,217,224	4,779,808	16,997,032
2011	10,976,709	4,274,543	15,251,252
2012	10,018,259	3,827,775	13,846,034
2013	9,844,530	3,410,064	13,254,594
2014-2018	30,769,689	11,892,478	42,662,167
2019-2023	23,866,969	5,735,960	29,602,929
2024-2028	11,477,467	1,139,476	12,616,943
	(1) <u>\$ 121,303,793</u>	<u>\$ 40,313,712</u>	<u>\$ 161,617,505</u>

(1) 10% of Legal Debt Limit



Statistical Section

This part of Catawba County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Catawba County's overall financial health.

<u>Content</u>	<u>Page</u>
<i>Financial Trends</i> These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	164-171
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	172-175
<i>Debt Capacity</i> These tables present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	176-179
<i>Demographic and Economic Information</i> These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	180-181
<i>Operating Information</i> These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.	182-184

Sources: Unless otherwise noted, the information in these statistical tables is from the comprehensive annual reports for the relevant year. Catawba County implemented GASB Statement 34 in fiscal year 2002; tables presenting government-wide information include information beginning in that year.

CATAWBA COUNTY, NORTH CAROLINA
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2008	2007	2006	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ 81,948,941	\$ 78,197,249	\$ 76,988,789	\$ 74,327,245
Restricted	810,599	745,357	655,333	650,382
Unrestricted	<u>35,727,062</u>	<u>16,336,081</u>	<u>10,274,088</u>	<u>24,523,260</u>
Total governmental activities net assets	<u>118,486,602</u>	<u>95,278,687</u>	<u>87,918,210</u>	<u>99,500,887</u>
Business-type activities:				
Invested in capital assets, net of related debt	22,121,146	18,670,633	17,159,517	15,639,246
Restricted	-	-	-	-
Unrestricted	<u>8,696,235</u>	<u>12,411,036</u>	<u>10,784,695</u>	<u>10,547,160</u>
Total business-type activities net assets	<u>30,817,381</u>	<u>31,081,669</u>	<u>27,944,212</u>	<u>26,186,406</u>
Primary government:				
Invested in capital assets, net of related debt	104,070,087	96,867,882	94,148,306	89,966,491
Restricted	810,599	745,357	655,333	650,382
Unrestricted	<u>44,423,297</u>	<u>28,747,117</u>	<u>21,058,783</u>	<u>35,070,420</u>
Total primary government net assets	<u>\$ 149,303,983</u>	<u>\$ 126,360,356</u>	<u>\$ 115,862,422</u>	<u>\$ 125,687,293</u>

Data Source

Audited Financial Statements

Catawba County implemented GASB 34 during the fiscal year ended June 30, 2002. Therefore, information prior to fiscal year 2002 is unavailable

Fiscal Year					
2004	2003	2002	2001	2000	1999
\$ 72,847,615	\$ 69,185,903	\$ 65,163,339	N/A	N/A	N/A
12,276,811	2,822,098	4,636,398	N/A	N/A	N/A
21,007,494	24,825,035	11,253,425	N/A	N/A	N/A
<u>106,131,920</u>	<u>96,833,036</u>	<u>81,053,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
15,371,592	13,580,563	13,841,215	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A
<u>9,707,303</u>	<u>10,020,174</u>	<u>8,709,873</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>25,078,895</u>	<u>23,600,737</u>	<u>22,551,088</u>	<u>-</u>	<u>-</u>	<u>-</u>
88,219,207	82,766,466	79,004,554	N/A	N/A	N/A
12,276,811	2,822,098	4,636,398	N/A	N/A	N/A
30,714,797	34,845,209	19,963,298	N/A	N/A	N/A
<u>\$ 131,210,815</u>	<u>\$ 120,433,773</u>	<u>\$ 103,604,250</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CATAWBA COUNTY, NORTH CAROLINA
Changes in Net Assets
Last Ten Fiscal Years
 (accrual basis of accounting)

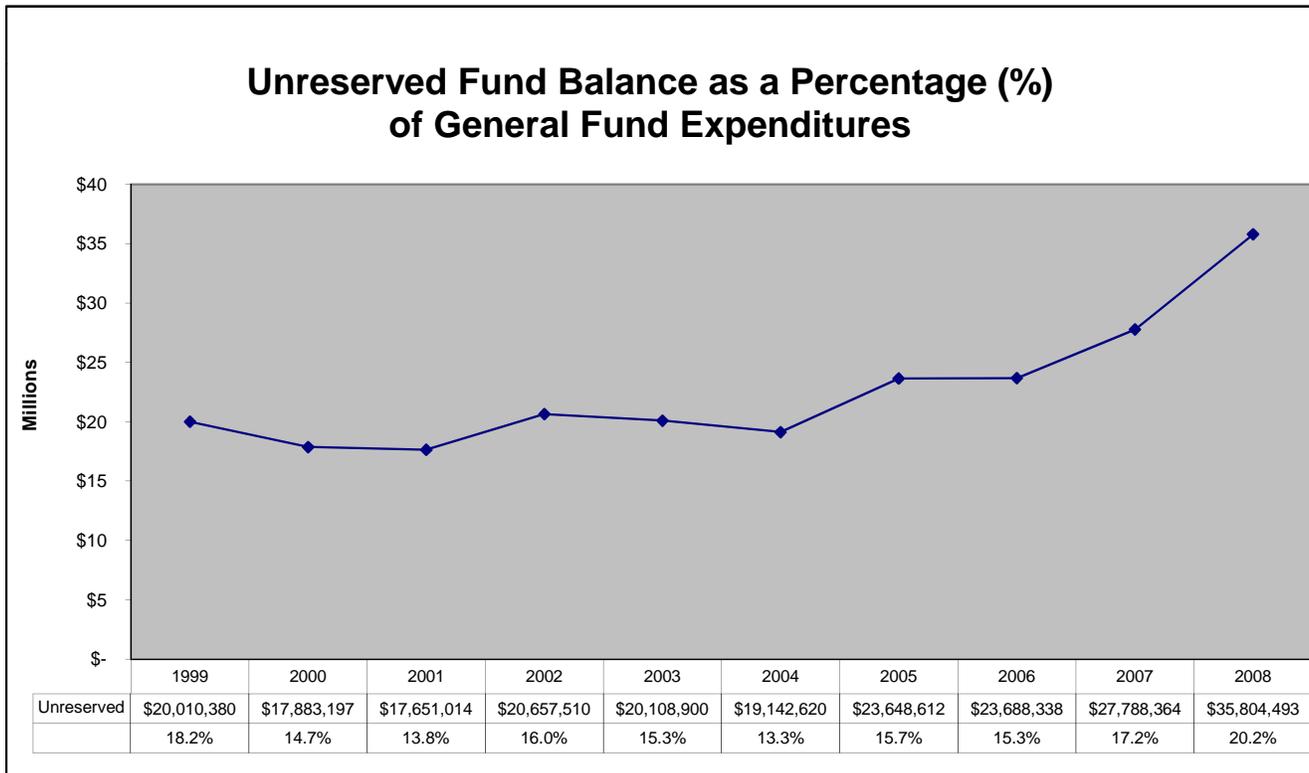
	Fiscal Year			
	2008	2007	2006	2005
Expenses				
Governmental activities:				
General government	\$ 11,203,800	\$ 9,001,933	\$ 9,593,037	\$ 8,383,352
Public safety	26,316,167	22,897,052	20,926,787	19,900,883
Environmental protection	546,680	504,416	481,844	447,428
Economic and physical development	10,827,271	12,054,976	9,383,320	9,567,712
Human services	74,150,353	66,083,707	67,310,514	66,858,370
Culture and recreation	2,760,614	2,771,008	2,687,546	2,543,170
Education	50,388,730	52,216,062	65,203,410	57,377,775
Interest on long-term debt	4,584,583	4,909,742	4,956,696	4,223,199
Total governmental activities expenses	<u>180,778,198</u>	<u>170,438,896</u>	<u>180,543,154</u>	<u>169,301,889</u>
Business-type activities:				
Solid waste management	8,172,432	5,260,776	5,035,563	5,755,205
Total primary government expenses	<u>188,950,630</u>	<u>175,699,672</u>	<u>185,578,717</u>	<u>175,057,094</u>
Program Revenues				
Governmental activities:				
Fees, fines, and charges for services:				
General government	4,340,110	4,380,295	5,136,475	3,554,324
Public safety	6,950,872	5,017,287	4,807,088	4,210,617
Environmental protection	4,825	4,575	4,575	4,247
Economic and physical development	4,618,557	3,247,499	2,497,490	2,314,143
Human services	9,819,859	9,779,244	11,996,379	13,808,150
Culture and recreation	62,332	63,723	53,911	51,652
Education	1,081,098	1,126,095	1,110,419	1,185,125
Operating grants and contributions	46,999,422	43,735,432	41,299,324	39,488,016
Capital grants and contributions	4,857,657	101,953	496,774	416,096
Total governmental activities program revenues	<u>78,734,732</u>	<u>67,456,103</u>	<u>67,402,435</u>	<u>65,032,370</u>
Business-type activities:				
Fees, fines, and charges for services	6,626,224	6,677,959	6,046,872	6,154,906
Operating grants and contributions	41,279	102,816	129,482	145,601
Capital grants and contributions	148,518	526,398	-	-
Total business-type activities program revenues	<u>6,816,021</u>	<u>7,307,173</u>	<u>6,176,354</u>	<u>6,300,507</u>
Total primary government program revenues	<u>85,550,753</u>	<u>74,763,276</u>	<u>73,578,789</u>	<u>71,332,877</u>
Net (Expenses) Revenues				
Governmental activities	(102,043,466)	(102,982,793)	(113,140,719)	(104,269,519)
Business-type activities	(1,356,411)	2,046,397	1,140,791	545,302
Total primary government net expense	<u>(103,399,877)</u>	<u>(100,936,396)</u>	<u>(111,999,928)</u>	<u>(103,724,217)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	82,048,071	68,378,012	65,459,626	64,264,969
Local option sales taxes	35,299,813	33,760,033	29,984,796	28,690,324
Other taxes and licenses	2,119,554	2,135,782	2,015,798	1,807,700
Unrestricted intergovernmental	-	-	-	-
Investment earnings	5,786,693	6,069,443	4,099,093	2,876,185
Miscellaneous, unrestricted	-	-	-	-
Transfers	(2,750)	-	(1,271)	(692)
Total governmental activities	<u>125,251,381</u>	<u>110,343,270</u>	<u>101,558,042</u>	<u>97,638,486</u>
Business-type activities:				
Other taxes and licenses	228,024	221,825	178,691	243,796
Investment earnings	861,349	869,235	437,053	317,721
Transfers	2,750	-	1,271	692
Total business-type activities	<u>1,092,123</u>	<u>1,091,060</u>	<u>617,015</u>	<u>562,209</u>
Total primary government	<u>126,343,504</u>	<u>111,434,330</u>	<u>102,175,057</u>	<u>98,200,695</u>
Change in Net Assets				
Governmental activities	23,207,915	7,360,477	(11,582,677)	(6,631,033)
Business-type activities	(264,288)	3,137,457	1,757,806	1,107,511
Total primary government	<u>\$ 22,943,627</u>	<u>\$ 10,497,934</u>	<u>\$ (9,824,871)</u>	<u>\$ (5,523,522)</u>

Table 2

Fiscal Year						
2004	2003	2002	2001	2000	1999	
\$ 7,654,774	\$ 7,488,739	\$ 6,589,117	N/A	N/A	N/A	
18,701,908	17,113,397	16,116,145	N/A	N/A	N/A	
343,334	288,825	413,588	N/A	N/A	N/A	
12,075,442	3,995,945	11,023,798	N/A	N/A	N/A	
59,973,114	57,455,455	56,180,481	N/A	N/A	N/A	
2,412,593	2,256,079	2,303,221	N/A	N/A	N/A	
39,661,513	33,710,855	36,517,278	N/A	N/A	N/A	
<u>3,055,058</u>	<u>3,309,748</u>	<u>3,786,722</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>143,877,736</u>	<u>125,619,043</u>	<u>132,930,350</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>5,022,049</u>	<u>5,396,381</u>	<u>4,730,935</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>148,899,785</u>	<u>131,015,424</u>	<u>137,661,285</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
3,645,125	3,042,134	2,041,026	N/A	N/A	N/A	
3,566,200	2,627,209	2,857,343	N/A	N/A	N/A	
3,850	3,730	-	N/A	N/A	N/A	
1,771,763	1,233,712	1,324,016	N/A	N/A	N/A	
14,855,301	13,606,776	12,912,757	N/A	N/A	N/A	
45,520	43,369	33,831	N/A	N/A	N/A	
1,472,428	904,533	1,018,039	N/A	N/A	N/A	
34,010,552	30,045,717	33,326,706	N/A	N/A	N/A	
-	-	-	N/A	N/A	N/A	
<u>59,370,739</u>	<u>51,507,180</u>	<u>53,513,718</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
6,164,825	5,865,730	6,059,102	N/A	N/A	N/A	
59,007	63,206	60,527	N/A	N/A	N/A	
-	-	-	N/A	N/A	N/A	
<u>6,223,832</u>	<u>5,928,936</u>	<u>6,119,629</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>65,594,571</u>	<u>57,436,116</u>	<u>59,633,347</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
(84,506,997)	(74,111,863)	(79,416,632)	N/A	N/A	N/A	
<u>1,201,783</u>	<u>532,555</u>	<u>1,388,694</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>(83,305,214)</u>	<u>(73,579,308)</u>	<u>(78,027,938)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
63,381,711	59,644,241	57,696,921	N/A	N/A	N/A	
26,988,268	25,417,154	21,638,450	N/A	N/A	N/A	
1,456,338	1,343,759	1,388,474	N/A	N/A	N/A	
1,336,917	1,379,229	4,021,740	N/A	N/A	N/A	
642,647	2,107,354	2,720,791	N/A	N/A	N/A	
-	-	1,038,890	N/A	N/A	N/A	
-	-	41,301	N/A	N/A	N/A	
<u>93,805,881</u>	<u>89,891,737</u>	<u>88,546,567</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
165,754	180,656	194,554	N/A	N/A	N/A	
110,621	336,438	405,559	N/A	N/A	N/A	
-	-	(41,301)	N/A	N/A	N/A	
<u>276,375</u>	<u>517,094</u>	<u>558,812</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>94,082,256</u>	<u>90,408,831</u>	<u>89,105,379</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
9,298,884	15,779,874	9,129,935	N/A	N/A	N/A	
<u>1,478,158</u>	<u>1,049,649</u>	<u>1,947,506</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>\$ 10,777,042</u>	<u>\$ 16,829,523</u>	<u>\$ 11,077,441</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	

CATAWBA COUNTY, NORTH CAROLINA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2007	2006	2005
General Fund				
Reserved	\$ 19,523,687	\$ 16,236,389	\$ 15,895,612	\$ 12,235,484
Unreserved	35,804,493	27,788,364	23,688,338	23,648,612
Total general fund	<u>55,328,180</u>	<u>44,024,753</u>	<u>39,583,950</u>	<u>35,884,096</u>
All other governmental funds				
Reserved	270,802	283,481	359,947	1,732,131
Unreserved, reported in:				
Special revenue funds	9,707,586	12,061,802	15,021,904	18,654,056
Capital projects funds	<u>78,048,289</u>	<u>49,513,929</u>	<u>60,905,823</u>	<u>78,006,562</u>
Total all other governmental funds	<u>88,026,677</u>	<u>61,859,212</u>	<u>76,287,674</u>	<u>98,392,749</u>
Total governmental funds	<u>\$ 143,354,857</u>	<u>\$ 105,883,965</u>	<u>\$ 115,871,624</u>	<u>\$ 134,276,845</u>



Fiscal Year					
2004	2003	2002	2001	2000	1999
\$ 11,990,412	\$ 10,053,302	\$ 8,813,164	\$ 10,198,051	\$ 9,650,303	\$ 9,094,358
19,142,620	20,108,900	20,657,510	17,651,014	17,883,197	20,010,380
<u>31,133,032</u>	<u>30,162,202</u>	<u>29,470,674</u>	<u>27,849,065</u>	<u>27,533,500</u>	<u>29,104,738</u>
2,568,115	2,700,597	2,719,555	2,900,932	2,220,574	3,121,992
16,127,154	17,608,291	18,961,967	17,742,794	15,726,276	14,541,677
44,752,247	33,587,313	28,385,726	29,427,246	35,732,425	37,805,854
<u>63,447,516</u>	<u>53,896,201</u>	<u>50,067,248</u>	<u>50,070,972</u>	<u>53,679,275</u>	<u>55,469,523</u>
<u>\$ 94,580,548</u>	<u>\$ 84,058,403</u>	<u>\$ 79,537,922</u>	<u>\$ 77,920,037</u>	<u>\$ 81,212,775</u>	<u>\$ 84,574,261</u>

CATAWBA COUNTY, NORTH CAROLINA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2007	2006	2005
Revenues				
Ad valorem taxes	\$ 81,625,223	\$ 68,270,907	\$ 66,233,752	\$ 64,037,632
Other taxes	36,391,110	35,415,288	31,654,028	30,151,572
Unrestricted intergovernmental revenues	1,970,909	1,235,023	1,248,170	1,095,733
Restricted intergovernmental revenues	56,482,993	46,532,532	44,764,103	42,141,280
Licenses and permits	4,101,574	3,773,033	3,214,736	3,457,883
Sales and services	15,071,656	12,849,786	16,591,727	17,420,439
Investment earnings	5,600,327	5,883,078	3,912,728	2,773,588
Miscellaneous	4,309,242	3,998,845	3,725,976	3,803,472
Total revenues	205,553,034	177,958,492	171,345,220	164,881,599
Expenditures				
Current:				
General government	9,944,571	9,613,213	9,978,986	9,449,992
Public safety	26,916,838	23,021,049	21,209,400	20,032,107
Environmental protection	520,587	475,667	452,180	428,549
Economic and physical development	10,682,552	10,889,872	8,651,385	7,886,973
Human services	73,690,327	65,236,455	66,508,454	65,701,149
Culture and recreation	2,719,466	2,695,423	2,610,001	2,465,676
Education	38,014,454	34,222,295	32,544,711	30,410,166
Capital Outlay	19,683,740	28,338,920	42,549,957	33,473,868
Debt service:				
Principal	10,724,874	10,338,333	9,975,000	9,230,000
Interest	4,488,983	4,814,143	4,861,096	4,214,250
Lease purchase payments	-	-	-	70,760
Bond issuance costs	-	-	-	89,146
Total expenditures	197,386,392	189,645,370	199,341,170	183,452,636
Other Financing Sources (uses)				
Transfers from other funds	9,515,201	11,547,146	9,763,224	12,301,254
Transfers to other funds	(9,517,951)	(11,547,146)	(9,764,495)	(12,301,946)
Installment purchase obligations issued	28,607,000	1,450,000	9,200,000	-
Qualified Zone Academy Bonds issued	700,000	-	-	-
Bond debt issued	-	-	-	-
Proceeds of capital lease	-	-	-	-
General obligation refunding bonds issued	-	-	-	16,035,000
Premium on general obligation refunding bonds	-	-	-	429,179
Payment to refunded bond escrow agent	-	-	-	(16,321,853)
Certificates of participation issued	-	-	-	55,255,000
Premium on certificates of participation	-	-	-	2,868,950
Sales of capital assets	-	249,219	392,000	1,750
Total other financing sources (uses)	29,304,250	1,699,219	9,590,729	58,267,334
Net change in fund balances	\$ 37,470,892	\$ (9,987,659)	\$ (18,405,221)	\$ 39,696,297
Debt service as a percentage of noncapital expenditures				
	8.1%	8.5%	7.9%	7.7%

Fiscal Year					
2004	2003	2002	2001	2000	1999
\$ 63,153,315	\$ 59,388,468	\$ 57,268,329	\$ 55,112,257	\$ 53,313,472	\$ 44,738,308
28,444,404	25,207,828	23,023,315	23,470,898	23,136,615	21,392,472
1,336,917	1,379,229	4,021,740	4,466,558	4,455,262	4,473,707
36,297,819	32,683,132	36,382,864	39,579,663	33,650,901	27,585,577
2,959,092	2,383,424	2,211,753	2,104,748	2,063,027	1,740,558
17,742,167	16,664,263	15,121,137	13,122,659	12,042,526	12,398,709
642,651	2,107,354	2,720,791	5,300,521	4,255,233	3,640,529
4,614,575	2,997,207	2,544,061	2,612,919	2,302,141	1,991,501
<u>155,190,940</u>	<u>142,810,905</u>	<u>143,293,990</u>	<u>145,770,223</u>	<u>135,219,177</u>	<u>117,961,361</u>
8,506,393	8,543,435	7,569,288	7,466,659	8,728,954	8,058,798
19,088,555	17,156,936	16,313,961	15,025,312	15,094,171	12,693,838
384,942	321,413	388,926	505,205	430,994	423,155
7,594,145	7,409,045	7,518,580	6,735,065	4,871,841	4,199,148
59,078,864	56,659,920	55,721,269	53,307,727	48,907,143	47,155,262
2,331,664	2,186,614	2,234,409	2,292,733	2,274,479	2,265,773
30,048,641	27,437,466	28,202,411	27,566,111	25,871,097	24,172,744
18,690,079	7,859,145	13,181,244	25,702,494	30,993,580	30,977,070
7,160,000	7,065,000	6,800,000	6,835,000	6,380,000	5,450,000
3,045,610	3,280,589	3,756,560	4,087,385	3,916,052	3,416,496
221,803	433,113	430,757	558,770	558,770	478,487
-	-	-	-	-	-
<u>156,150,696</u>	<u>138,352,676</u>	<u>142,117,405</u>	<u>150,082,461</u>	<u>148,027,081</u>	<u>139,290,771</u>
14,239,408	7,945,528	4,144,646	9,007,001	12,754,973	7,188,587
(14,239,408)	(7,945,528)	(4,103,345)	(7,987,501)	(11,727,389)	(5,798,153)
9,900,000	-	-	-	-	-
-	-	-	-	-	-
-	58,252	-	-	8,955,000	24,196,277
-	-	400,000	-	350,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,500	4,000	-	-	-	-
<u>9,924,500</u>	<u>62,252</u>	<u>441,301</u>	<u>1,019,500</u>	<u>10,332,584</u>	<u>25,586,711</u>
<u>\$ 8,964,744</u>	<u>\$ 4,520,481</u>	<u>\$ 1,617,886</u>	<u>\$ (3,292,738)</u>	<u>\$ (2,475,320)</u>	<u>\$ 4,257,301</u>
7.0%	8.2%	7.9%	7.9%	7.5%	7.0%

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

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽¹⁾	Estimated Real Market Value
1999	5,316,945,979	2,238,372,239	387,202,399	7,942,520,617	0.550	11,123,978,455
2000 ⁽²⁾	7,415,161,955	2,324,551,977	502,521,581	10,242,235,513	0.495	10,331,082,825
2001	7,676,297,260	2,614,445,636	484,704,904	10,775,447,800	0.495	11,493,810,987
2002	7,988,283,700	2,709,118,917	479,273,637	11,176,676,254	0.495	12,119,579,542
2003	8,265,105,733	2,796,143,745	507,720,148	11,568,969,626	0.495	12,965,336,351
2004 ⁽²⁾	9,513,468,457	2,640,843,044	517,072,839	12,671,384,340	0.480	12,715,889,955
2005	9,722,396,729	2,680,617,427	539,742,782	12,942,756,938	0.480	13,033,994,902
2006	9,919,033,408	2,558,398,877	545,842,516	13,023,274,801	0.490	13,499,818,390
2007	10,174,785,855	2,614,088,394	570,452,150	13,359,326,399	0.490	14,124,895,749
2008 ⁽²⁾	11,444,764,023	2,606,879,334	603,786,566	14,655,429,923	0.535	N/A

⁽¹⁾ Tax rate expressed in dollars of tax per \$100 of assessed valuation.

⁽²⁾ Increase a result of the County 4-year real property revaluation cycle.

CATAWBA COUNTY, NORTH CAROLINA
Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Catawba County	0.5350	0.4900	0.4900	0.4800	0.4800	0.4950	0.4950	0.4950	0.4950	0.5500
Fire Districts:										
Bandys	0.0600	0.0600	0.0500	0.0390	0.0390	0.0390	0.0390	0.0390	0.0390	0.0400
Catawba	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0700	0.0700	0.0500	0.0500	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350
Cooksville	0.0517	0.0550	0.0550	0.0550	0.0550	0.0600	0.0600	0.0600	0.0600	0.0600
Denver	0.0389	0.0500	0.0500	0.0450	0.0293	0.0320	0.0320	0.0320	0.0320	0.0400
Fairbrook	-	0.0325	0.0325	0.0257	0.0257	0.0280	0.0280	0.0280	0.0280	0.0400
Icard-Long View	-	-	-	-	-	0.0440	0.0440	0.0440	0.0440	0.0500
Icard-Mountain View	-	-	-	-	-	0.0400	0.0400	0.0400	0.0400	0.0500
Long View	0.0546	0.0568	0.0568	0.0568	0.0568	0.0620	0.0620	0.0620	0.0620	0.0760
Maiden	0.0500	0.0500	0.0312	0.0312	0.0312	0.0340	0.0340	0.0340	0.0340	0.0425
Mountain View	0.0493	0.0525	0.0425	0.0425	0.0425	0.0450	0.0450	0.0450	0.0410	0.0475
Newton	0.0700	0.0700	0.0700	0.0513	0.0513	0.0560	0.0560	0.0600	0.0500	0.0500
Oxford	0.0558	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400	0.0320	0.0420
Startown	-	-	-	-	-	-	-	0.0500	0.0500	0.0500
St. Stephens	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Viewmont	-	0.0325	0.0325	0.0248	0.0248	0.0270	0.0270	0.0270	0.0270	0.0325
Municipalities:										
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4900
City of Claremont	0.4600	0.4600	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4700
City of Conover	0.4000	0.4000	0.3800	0.3800	0.3600	0.3800	0.3600	0.3600	0.3600	0.3800
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5500	0.5500	0.5500	0.5500	0.5900
Town of Long View	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.4000	0.4000	0.4000	0.3800	0.3800	0.4000	0.4000	0.3700	0.3700	0.4000
City of Newton	0.4600	0.4600	0.4400	0.4400	0.4400	0.4700	0.4700	0.4700	0.4700	0.5400
Total Maximum Rate - Fire District	0.6050	0.5600	0.5600	0.5500	0.5500	0.5650	0.5650	0.5650	0.5650	0.6260
Total Maximum Rate - Municipalities	1.0550	1.0100	1.0100	1.0000	1.0000	1.0450	1.0450	1.0450	1.0450	1.1400

⁽¹⁾ All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax levies were assessed at one hundred percent (100%) of the actual value.

CATAWBA COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2007 and December 31, 1998

Taxpayer	Type of Business	December 31, 2007			December 31, 1998		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	Electric utility	\$ 441,291,099	1	3.01	\$ 254,702,949	1	3.21
CommScope, Inc.	Cable mfg.	130,945,400	2	0.89	119,368,150	3	1.50
Getrag Gears of North America, Inc.	Gears mfg.	110,782,928	3	0.76	-	-	-
Frye Regional Medical Center	Medical care	84,300,036	4	0.58	-	-	-
Corning Cable Systems	Cable mfg.	80,921,214	5	0.55	128,232,342	2	1.61
Hickory Springs Mfg. Co., Inc.	Furniture supplies	63,440,134	6	0.43	34,795,723	8	0.44
Draka Comteq Americas, Inc.	Cable mfg.	55,223,301	7	0.38	-	-	-
Valley Hills Mall, LLC	Retail	50,132,882	8	0.34	-	-	-
Shuford Mills, Inc./Shuford Development	Textiles/Tape mfg.	44,173,247	9	0.30	40,050,482	6	0.50
Central Telephone Company	Telephone	42,740,159	10	0.29	38,343,519	7	0.48
Alcatel N. A., Inc.	Cable mfg.	-	-	-	103,842,068	4	1.31
Carolina Mills, Inc.	Textiles mfg.	-	-	-	42,487,392	5	0.53
The Lane Company	Furniture mfg.	-	-	-	27,069,572	9	0.34
Crescent Resources/Carolina Centers	Lumber	-	-	-	25,143,580	10	0.32
		<u>\$ 1,103,950,400</u>		<u>7.53</u>	<u>\$ 814,035,777</u>		<u>10.24</u>
Total Assessed Valuation		<u>\$ 14,655,429,923</u>			<u>\$ 7,942,520,617</u>		

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ⁽²⁾	Total Taxes Collected	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	43,632,501	42,456,958	97.31	572,764	43,029,722	98.62
2000	51,194,773	50,278,025	98.21	876,231	51,154,256	99.92
2001	53,320,741	51,850,467	97.24	902,816	52,753,283	98.94
2002	55,392,904	53,815,634	97.15	1,003,770	54,819,404	98.96
2003	57,297,988	55,635,097	97.10	1,211,293	56,846,390	99.22
2004	60,740,470	58,923,696	97.01	1,385,285	60,308,981	99.29
2005	61,566,332	59,726,141	97.01	1,321,064	61,047,205	99.16
2006	63,409,234	61,416,711	96.86	1,485,227	62,901,938	99.20
2007	65,195,396	63,106,163	96.80	1,525,110	64,631,273	99.13
2008	78,217,306	75,692,582	96.77	1,806,615	77,499,197	99.08

⁽¹⁾ Includes discoveries, releases and abatements

⁽²⁾ Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied

CATAWBA COUNTY, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Capitalized Leases			
1999	80,710,000	-	1,304,967	-	164,559	82,179,526	2.19	620
2000	83,285,000	-	944,026	-	413,405	84,642,431	2.26	631
2001	76,450,000	-	563,775	-	306,897	77,320,672	1.99	546
2002	69,650,000	-	163,180	-	522,908	70,336,088	1.80	485
2003	63,040,000	-	-	-	282,134	63,322,134	1.63	432
2004	55,880,000	-	9,900,000	-	69,778	65,849,778	1.61	448
2005	49,340,000	53,805,000	9,240,000	-	-	112,385,000	2.64	755
2006	42,815,000	51,015,000	17,780,000	-	-	111,610,000	2.48	747
2007	36,540,000	48,225,000	17,956,667	-	-	102,721,667	N/A	668
2008	30,160,000	45,435,000	45,008,793	700,000	-	121,303,793	N/A	780

N/A = Not available

Sources:

¹ U.S. Department of Commerce Bureau of Economic Analysis

² Population based on estimates issued by the Bureau of the Census

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
1999	80,710,000	7,942,520,617	1.02	609
2000	83,285,000	10,242,235,513	0.81	621
2001	76,450,000	10,775,447,800	0.71	540
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

Sources:

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed value (after exemption)	14,655,429,923	13,359,326,399	\$ 13,023,274,801	\$ 12,942,756,938
Debt limit rate	8%	8%	8%	8%
Debt limit	1,172,434,394	1,068,746,112	1,041,861,984	1,035,420,555
Less: Total net debt applicable to limit	121,303,793	102,721,667	111,610,000	112,385,000
Legal debt margin	<u>1,051,130,601</u>	<u>966,024,445</u>	<u>930,251,984</u>	<u>923,035,555</u>
Total net debt applicable to the limit as a percentage of debt limit	10%	10%	11%	11%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value (after exemptions)	\$ 14,655,429,923
Debt limit (8% of assessed value)	1,172,434,394
Debt applicable to limit:	
Outstanding general obligation debt	30,160,000
Authorized and unissued general obligation debt	6,970,000
Certificates of participation	45,435,000
Installment purchase	45,008,793
Qualified Zone Academy Bonds	700,000
Less: Statutory deductions	
Unissued refunding bonds	<u>(6,970,000)</u>
Total net debt applicable to limit	<u>121,303,793</u>
Legal debt margin	<u>\$ 1,051,130,601</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 12,671,384,340	\$ 11,568,969,626	\$ 11,176,676,254	\$ 10,775,447,800	\$ 10,242,235,513	\$ 7,942,520,617
8%	8%	8%	8%	8%	8%
1,013,710,747	925,517,570	894,134,100	862,035,824	819,378,841	635,401,649
69,575,814	66,859,085	73,775,188	80,653,877	87,648,423	84,777,641
<u>944,134,933</u>	<u>858,658,485</u>	<u>820,358,912</u>	<u>781,381,947</u>	<u>731,730,418</u>	<u>550,624,008</u>
7%	7%	8%	9%	11%	13%

CATAWBA COUNTY, NORTH CAROLINA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimate ⁽¹⁾	Personal Income	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
1999	132,545	3,744,793,885	28,253	36.7	23,004	1.80
2000	134,128	3,747,133,936	27,937	37.0	23,600	1.80
2001	141,686	3,879,504,366	27,381	36.1	23,875	6.40
2002	145,071	3,906,036,675	26,925	36.2	23,688	9.40
2003	146,690	3,884,791,270	26,483	36.3	23,825	9.30
2004	146,971	4,090,055,959	27,829	36.4	23,942	7.20
2005	148,797	4,255,296,606	28,598	36.6	24,243	6.60
2006	149,416	4,493,536,784	30,074	36.7	24,455	5.40
2007	153,784	N/A	N/A	37.0	24,766	5.90
2008	155,452	N/A	N/A	36.9	25,305	7.20

N/A = Not available

Sources:

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

² Bureau of Economic Analysis

³ Office of State Planning

⁴ North Carolina Department of Public Instruction

⁵ Department of Commerce - Employment Security Commission

CATAWBA COUNTY, NORTH CAROLINA
Principal Employers
Current Year and Nine Years Ago

Employer	2008			1999		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Catawba County School Systems	2,100	1	2.99%	2,265	3	3.03%
CommScope, Inc.	2,050	2	2.92%	2,600	2	3.47%
Frye Regional Medical Center	1,720	3	2.45%	1,850	4	2.47%
Catawba Valley Medical Center	1,288	4	1.83%	1,306	8	1.74%
Catawba County Government	1,193	5	1.70%	1,111	10	1.48%
Hickory Springs Manufacturing Company, Inc.	1,100	6	1.57%	1,430	6	1.91%
CV Industries, Inc.	1,035	7	1.47%	1,697	5	2.27%
Sherrill Furniture Company	1,012	8	1.44%	1,250	9	1.67%
Corning Cable Systems ³	1,000	9	1.42%	2,653	1	3.54%
Hdm Furniture Industries	929	10	1.32%	-	-	0.00%
The Lane Company	-	-	-	1,350	7	1.80%
	<u>13,427</u>		<u>19.11%</u>	<u>17,512</u>		<u>23.38%</u>

Sources:

¹ Survey of Employers

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

³ Catawba County Chamber of Commerce

CATAWBA COUNTY, NORTH CAROLINA
Full Time Equivalent County Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Function										
Governmental activities:										
General government	89	90	87	86	85	84	86	89	104	100
Public safety	321	307	248	245	240	235	225	226	203	197
Environmental protection	11	11	11	9	10	10	11	12	12	13
Economic and physical development	93	91	94	89	87	78	83	82	64	57
Human services	614	583	583	655	641	639	616	628	641	641
Culture and recreation	<u>37</u>	<u>37</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>36</u>	<u>38</u>	<u>38</u>	<u>39</u>	<u>36</u>
Total governmental activities	<u>1,164</u>	<u>1,119</u>	<u>1,061</u>	<u>1,123</u>	<u>1,100</u>	<u>1,081</u>	<u>1,058</u>	<u>1,075</u>	<u>1,064</u>	<u>1,045</u>
Business-type activities:										
Solid waste management	<u>28</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>28</u>	<u>26</u>	<u>24</u>	<u>23</u>	<u>20</u>
Total primary government	<u>1,193</u>	<u>1,147</u>	<u>1,089</u>	<u>1,152</u>	<u>1,128</u>	<u>1,109</u>	<u>1,084</u>	<u>1,099</u>	<u>1,086</u>	<u>1,065</u>

Sources: Catawba County Personnel Department

CATAWBA COUNTY, NORTH CAROLINA
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Governmental activities:										
General government										
Number of registered voters	99,117	95,855	95,470	93,633	95,480	93,299	93,035	90,175	91,232	88,344
Number of marriage licenses issued	1,181	1,073	1,040	1,135	1,071	1,071	1,142	1,121	1,184	1,149
Number of vouchers processed	49,648	45,713	47,038	51,598	44,794	44,173	45,505	47,172	45,153	N/A
Public safety										
Number of 911 dispatch/calls	115,000	108,658	106,093	86,941	106,262	92,094	111,880	78,070	75,566	105,372
Sheriff Department offenses reported	5,312	5,477	5,163	5,284	5,846	5,535	5,526	2,303	4,163	4,275
Environmental protection										
Cooperative extension agent contacts	66,324	67,385	37,194	33,163	24,819	24,743	27,912	24,542	N/A	N/A
Economic and physical development										
Number of commercial permits issued	721	622	663	760	733	387	491	523	550	539
Number of residential permits issued	1,497	1,692	1,799	1,681	1,762	1,429	1,973	2,121	1,961	1,860
Number of patrons visiting parks	75,797	67,029	43,022	50,337	45,293	36,989	21,505	N/A	N/A	N/A
Human services										
Mental health clients served	7,698	5,654	5,827	5,380	6,245	6,470	7,189	6,645	6,682	8,245
Households that received assistance with energy bills	2,004	1,429	1,261	1,111	944	1,140	1,230	1,998	1,502	1,596
Medicaid clients receiving transportation assistance	15,551	17,200	16,305	14,124	13,690	12,544	9,577	10,242	7,312	23,505
Children benefiting from child support services	7,337	7,360	7,696	6,795	7,580	7,590	7,459	7,855	8,000	7,780
Public health clients served	21,634	24,965	17,183	26,123	22,113	20,803	27,337	N/A	N/A	N/A
Restaurant inspections	1,443	1,463	1,432	1,406	1,398	1,305	1,364	1,328	1,291	1,274
Culture and recreation										
Total circulation for library system	681,796	666,069	657,271	681,001	667,246	590,730	557,407	546,949	462,868	405,197
Education										
Public school student enrollment K-12	25,305	24,766	24,455	24,243	23,942	23,825	23,688	23,875	23,600	23,004
Business-type activities:										
Solid waste management										
Tons buried - MSW	151,007	165,384	167,988	168,140	164,590	164,142	164,469	174,900	173,722	165,359
Tons buried - C&D	38,745	49,733	40,246	30,294	31,920	25,490	35,884	30,103	26,076	30,701
Tons recycled	28,932	29,836	29,477	25,820	28,634	32,081	32,187	30,895	31,506	27,196

N/A = Not available

Sources: Catawba County Departments, NC Department of Public Instruction

CATAWBA COUNTY, NORTH CAROLINA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Governmental activities:										
General government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	9	8	8	7	7	7	N/A	N/A	N/A	N/A
Public safety										
Buildings	8	8	8	8	7	7	7	7	7	7
Vehicles	166	153	148	143	144	144	N/A	N/A	N/A	N/A
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	2	2	2	2	2	2	N/A	N/A	N/A	N/A
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	60	47	51	59 ⁽¹⁾	37	37	N/A	N/A	N/A	N/A
Human services										
Buildings	39	40	40	40	40	40	38	38	38	38
Vehicles	47	46	39	40 ⁽²⁾	62	62	N/A	N/A	N/A	N/A
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	2	2	2	2	2	2	N/A	N/A	N/A	N/A
Business-type activities:										
Solid waste management										
Buildings	7	7	7	4	4	4	5	5	4	4
Vehicles	25	26	25	26	25	25	N/A	N/A	N/A	N/A

N/A = Not available

¹ City of Hickory Permit Center merged with County Permit Center. The County acquired vehicles from City of Hickory.

² Divestiture of Mental Health services.

Sources: Catawba County Departments