

2011 Comprehensive Annual Financial Report

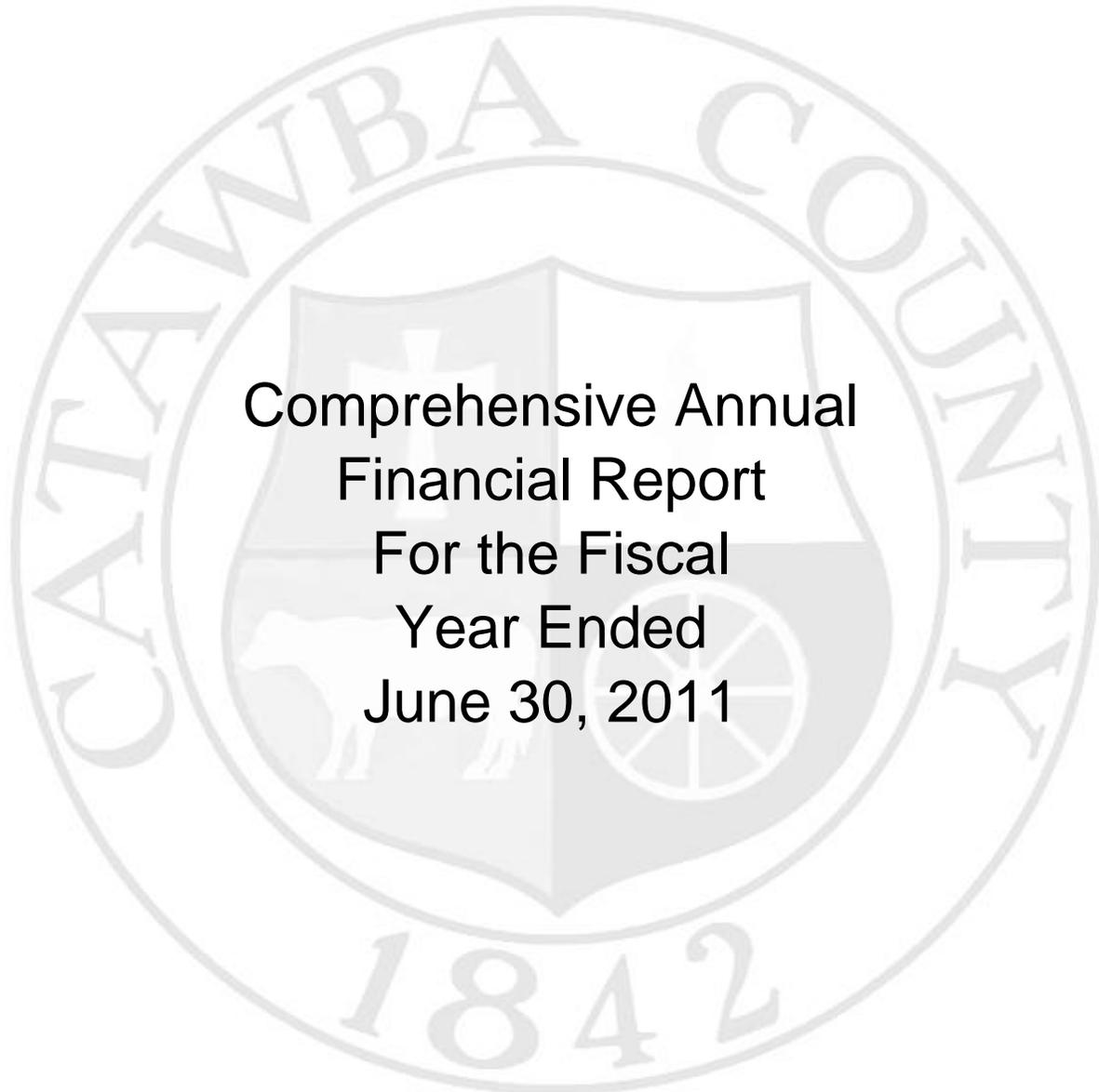
Keeping the Spirit Alive Since 1842!



Catawba County
North Carolina

**For the Fiscal Year Ended
June 30, 2011**

Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011

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

Prepared by Catawba County Finance Department
Published November 18, 2011

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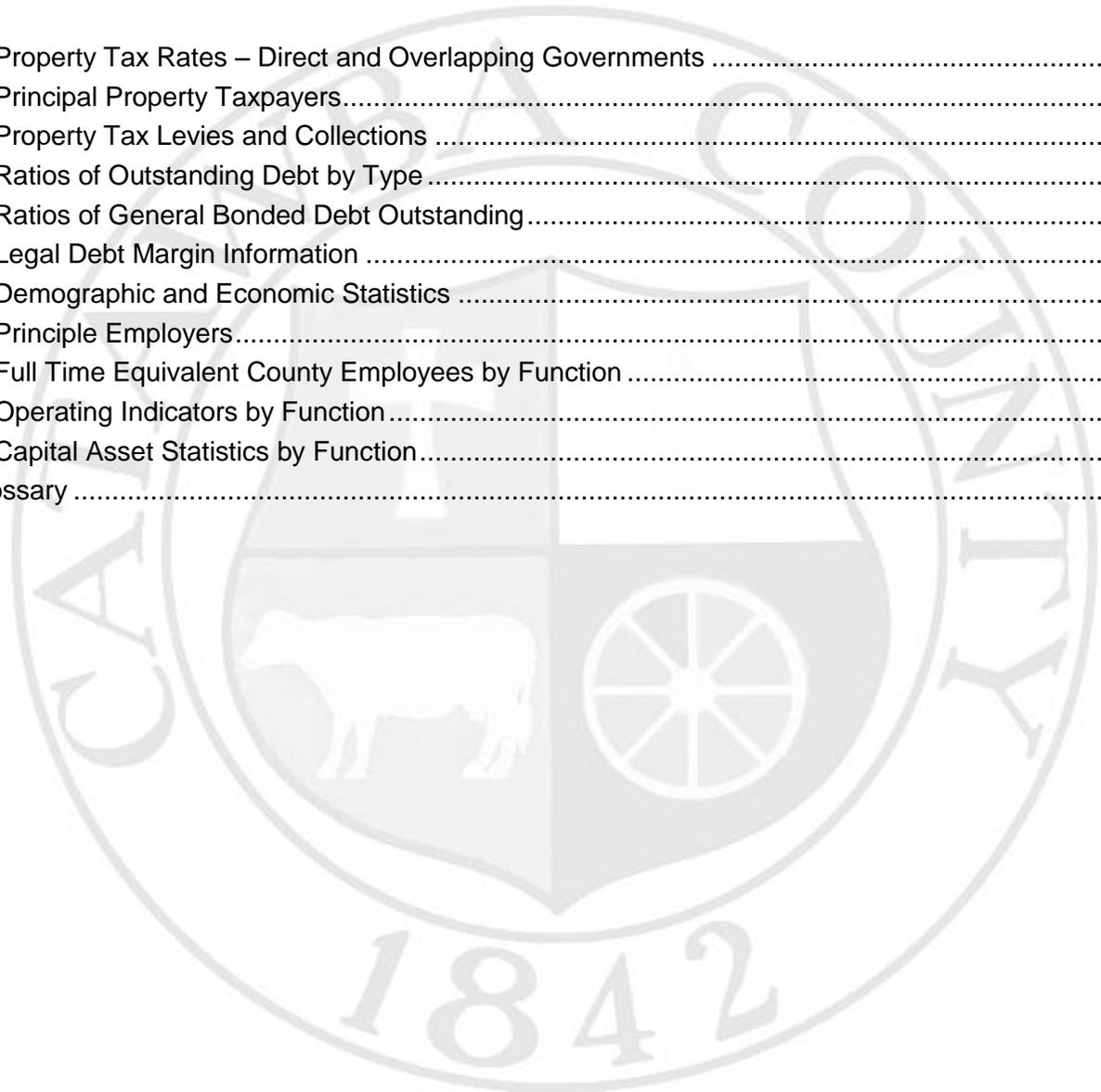
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Catawba County Board of Commissioners

*Barbara G. Beatty, Katherine W. "Kitty" Barnes - Chair, Lynn M. Lail - Vice Chair
Dan A. Hunsucker, C. Randall Isenhower*



CATAWBA COUNTY

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

November 18, 2011

State law requires that all local governments have its financial records 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, 2011.

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.

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, 2011, 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 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, 2011, 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

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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 various 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 German and Scotch-Irish settlers who migrated to the County 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 159,125, ranking 17th 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 39 years of continuous service.

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 balanced 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 in which the County operates.

LOCAL ECONOMY

Since the national recession officially ended in the U.S. in June 2009, the local economy continues to improve slowly. The region, which includes Alexander, Burke, Caldwell and Catawba counties, has shown signs of improvement this past year with the unemployment rate falling to 12.4% in July 2011 from 13.1% the year before. The region has experienced some modest improvement, however, the four-county MSA maintains the second highest unemployment rating of fourteen metro areas in North Carolina.

For Catawba County specifically, the unemployment rate has decreased over the past two years from 14.7% in July 2009 to 12.8% in July 2010 to 12.2% in July 2011. Though the

rate has not declined as quickly as hoped, it continues to fall from its peak of 15.6% in March 2009, the highest rate in the County since 1975. Catawba County continues to be home to a large industrial base, heavily concentrated in manufacturing at 28 percent, almost three times the national average of 10 percent. Catawba County's mainstay industries have stabilized and positive indications are apparent, with a trend to "re-shoring" of furniture manufacturing via consolidation back into Catawba County, a steady growth in fiber-optic and telecommunications investment and employment, and continued reinvestment by newer industry sectors. The county and region are renowned as a furniture-manufacturing and distribution center, with approximately 500,000 annual visitors to two furniture malls and twenty miles of furniture stores between Hickory and Lenoir, two of the largest cities in the region. Furthermore, the County has been a leader in the manufacture and development of fiber optics and telecommunications equipment for more than a decade, producing approximately 40% of the world's supply of fiber optic cable at its peak and still providing significant employment opportunities for county residents. In addition to a large manufacturing and industrial base, the County is supported by a strong service-sector, now accounting for more than half of the economic engine in the county. A transformation has occurred over the last twenty years as many furniture and textile jobs moved overseas where cheaper labor could be used for the manufacture of these products. As a result, the local economy is less reliant on its manufacturing base as it has reduced from 56% in 1990 to 28% today.

In the early years of the latest recession, job losses extended to the telecommunications and automotive industries as major employers including Corning, CommScope, Shurtape Technologies/Shuford Mills, Hickory Springs, and Getrag all reduced their workforce, though not nearly as severe as the prior economic downturn. These layoffs have leveled off. Most recently, GoldToeMoretz announced that it will close two distribution centers in the County, resulting in the loss of 66 jobs. This was a result

of the sale of the company to Gilbane, a non-resident parent and the consolidation of facilities to achieve more operational efficiencies.

Fortunately, the County has experienced some significant expansion of several companies recently. These include industries across the spectrum from traditional industries to the high-tech sector: Lee Industries expanding its operations and adding 75 new jobs; Legacy Furniture Group more than tripled its space and added 50 employees; Ethan Allen commenced with a \$2.25 million expansion and the transfer of 300 jobs from a facility in California to Maiden; Hooker Furniture will transfer 90 employees from Cherryville to its Hickory facility; Paramount Automotive Group announced the purchase of several auto franchises and the planned \$5 million investment into a new facility; Convergys Customer Management group added 120 jobs to its previous workforce of 675 employees for its call center operations; Pierre Foods announced a \$16.8 million expansion to their existing facility in Claremont and the addition of 500 jobs, which will total more than 1,000 employees by the end of 2011; and Shurtape Technologies is renovating a very high-profile building for a relocation of its headquarters in Hickory.

The County continues to actively recruit and attract companies with a focus on Information-based Industries, Emerging Energy and Alternative Energy facilities and producers, and Advanced Manufacturing, touting the County's skilled workforce and a high concentration of manufacturing support systems. This was evident in early 2011 with the announcement that Fairmont Designs, a California-based home furnishings manufacturer, would create 200 jobs

in a former Thomasville Furniture plant for their east coast operations. Also, Turbocoating Corp., an Italian manufacturer of coatings for turbines announced plans to add 53 jobs and invest \$15 million over the next three years.



Target Distribution Center

Additionally, targeted efforts have been made to diversify the County's economic base from traditional manufacturing and textiles over the last few years. In 2009, a \$90 million new Target distribution center opened in Newton, providing approximately 600 new jobs in the County. The \$90 million facility is the largest distribution facility in the Charlotte region at 1.6 million square feet, and is a prototype for Target's regional distribution centers, serving 60 to 80 retail stores. Also in 2009, Fiserv, a Fortune 500

company rated number one among the largest technology providers to the financial services industry, opened in a previously vacant facility with plans to employ 400 people over a three year period.

Another economic development initiative in the county is the Greater Hickory Classic, a PGA Tour's Champions Tour golf event held at the Rock Barn Golf and Spa in Conover that receives support from the business community and local governments, including the County. Business North Carolina magazine ranked Rock Barn 18th in its annual top 100 Golf Courses in the State of North Carolina for 2011. This year's event occurred in June for the ninth consecutive year, and once again was broadcast on the Golf

Channel that is available in 120 million homes worldwide and provides an estimated economic benefit to the County of \$15 million.

Finally, Apple, Inc. completed the first phase of the largest economic development project in the history of the County. Apple, Inc. committed to invest \$1 billion in Maiden to construct a data center in a 500,000 square foot facility to house its iCloud suite of services. The project has already created more than 50 new jobs in phase one, with plans to add 250 contract workers to operate the facility when the \$1 billion project is completed. The 183-acre site was marketed as a multi-jurisdictional park to attract a data center similar to the Google, Inc. complex in an adjacent county, with large amounts of power and water available, and included more than 750 construction jobs during the construction phase. The location of these two large projects has assisted economic development efforts in marketing the region as the "NC Data Center Corridor" a location with favorable labor conditions, abundance of fiber optics infrastructure, easy access to major airports and a high quality of life. Most recently, Apple, Inc. has begun to develop a 170-acre site adjacent to the current facility for a solar panel farm, which was not in the original plans for the data center. Catawba County, being home to Apple's only east coast operations facility, has benefited from a great deal of exposure as a result, having recently been written up in USA Today and interviewed by the London Sunday Times and the Washington Post for upcoming articles on Data Center recruitment.

The County is also a major medical hub, with a prospering medical and health care community,



Apple, Inc. Data Center - Maiden, N.C.

Apple, Inc. completed the first phase of the largest economic development project in the history of the County."

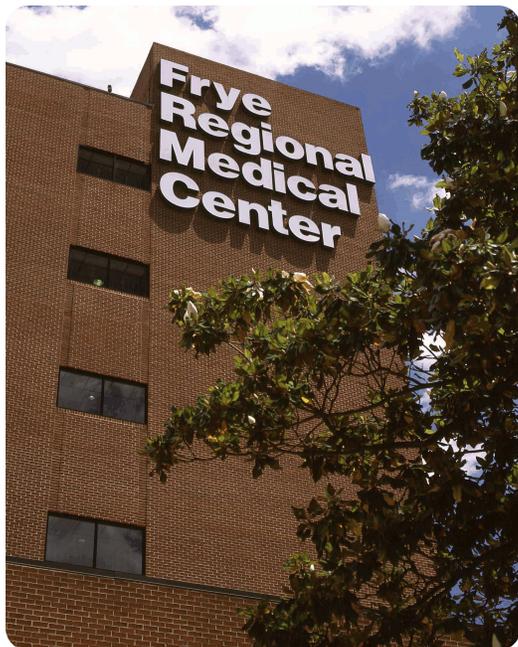
and two large medical centers, one county-owned and both profitable. Catawba Valley Medical Center, a county-owned facility, was granted its third Magnet designation from the American Nurses Credentialing Center earlier this year, becoming one of only 30 hospitals

in the nation to receive the designation three times. The Magnet program recognizes health care organizations that provide the very best in nursing care and professionalism in nursing practice, resulting in the gold standard for nursing excellence. In addition, Catawba Valley Medical Center was named one of the top five hospitals in North Carolina for overall orthopedic services in 2011. The Medical Center is almost finished with a \$25 million expansion and renovation of its surgical suite, creating three new operating rooms and renovating the others with new technology. The project was financed with bonds offered through the American Recovery and Reinvestment Act, which gave a 35%-45% tax credit on the interest



payable over the life of the loan and is expected to be completed later this year. In 2010, a second phase of expansion began, which includes the construction of a five-story addition to house a Women's and Oncology Pavilion estimated to cost \$33 million. The project is scheduled to be complete in the spring of 2013.

Frye Regional Medical Center, which celebrated its 100-year anniversary earlier this year, was named number one in the state of North Carolina and in the top 5% of U.S. hospitals for cardiac surgery and patient safety in 2011 by HealthGrades, the leading independent healthcare ratings organization in the nation.



They were one of only 238 hospitals in the country to receive this designation. In 2010, they received the 2010 Distinguished Hospital award from J.D. Power and Associates, a global marketing information services firm.

The medical center has won the award four times (2005, 2006, 2008 & 2010) for providing an outstanding inpatient experience and service excellence to its visitors.

Retail sales in the County increased by 2.5% in 2011, after declines of 1.8% and 10.9% the past two years. Catawba County remains a retail magnet for the region, capturing 60% of the \$4.0 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. Though Catawba County's population ranks 17th largest in North Carolina, its retail sales per capita rank 11th highest out of 100 counties. Furthermore, Catawba County boasts a strong tourism industry, ranking 16th in tourism expenditures across the state, and more than one million visitors each year generating \$2.8 billion in economic activity, accounting for fifteen percent of the County's economy.

In 2009, Catawba County received a \$3 million grant from the American Recovery and Reinvestment Act (ARRA), which was used to create 11 miles of water lines to create a loop, which is serving the town of Maiden and the southeastern portion of the county. ARRA funds were also used for school construction in the County in the form of Qualified School Construction Bonds, which provide a 100% interest subsidy from the Federal Government to the County. These bonds have been issued for several school projects including a new LEED certified middle school for Newton-Conover Schools and expansion of an elementary, middle and high school for Catawba County Schools totaling approximately \$27 million. The bonds had a fifteen-year term and were issued at a net 0% rate to the County, resulting in interest savings of more than \$9.3 million over the life of the loans. Also, the City of Conover landed a \$2.1 million federal grant to renovate a vacant manufacturing facility that was constructed in the 1900s, and converted it to a multi-modal transit station combining rail and bus passenger service at one site for county citizens, which has been recently completed.

In addition to grant funding, the county continues to receive some national and state exposure in other areas, which will hopefully increase economic development opportunities in the County. The County was recognized in BIODIESEL Magazine in August 2011 for the grand opening of its biodiesel research facility, a partnership between the County and Appalachian State University, who received a grant from the Golden LEAF Foundation to build a biodiesel research facility using the electricity and heat generated at the facility. The facility will provide testing and research for biodiesel

manufacturers in western NC as well as producing biodiesel from agricultural crops at the landfill and surrounding farms. This is the first facility of its kind in the state and meets



million in school and community college construction needs.



Biodiesel Research Facility

To pay for the school and community college projects, the Catawba County Board of Commissioners

implemented a four-year funding cycle in fiscal year 2007-08 by dedicating two cents of the property tax rate, approximately \$3.0 million, along with \$1.5 million in lottery funds, as well as pledging the amount of school/community college debt retired each year towards new construction. This provided funding for \$76.5 million in new construction needs over the four year period for all three school systems and CVCC. The Board of Commissioners completed the final year of the funding plan in the 2010-11 fiscal year by using those funds for a new middle school, which will be the county's second LEED certified school, expansion of two existing

schools and the construction of a simulated hospital and other renovations at the

Leadership in Energy and Environmental Design (LEED) standards. The facility is located in the County's EcoComplex, a Regional Biosolids Processing Facility that is designed to improve the ecology of Catawba County and promote economic development by attracting jobs in the green energy, agricultural and environmental sectors. The county EcoComplex received a \$30,000 grant in late 2010 to install wireless broadband service to assist researchers at partner universities and to remotely monitor equipment at the site. Currently, two businesses are located at the facility producing wood products. The County has been a leader in environmental initiatives, ranking second in the state in county recycling and was one of the first in the country to capture landfill gas and convert to electricity through a co-generation process, producing enough electricity to power 1,400 homes annually.



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, which is updated on an annual basis. As of June 30, 2011, \$209 million in capital needs have been identified over the next eight years, which includes approximately \$120

community college. The next four-year funding cycle will begin in the 2011-12 fiscal year.

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. In 2007, the NC General Assembly agreed to assume responsibility for Medicaid costs from counties, 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, approved by local referendum. The new ¼ cent sales tax passed by an overwhelming majority on November 6, 2007 for Catawba County. This revenue source is currently providing approximately \$4.1 million a year in revenue 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 without relying solely on the property tax. Some of the additional funds

The remaining sales tax revenues are being set aside for economic development, education, and water and sewer needs in the county. The Board of Commissioners continued a policy of setting aside funds, one and a half cents on the property tax rate or \$2.25 million, in fiscal year 2010-11 for future water and sewer projects throughout the county. Those funds, along with an additional \$1.5 million in sales tax revenues will help fund approximately \$35 million in water and sewer needs identified over the next eight years. Another long-term initiative by the County is to improve the educational attainment of the region, which has ranked last out of 14 metro areas across the State. Catawba County continues to commit almost fifty cents of every dollar towards education, which has funded several efforts such as increasing local teacher supplements, helping to attract and retain the best and brightest teachers in the County and funding much needed technology updates for all three school systems to help foster a positive learning environment for our children.



Those efforts seem to be producing dividends as evidenced by the latest year-end results for the school systems. Catawba County Schools ended the 2010-11 year with an 86.2 percent graduation rate, which was ninth highest out of 115 school districts and first among medium-sized school districts in the State.

Newton-Conover Middle School Construction

are planned to be used for the addition of courtroom space (a county responsibility) and a new Public Safety facility, which will include a new 911 Communication Center and Emergency Operations Center (EOC). The County has engaged an architect for the project and completed a concept development phase of the project; schematic design will begin in late 2011.



Hickory Public Schools had 71.2% of the senior class take the SAT exam last year, compared to 64% across the State; also, they had a combined average SAT score for math and reading of 1050 compared to 1001 in the other

school districts. Newton-Conover Schools achieved an 85.2 percent rate for students who graduated in four years for the 2010-11 school year, well above the average of 77.9% in North Carolina.

Furthermore, the County has invested in its educational future by continuing to support higher education initiatives in the region. The Hickory Metro Higher Education Center opened in 2003 through a partnership with Catawba County, the City of Hickory, Catawba Valley Community College, Lenoir-Rhyne College and Appalachian State University (ASU). Since opening, HMHEC has provided 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 2009, the Appalachian State University Greater Hickory Partnership was established between Appalachian State University and the three community colleges in the Hickory-Lenoir-Morganton region. The partnership coordinates delivery of Appalachian's off-campus degree programs in four regional centers: the ASU Center at Hickory and the North Carolina Center for Engineering Technologies (NCCET) in Catawba County, the ASU Center at Burke and the ASU Center at Caldwell. During the 2010-2011 academic year, 900 students are expected to pursue Appalachian degrees at these four



centers.

The NC Center for Engineering Technologies focuses on applied research in engineering-related fields and serves as a conduit to baccalaureate education delivered by University of North Carolina system schools. The primary schools involved in the center are Appalachian State University, Western Carolina University, University of North Carolina – Charlotte, Catawba Valley Community College, Caldwell County Community College and Technical Institute, and Western Piedmont Community College. The Center collaborates with other schools in bringing the best programs to the region to meet employment needs. This effort began as a regional economic development initiative and has become reality with public and private contributions of more than \$2.5 million. It

is currently offering undergraduate degree programs enabling individuals employed in business, industry and State-related occupations to pursue a four-year degree through part-time evening study.



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 these efforts

will help the County remain economically viable by giving its citizens additional higher education opportunities that are desperately needed.

AWARDS AND ACKNOWLEDGEMENTS

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to Catawba County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. 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 29 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 has prepared and will be submitting a Popular Annual Financial Report (PAFR) to GFOA for 2010-11. This is the fourth time the County has prepared a PAFR, which is designed to provide citizens and other users with easily understood information about a government's finances and economic condition. PAFRs are supplements to, not replacements for, CAFRs and are reviewed by a Popular Reporting Task Force and GFOA. The county has received an award for this report for three years in a row and hopes to make it a fourth with the 2010-11 entry.

Finally, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2010. This is the twenty-second 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.

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, 2010



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 Jeanne Jarrett and Kenneth Maynor, along with Martin, Starnes & 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,

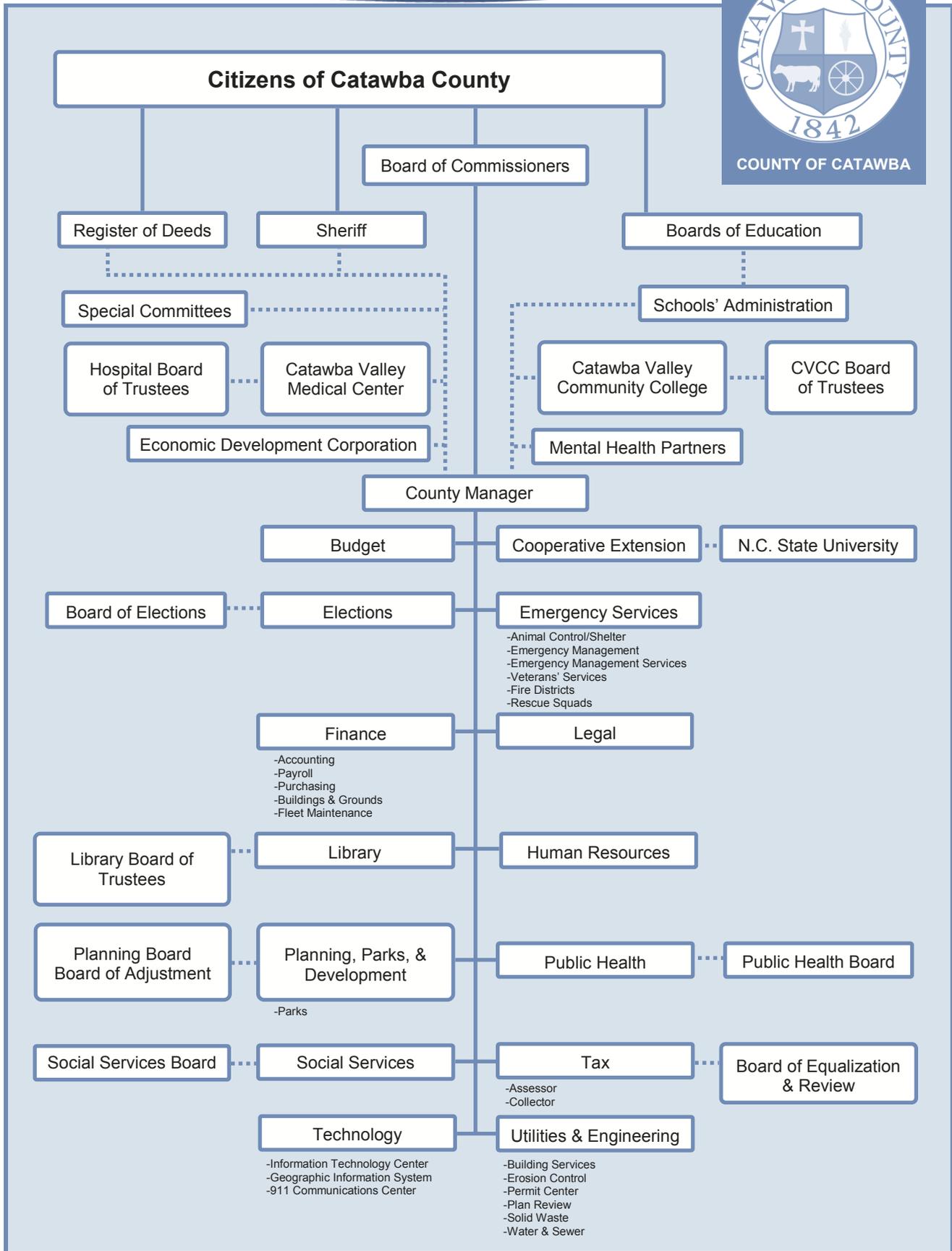
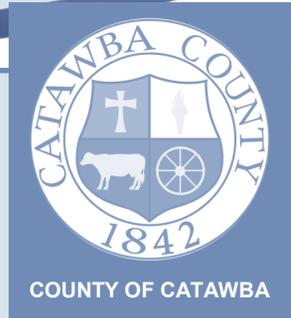
A handwritten signature in black ink, reading "J. Thomas Lundy".

J. Thomas Lundy
County Manager

A handwritten signature in black ink, reading "Rodney N. Miller".

Rodney N. Miller
Finance 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, 2011, 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, 2011, 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 18, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Law Enforcement Officer's Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Catawba County, North Carolina as a whole. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, 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, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 18, 2011

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, 2011. 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.

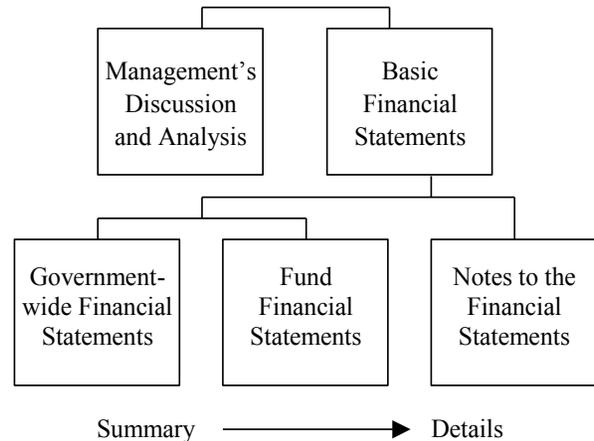
FINANCIAL HIGHLIGHTS

- ▶ The assets of Catawba County exceeded its liabilities at the close of the fiscal year by \$152,432,982 (*net assets*). Of this figure, approximately \$119 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net assets increased by \$2,666,948, resulting from a decrease of (\$2,697,277) in governmental activities, and an increase of \$5,364,225 in business-type activities.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$117,215,821, an increase of \$18,220,037 in comparison with the prior year. Approximately 39 percent of this total amount, or \$45,509,769, is restricted, or non-spendable. [See Exhibit 4]
- ▶ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$29,177,889, or 19 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total debt increased by \$25,139,843 during the current fiscal year. Outstanding debt is \$142,142,197 and equates to \$893 per capita at the end of the fiscal year.
- ▶ For the seventh consecutive year, Catawba County maintained its AA bond rating with Standard & Poor's and maintained its Aa1 bond rating with Moody's Investors Service for the 2nd 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



BASIC FINANCIAL STATEMENTS

The first two statements (Exhibits 1 and 2) 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 next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial statements: (1) governmental funds statements, (2) budgetary comparison statements, (3) proprietary fund statements, and (4) fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: (1) governmental activities, (2) business-type activities, and (3) component units. The governmental activities include most of the County's basic services such as human services, education, public safety, parks and recreation, and administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Catawba County. The final category is the component units. Catawba Valley Medical Center is a public hospital that was organized in 1962 by resolution of the Board of County Commissioners. The County appoints the board of trustees for the Medical Center and

has issued debt on its behalf. Although legally separate from the County, the Alcohol Beverage Control (ABC) board is important to the County because the County is financially responsible for the Board by appointing its members, and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibit 1 and 2 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. All of the funds of Catawba County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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*. *This method also has a current financial resources 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 governmental 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 North Carolina 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 of Commissioners 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, changes 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** - Catawba County maintains one type of proprietary fund which includes two enterprise funds.

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for both its solid-waste and water and sewer operations. These funds are 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 23-27 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 28 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 29 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 66 of this report.

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 \$152,432,982, as of June 30, 2011. The County's net assets increased by \$2,666,948 for the fiscal year ended June 30, 2011.

The largest portion of net assets, 77.8%, 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. Capital assets increased by \$4.6 million during the current year. Catawba County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although

Government-Wide Financial Analysis Catawba County's Net Assets

	Governmental Activities		Business-type Activities		Total		Total	
	2011	2010	2011	2010	2011	2010	Dollar Change	Percent Change
Current and other assets	\$ 134,358,591	\$ 115,393,314	\$ 50,173,426	\$ 45,815,782	\$ 184,532,017	\$ 161,209,096	\$ 23,322,921	14.47%
Capital assets	83,760,519	81,532,112	54,591,884	52,259,902	138,352,403	133,792,014	4,560,389	3.41%
Total assets	218,119,110	196,925,426	104,765,310	98,075,684	322,884,420	295,001,110	27,883,310	9.45%
Long-term liabilities	143,111,459	118,177,775	16,698,333	14,776,093	159,809,792	132,953,868	26,855,924	20.20%
Other liabilities	9,925,432	10,968,155	716,214	1,313,053	10,641,646	12,281,208	(1,639,562)	-13.35%
Total liabilities	153,036,891	129,145,930	17,414,547	16,089,146	170,451,438	145,235,076	25,216,362	17.36%
Net assets:								
Invested in capital assets, net of related debt	71,693,769	68,272,595	46,958,987	52,416,130	118,652,756	120,688,725	(2,035,969)	-1.69%
Restricted	47,011,143	1,377,237	-	-	47,011,143	1,377,237	45,633,906	3313.44%
Unrestricted	(53,622,693)	(1,870,336)	40,391,776	29,570,408	(13,230,917)	27,700,072	(40,930,989)	-147.76%
Total net assets	\$ 65,082,219	\$ 67,779,496	\$ 87,350,763	\$ 81,986,538	\$ 152,432,982	\$ 149,766,034	\$ 2,666,948	1.78%

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, 30.8%, represents resources that are subject to external restrictions on how they may be used. Compared to the prior year percentage of .9%, this increase is a result of new restrictions from the implementation of GASB Statement No. 54. Because of these restrictions, the unrestricted amount has a negative balance.

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.

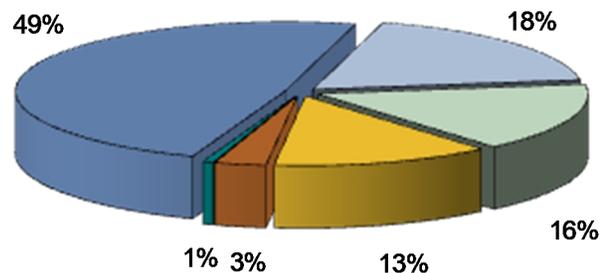
Governmental Activities - Governmental activities decreased the County's net assets by (\$2,697,277). Key elements of this change are as follows:

- ▶ An increase in education expenses as new school capital projects began major construction.

- ▶ Investment earnings decreased by \$980,000 from the prior year due to lower interest rates.
- ▶ Anticipating this shortfall, County departments reduced their expenses by 2% of their budgets, decreased payments to outside agencies, and left several employee positions vacant.

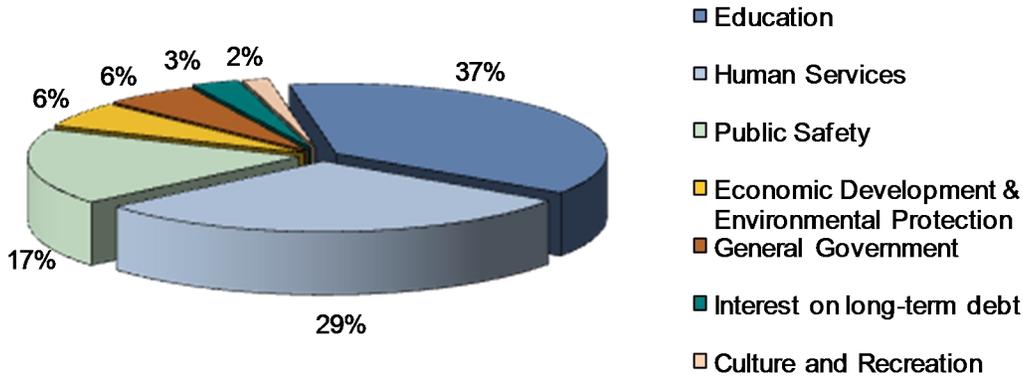
The following graphs represent the major sources of revenues and the major functions of expenditures for governmental activities.

Revenues by Source - Governmental Activities



- Property taxes
- Operating grants
- Sales and other taxes
- Charges for services
- Capital grants
- Investment earnings

Expenditures by Function - Governmental Activities



Catawba County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	\$ 23,023,392	\$ 22,526,301	\$ 5,742,856	\$ 5,816,059	\$ 28,766,248	\$ 28,342,360
Operating grants and contributions	32,659,457	32,298,988	501,033	546,052	33,160,490	32,845,040
Capital grants and contributions	5,380,157	3,217,167	1,957,808	209,796	7,337,965	3,426,963
General revenues:						
Property taxes	85,440,972	84,763,108	-	-	85,440,972	84,763,108
Sales and other taxes	27,996,050	27,955,321	302,161	290,643	28,298,211	28,245,964
Investment earnings, unrestricted	1,136,085	2,115,680	533,248	927,964	1,669,333	3,043,644
Total revenues	<u>175,636,113</u>	<u>172,876,565</u>	<u>9,037,106</u>	<u>7,790,514</u>	<u>184,673,219</u>	<u>180,667,079</u>
Expenses						
General government	9,795,648	10,533,518	-	-	9,795,648	10,533,518
Public safety	30,599,650	29,076,572	-	-	30,599,650	29,076,572
Environmental protection	508,248	495,248	-	-	508,248	495,248
Economic and physical development	9,713,902	10,627,991	-	-	9,713,902	10,627,991
Human services	51,350,294	51,688,459	-	-	51,350,294	51,688,459
Cultural and recreation	2,733,249	2,830,504	-	-	2,733,249	2,830,504
Education	65,072,007	53,825,312	-	-	65,072,007	53,825,312
Interest on long-term debt	4,998,419	5,411,021	-	-	4,998,419	5,411,021
Solid waste management	-	-	5,869,812	5,800,628	5,869,812	5,800,628
Water and sewer	-	-	1,365,042	1,270,443	1,365,042	1,270,443
Total expenses	<u>174,771,417</u>	<u>164,488,625</u>	<u>7,234,854</u>	<u>7,071,071</u>	<u>182,006,271</u>	<u>171,559,696</u>
Increase (decrease) in net assets before transfers	864,696	8,387,940	1,802,252	719,443	2,666,948	9,107,383
Transfers	(3,561,973)	(3,700,000)	3,561,973	3,700,000	-	-
Increase (decrease) in net assets	(2,697,277)	4,687,940	5,364,225	4,419,443	2,666,948	9,107,383
Net assets - beginning of year	67,779,496	63,091,556	81,986,538	77,567,095	149,766,034	140,658,651
Net assets - end of year	<u>\$ 65,082,219</u>	<u>\$ 67,779,496</u>	<u>\$ 87,350,763</u>	<u>\$ 81,986,538</u>	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>

Business-type Activities - Business-type activities increased Catawba County's net assets by \$5,364,225. Key elements of this change are as follows:

- ▶ A transfer of 1-1/2 cents of the property tax rate and Article 46 Sales tax revenues totaling \$3.6 million from the General Fund for various water and sewer projects in the County.
- ▶ An increase in capital grant funds to support water and sewer activities of \$1.7 million, including a grant of \$1.5 million from the American Recovery and Reinvestment Act.

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, fund balance available for appropriation 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 General Capital Fund, and the 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, 2011, the governmental funds of the County reported a combined fund balance of \$117,215,821, an 18.4 percent increase from the previous year. The primary reason for this

increase in fund balance was the issuance of debt for major school construction projects that have not yet been spent.

General Fund - The General Fund is the chief operating fund of Catawba County. At the end of the current fiscal year, available fund balance of the General Fund was \$41,021,444, while total fund balance reached \$53,084,624. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 26.7% of total General Fund expenditures while total fund balance represents 34.5% of that same amount.

The overall fund balance increased by \$547,783 primarily due to decreases in expenditures in the general government, public safety, economic and physical development, human services, and cultural and recreation functions. Additional information is provided in the discussion on General Fund budgetary highlights on the next page.

Other Major Funds - The **General Capital Projects Fund** is a major governmental fund. This fund accounts for the financing and construction of all general government multi-year capital projects. Its fund balance increased by \$3.4 million to \$22.1 million. The largest financing source came from an increase in restricted intergovernmental revenues of \$2.1 million, a major grant of \$1.1 million, and transfers from other funds of \$1.6 million. Expenditures were \$4.3 million, an increase from \$1.3 million in the prior year.

The **School Construction Fund** is another major governmental fund. This fund accounts for the various multi-year capital projects for the three school systems and community college in the County. Its fund balance increased by \$16.2 million to \$22.4 million. The largest financing source came from proceeds from debt issuance of \$36.5 million. Expenditures were \$20.4 million, an increase from \$11.3 million in the prior year, a result of new major school construction projects in progress.

Non-Major Funds - Fund balances for non-major funds decreased by (\$2.0) million to \$19.5 million overall. The major decrease is from the School Capital Fund of (\$1.1) million, which was a result of an increase in expenditures relating to capital and renovation projects for the three school systems and community college in the County.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The County has two enterprise funds, the Solid Waste Management and the Water and Sewer Fund. Total net assets of the Enterprise Funds at the end of the fiscal year amounted to \$87.4 million with \$40.4 million of this amount being unrestricted. The increase in net assets in these funds was \$5.4 million. Other factors concerning the finances of these funds 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 \$184,171 or .11%. This increase was due mainly to anticipation of additional federal and state grants available for County services.

Actual revenues were less than final budgeted amounts by (\$292,484). The primary reason was a decrease in investment earnings received during the year due to lower interest rates.

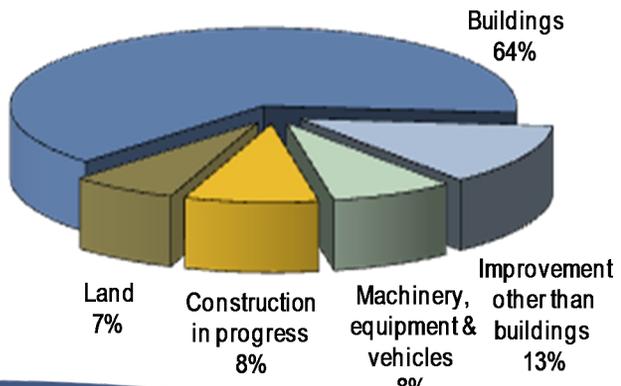
Net amendments to budgeted appropriations were \$6,469,636 or 3.9%. The majority of amendments were for human services, mainly for change in expectations for receipts of federal and state grants. Actual expenditures were less than final budgeted amounts by \$17,404,664. These cost savings resulted mainly from unspent appropriations of a) \$5.1 million in services and supplies in human services departments, b) \$1.1 million in services and supplies in public safety departments and c) \$4.2 million in salaries and benefits due to temporary vacancies in various departments and reductions in health claims. Also, due to an anticipated decline in economic conditions, each County department reduced its operating budget by 2%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - Catawba County's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totals \$138,352,403 (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 additions (there were no significant disposals):

- ▶ Increase in construction in progress of approximately \$3.4 million primarily for Mountain Creek Park.
- ▶ Purchase of new public safety vehicles of approximately \$943,000.

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



Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 5,689,821	\$ 5,689,821	\$ 7,258,519	\$ 7,223,539	\$ 12,948,340	\$ 12,913,360
Buildings	53,670,460	55,096,588	615,664	631,155	54,286,124	55,727,743
Improvements other than buildings	10,684,053	10,935,105	21,717,591	21,588,463	32,401,644	32,523,568
Machinery, equipment and vehicles	6,563,121	6,571,861	1,737,242	1,806,814	8,300,363	8,378,675
Construction in progress	7,153,064	3,238,737	23,262,868	21,009,931	30,415,932	24,248,668
Total	83,760,519	81,532,112	54,591,884	52,259,902	138,352,403	133,792,014

- ▶ Increase in construction in progress of approximately \$1.2 million primarily for water lines and a new regional biosolids facility.

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, 2011, Catawba County had total bonded debt outstanding of \$12,110,000, all of which is debt backed by the full faith and credit of the County. In addition, the County had Installment Purchase debt of \$54,846,912, Certificates of Participation debt of \$37,075,000 and Qualified Zone Academy Bonds of \$550,000. Catawba County increased its debt by issuing Qualified School Construction Bonds of \$27,808,553, Build America Bonds of \$8,401,732, and a Federal revolving loan of \$1,350,000 during the fiscal year. The overall change in long-term debt was a net increase of \$25,139,843.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 2nd consecutive year, its Aa1 bond rating from Moody's Investors Service and for the 7th 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. The County plans to refinance early next fiscal year to take advantage of historically lower interest rates.

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 County's total debt burden outstanding is \$142,142,197 compared to the legal debt margin of \$1,067,686,498 or 12%.

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

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 12,110,000	\$ 17,310,000	\$ -	\$ -	\$ 12,110,000	\$ 17,310,000
Installment Purchases	48,564,015	52,705,166	6,282,897	6,532,188	54,846,912	59,237,354
Certificates of Participation	37,075,000	39,855,000	-	-	37,075,000	39,855,000
Qualified Zone Academy Bonds	550,000	600,000	-	-	550,000	600,000
Qualified School Const. Bonds	27,808,553	-	-	-	27,808,553	-
Build America Bonds	8,401,732	-	-	-	8,401,732	-
Federal Revolving Loan	-	-	1,350,000	-	1,350,000	-
Total	\$ 134,509,300	\$ 110,470,166	\$7,632,897	\$6,532,188	\$ 142,142,197	\$ 117,002,354

FISCAL YEAR 2010-2011 ECONOMIC FACTORS

The following factors reflect the economic activity of the County.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 12% of its statutory limit. The property tax rate of \$0.535/\$100 was below the State average of \$0.6141/\$100 and the 33rd lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 60% of the \$4.0 billion in retail sales from the four-county Metropolitan Statistical Area in 2011 despite having only 43% of the population. In 2011, the County's total taxable retail sales increased 2.5% over the prior year.
- ▶ The county's unemployment has seen a slight improvement as the rate declined from 12.8% in July 2010 to 12.2% In July 2011.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2012

Governmental Activities - The property tax rate is reduced from \$.535/100 to a revenue neutral \$.53/100 assessed value as a result of property revaluation. The budget projects property taxes to be essentially flat for fiscal year 2011-12. As the local economy continues to recover slowly and local and state revenues remain tenuous, the County has been forced to reduce its expenditures. For the third year in a row, reductions are made to County spending, impacting 34 positions, helping to reduce the County budget 2.81 percent to an approved budget of \$196,814,846 for fiscal year 2011-12.

Education continues to represent the largest portion of the local budget, with 49 cents of every property and sales tax dollar allocated for the instructional costs and capital needs of the three public school systems and Catawba Valley Community College.

The County continues to place public safety as a high priority, and accordingly, fewer reductions were made to these functions. The second largest portion of local funds—22 cents of every property tax and sales tax dollar—is spent on public safety.

The last pay adjustment for County employees was three years ago. During these three years, staff has been reduced. At the same time, demand for service has increased due to the economy, so employees have taken on higher workloads and continued to provide excellent customer service and response time. The budget includes limited funds to recognize performance—a one percent and \$300 lump sum for employees, available on employee anniversary dates and, based on ratings of individual performance. A limited amount of funding continues to be included to address pay inequities, in order to keep the County competitive with other jurisdictions through an annual reclassification study.

Business – type Activities - The \$9,036,653 budget includes \$5,912,619 for solid waste operations and \$3,124,034 for water and sewer operations and capital expenditures. The budget commits \$1.3 million of the ¼ cent sales tax and \$775,000 or ½ cent on the property tax rate to fund County-wide water and wastewater needs. This reflects a diversion of 1 cent on the property tax rate or \$1,550,000 from the previous year's appropriation.

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, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 92,879,716	\$ 48,945,294	\$ 141,825,010
Taxes receivable - net	3,991,088	-	3,991,088
Due from other governments	14,629,209	323,293	14,952,502
Notes receivable	-	346,613	346,613
Other receivables	2,526,615	453,853	2,980,468
Interest receivable	216,601	104,373	320,974
Inventories	395,153	-	395,153
Prepaid items	86,781	-	86,781
Deferred charges	374,443	-	374,443
Restricted cash and investments	17,275,677	-	17,275,677
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	12,842,885	30,521,387	43,364,272
Other capital assets, net of depreciation	70,917,634	24,070,497	94,988,131
Total capital assets	<u>83,760,519</u>	<u>54,591,884</u>	<u>138,352,403</u>
Net investment in joint venture	1,983,308	-	1,983,308
Total assets	<u>218,119,110</u>	<u>104,765,310</u>	<u>322,884,420</u>
Liabilities			
Accounts payable and accrued liabilities	7,280,088	716,214	7,996,302
Unearned revenues	2,645,344	-	2,645,344
Long-term liabilities:			
Due within one year	15,059,019	596,571	15,655,590
Due in more than one year	128,052,440	16,101,762	144,154,202
Total long-term liabilities	<u>143,111,459</u>	<u>16,698,333</u>	<u>159,809,792</u>
Total liabilities	<u>153,036,891</u>	<u>17,414,547</u>	<u>170,451,438</u>
Net Assets			
Invested in capital assets, net of related debt	71,693,769	46,958,987	118,652,756
Restricted			
Public safety	4,726,753	-	4,726,753
Register of Deeds	39,764	-	39,764
Stabilization by State statute	16,435,433	-	16,435,433
Debt service	-	-	-
School construction	19,189,675	-	19,189,675
Capital projects	5,347,139	-	5,347,139
Other	1,272,379	-	1,272,379
Unrestricted (deficit)	<u>(53,622,693)</u>	<u>40,391,776</u>	<u>(13,230,917)</u>
Total net assets	<u>\$ 65,082,219</u>	<u>\$ 87,350,763</u>	<u>\$ 152,432,982</u>

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

Component Units	
Catawba Valley Medical Center	Catawba County ABC Board
\$ 75,783,555	\$ 672,918
-	-
1,263,388	-
-	-
24,204,021	-
272,067	-
4,940,369	1,621,992
1,087,748	-
-	-
31,860,862	-
6,061,825	-
22,890,380	-
56,943,898	2,082,964
<u>79,834,278</u>	<u>2,082,964</u>
-	-
<u>225,308,113</u>	<u>4,377,874</u>
17,932,270	1,075,500
-	-
19,347,797	41,105
46,364,647	-
<u>65,712,444</u>	<u>41,105</u>
<u>83,644,714</u>	<u>1,116,605</u>
47,545,314	2,082,964
-	-
-	-
1,313,810	-
5,382,097	-
37,659	414,510
87,384,519	763,795
<u>\$ 141,663,399</u>	<u>\$ 3,261,269</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2011

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	\$ 9,795,648	\$ 2,915,961	\$ 958,559	\$ 1,520,000
Public safety	30,599,650	10,169,062	230,282	-
Environmental protection	508,248	5,525	57,111	-
Economic and physical development	9,713,902	1,788,439	519,478	3,295,365
Human services	51,350,294	7,286,797	30,654,754	-
Culture and recreation	2,733,249	61,607	239,273	-
Education	65,072,007	796,001	-	564,792
Interest on long-term debt	4,998,419	-	-	-
Total expenditures	<u>174,771,417</u>	<u>23,023,392</u>	<u>32,659,457</u>	<u>5,380,157</u>
Business-type activities				
Solid waste management	5,869,812	5,607,998	57,798	337,943
Water and sewer	1,365,042	134,858	443,235	1,619,865
Total expenditures	<u>7,234,854</u>	<u>5,742,856</u>	<u>501,033</u>	<u>1,957,808</u>
Total primary government	<u>\$ 182,006,271</u>	<u>\$ 28,766,248</u>	<u>\$ 33,160,490</u>	<u>\$ 7,337,965</u>
Component units				
Catawba Valley Medical Center	\$ 182,444,752	\$ 192,789,640	\$ 900,076	\$ 28,878
Catawba County ABC Board	11,149,155	10,777,240	-	-
Total Component Units	<u>\$ 193,593,907</u>	<u>\$ 203,566,880</u>	<u>\$ 900,076</u>	<u>\$ 28,878</u>

General Revenues:

Taxes

Property taxes, levied for general purposes

Local option sales taxes

Other taxes and licenses

Investment earnings, unrestricted

Total general revenues, excluding transfers

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

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
\$ (4,401,128)	\$ -	\$ (4,401,128)		
(20,200,306)	-	(20,200,306)		
(445,612)	-	(445,612)		
(4,110,620)	-	(4,110,620)		
(13,408,743)	-	(13,408,743)		
(2,432,369)	-	(2,432,369)		
(63,711,214)	-	(63,711,214)		
(4,998,419)	-	(4,998,419)		
<u>(113,708,411)</u>	<u>-</u>	<u>(113,708,411)</u>		
-	133,927	133,927		
-	832,916	832,916		
-	966,843	966,843		
<u>(113,708,411)</u>	<u>966,843</u>	<u>(112,741,568)</u>		
			\$ 11,273,842	\$ -
			-	(371,915)
			<u>\$ 11,273,842</u>	<u>\$ (371,915)</u>
85,440,972	-	85,440,972	-	-
26,504,695	-	26,504,695	-	-
1,491,355	302,161	1,793,516	-	-
1,136,085	533,248	1,669,333	984,915	8,034
<u>114,573,107</u>	<u>835,409</u>	<u>115,408,516</u>	<u>984,915</u>	<u>8,034</u>
<u>(3,561,973)</u>	<u>3,561,973</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>111,011,134</u>	<u>4,397,382</u>	<u>115,408,516</u>	<u>984,915</u>	<u>8,034</u>
(2,697,277)	5,364,225	2,666,948	12,258,757	(363,881)
<u>67,779,496</u>	<u>81,986,538</u>	<u>149,766,034</u>	<u>129,404,642</u>	<u>3,625,150</u>
<u>\$ 65,082,219</u>	<u>\$ 87,350,763</u>	<u>\$ 152,432,982</u>	<u>\$ 141,663,399</u>	<u>\$ 3,261,269</u>

CATAWBA COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	
Assets					
Cash and investments	\$ 47,488,291	\$ 21,440,492	\$ 5,400,961	\$ 18,549,972	\$ 92,879,716
Taxes receivable - net	3,796,485	-	-	194,603	3,991,088
Due from other funds	1,318	-	-	-	1,318
Due from other governments	9,878,816	672,105	3,007,553	1,070,735	14,629,209
Other receivables	2,515,190	11,425	-	-	2,526,615
Interest receivable	124,232	41,675	5,580	45,114	216,601
Inventories	395,153	-	-	-	395,153
Prepaid items	86,781	-	-	-	86,781
Restricted cash and investments	1,343,193	-	15,843,622	88,862	17,275,677
Total assets	65,629,459	22,165,697	24,257,716	19,949,286	132,002,158
Liabilities					
Accounts payable and accrued liabilities	5,252,210	22,806	1,841,817	163,255	7,280,088
Due to other funds	-	-	-	1,318	1,318
Deferred revenues	6,575,438	-	-	212,306	6,787,744
Liabilities to be paid from restricted assets	717,187	-	-	-	717,187
Total liabilities	12,544,835	22,806	1,841,817	376,879	14,786,337
Fund Balances					
Nonspendable					
Inventories	395,153	-	-	-	395,153
Prepaid	86,781	-	-	-	86,781
Restricted					
Stabilization by State Statute	11,581,246	725,205	3,013,133	1,115,849	16,435,433
Register of Deeds	39,764	-	-	-	39,764
School Construction	-	-	19,189,675	-	19,189,675
School Capital	-	-	-	88,862	88,862
Public Safety	-	-	-	2,743,445	2,743,445
Fire Protection	-	-	-	852,061	852,061
Library Endowment	-	-	-	234,704	234,704
Scholarship	-	-	-	43,207	43,207
Parks Preservation	-	-	-	142,407	142,407
Hospital Capital	-	-	-	5,347,139	5,347,139
Committed					
Tax Revaluation	145,757	-	-	-	145,757
General Capital Reserve	444,128	-	-	-	444,128
General Capital	-	21,417,686	-	-	21,417,686
School Construction	-	-	213,091	-	213,091
School Capital	-	-	-	8,985,425	8,985,425
Hospital Construction	-	-	-	23,486	23,486
Assigned					
Public Health	169,805	-	-	-	169,805
Social Services	4,594,451	-	-	-	4,594,451
Administration	158,767	-	-	-	158,767
Human Resources	559,216	-	-	-	559,216
Library	350,508	-	-	-	350,508
Cooperative Extension	136,811	-	-	-	136,811
Subsequent year's expenditures	5,244,348	-	-	-	5,244,348
Unassigned	29,177,889	-	-	(4,178)	29,173,711
Total fund balances	53,084,624	22,142,891	22,415,899	19,572,407	117,215,821
Total liabilities and fund balances	\$ 65,629,459	\$ 22,165,697	\$ 24,257,716	\$ 19,949,286	\$ 132,002,158

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

CATAWBA COUNTY, NORTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 117,215,821
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	83,760,519
Net Investment in Joint Venture	1,983,308
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	4,142,400
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in fund statements	374,443
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>(142,394,272)</u>
Net assets of governmental activities (Exhibit 1)	<u>\$ 65,082,219</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Major Funds			Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	
Revenues					
Ad valorem taxes	\$ 79,768,849	\$ -	\$ -	\$ 5,521,899	\$ 85,290,748
Other taxes	20,958,025	2,251,297	-	3,725,450	26,934,772
Unrestricted intergovernmental revenues	1,906,277	-	-	-	1,906,277
Restricted intergovernmental revenues	37,460,611	2,174,553	499,792	1,409,239	41,544,195
Licenses and permits	1,795,495	-	-	-	1,795,495
Sales and services	13,631,424	-	-	-	13,631,424
Investment earnings	463,267	215,633	28,736	241,847	949,483
Miscellaneous	3,170,017	1,456,611	-	86,600	4,713,228
Total revenues	<u>159,153,965</u>	<u>6,098,094</u>	<u>528,528</u>	<u>10,985,035</u>	<u>176,765,622</u>
Expenditures					
Current					
General government	10,115,078	-	-	-	10,115,078
Public safety	22,627,879	-	-	7,632,434	30,260,313
Environmental protection	503,130	-	-	-	503,130
Economic and physical development	9,653,562	-	-	273,389	9,926,951
Human services	50,540,941	-	-	-	50,540,941
Culture and recreation	2,661,530	-	-	-	2,661,530
Education	39,598,951	-	-	-	39,598,951
Capital outlay	-	4,323,016	20,422,141	5,050,915	29,796,072
Debt service					
Principal	12,460,866	-	-	-	12,460,866
Interest	4,902,829	-	-	-	4,902,829
Sinking fund escrow	716,951	-	-	-	716,951
Total expenditures	<u>153,781,717</u>	<u>4,323,016</u>	<u>20,422,141</u>	<u>12,956,738</u>	<u>191,483,612</u>
Excess of revenues over (under) expenditures	<u>5,372,248</u>	<u>1,775,078</u>	<u>(19,893,613)</u>	<u>(1,971,703)</u>	<u>(14,717,990)</u>
Other Financing Sources (Uses)					
Transfers from other funds	925,799	1,619,999	50,000	98,939	2,694,737
Transfers to other funds	(5,750,264)	-	(406,446)	(100,000)	(6,256,710)
Qualified School Construction bonds issued	-	-	27,808,553	-	27,808,553
Build America bonds issued	-	-	8,691,447	-	8,691,447
Total other financing sources (uses)	<u>(4,824,465)</u>	<u>1,619,999</u>	<u>36,143,554</u>	<u>(1,061)</u>	<u>32,938,027</u>
Net change in fund balance	547,783	3,395,077	16,249,941	(1,972,764)	18,220,037
Fund Balances - Beginning of Year	<u>52,536,841</u>	<u>18,747,814</u>	<u>6,165,958</u>	<u>21,545,171</u>	<u>98,995,784</u>
Fund Balances - End of Year	<u>\$ 53,084,624</u>	<u>\$ 22,142,891</u>	<u>\$ 22,415,899</u>	<u>\$ 19,572,407</u>	<u>\$ 117,215,821</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, 2011

Net change in *fund balances* - total governmental funds (Exhibit 4) \$ 18,220,037

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 net capital outlays exceeded depreciation in the current period. 2,228,407

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. 650,233

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds. 329,767

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. (23,321,947)

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. (803,774)

Change in net assets of governmental activities (Exhibit 2) \$ (2,697,277)

CATAWBA COUNTY, NORTH CAROLINA**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 79,853,682	\$ 78,853,182	\$ 79,768,849	\$ 915,667
Other taxes	20,128,812	20,128,812	20,958,025	829,213
Unrestricted intergovernmental revenues	1,698,250	1,698,250	1,906,277	208,027
Restricted intergovernmental revenues	37,399,260	38,503,798	37,460,611	(1,043,187)
Licenses and permits	2,653,349	2,653,349	1,795,495	(857,854)
Sales and services	13,492,652	13,537,099	13,631,424	94,325
Investment earnings	803,000	803,000	450,728	(352,272)
Miscellaneous	3,220,734	3,256,420	3,170,017	(86,403)
Total revenues	<u>159,249,739</u>	<u>159,433,910</u>	<u>159,141,426</u>	<u>(292,484)</u>
Expenditures				
Current				
General government	11,749,773	12,553,032	9,667,729	2,885,303
Public safety	24,623,303	24,462,139	22,627,879	1,834,260
Environmental protection	505,841	643,159	503,130	140,029
Economic and physical development	10,879,777	11,054,086	9,653,562	1,400,524
Human services	52,081,759	57,329,344	50,540,941	6,788,403
Culture and recreation	2,693,388	2,961,717	2,661,530	300,187
Education	39,809,664	39,809,664	39,598,951	210,713
Debt service				
Principal	15,873,100	15,136,790	12,460,866	2,675,924
Interest	6,052,791	6,789,101	4,902,829	1,886,272
Sinking fund escrow	-	-	716,951	(716,951)
Total expenditures	<u>164,269,396</u>	<u>170,739,032</u>	<u>153,334,368</u>	<u>17,404,664</u>
Excess of revenues over (under) expenditures	<u>(5,019,657)</u>	<u>(11,305,122)</u>	<u>5,807,058</u>	<u>17,112,180</u>
Other Financing Sources (Uses)				
Transfers from other funds	456,671	456,671	456,671	-
Transfers to other funds	(5,246,886)	(5,441,229)	(5,441,229)	-
Installment purchase obligation issued	1,820,791	1,820,791	-	(1,820,791)
Fund balance appropriated	7,989,081	14,468,889	-	(14,468,889)
Total other financing sources (uses)	<u>5,019,657</u>	<u>11,305,122</u>	<u>(4,984,558)</u>	<u>(16,289,680)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	822,500	<u>\$ 822,500</u>
Fund Balances - Beginning of Year			<u>51,665,535</u>	
Fund Balances - End of Year			<u>\$ 52,488,035</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			5,397	
Transfer from other funds			397,685	
Expenditures			(447,349)	
Fund Balance, Beginning			195,539	
A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			7,142	
Transfers from other funds			71,443	
Transfers to other funds			(309,035)	
Fund Balance, Beginning			675,767	
Fund Balance, Ending (Exhibit 4)			<u>\$ 53,084,624</u>	

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

CATAWBA COUNTY, NORTH CAROLINA
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Assets			
Current assets			
Cash and investments	\$ 16,548,122	32,397,172	\$ 48,945,294
Due from other governments	192,272	131,021	323,293
Notes receivable	-	346,613	346,613
Accounts receivables (net of allowance)	432,907	20,946	453,853
Other receivables	35,476	68,897	104,373
Total current assets	<u>17,208,777</u>	<u>32,964,649</u>	<u>50,173,426</u>
Noncurrent assets			
Capital assets			
Land, non-depreciable improvements, and construction in progress	9,597,254	20,924,133	30,521,387
Other capital assets, net of depreciation	16,328,806	7,741,691	24,070,497
Total capital assets	<u>25,926,060</u>	<u>28,665,824</u>	<u>54,591,884</u>
Total assets	<u>43,134,837</u>	<u>61,630,473</u>	<u>104,765,310</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	542,807	173,407	716,214
Accrued landfill closure and postclosure care costs	200,294	-	200,294
Installment loan payable	-	334,845	334,845
Compensated absences payable	57,403	4,029	61,432
Total current liabilities	<u>800,504</u>	<u>512,281</u>	<u>1,312,785</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	8,625,222	-	8,625,222
Installment loan payable	-	7,298,052	7,298,052
Compensated absences payable	54,247	12,077	66,324
Other post employment benefits obligation	109,595	2,569	112,164
Total noncurrent liabilities	<u>8,789,064</u>	<u>7,312,698</u>	<u>16,101,762</u>
Total liabilities	<u>9,589,568</u>	<u>7,824,979</u>	<u>17,414,547</u>
Net Assets			
Invested in capital assets, net of related debt	25,926,060	21,027,927	46,953,987
Unrestricted	7,619,209	32,777,567	40,396,776
Total net assets	<u>\$ 33,545,269</u>	<u>\$ 53,805,494</u>	<u>\$ 87,350,763</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
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 3,643,540	\$ -	\$ 3,643,540
Methane recovery	806,469	-	806,469
Other operating revenues	42,199	-	42,199
Total operating revenues	<u>4,492,208</u>	<u>-</u>	<u>4,492,208</u>
Operating Expenses			
Administration	496,723	79,547	576,270
Recycling	38,270	-	38,270
Solid waste management improvements	171,151	-	171,151
Solid waste code enforcement	66,702	-	66,702
Biodiesel and freon recovery	23,215	-	23,215
Sanitary landfill	2,550,663	-	2,550,663
Landfill closure and postclosure costs	785,261	-	785,261
Convenience centers	332,507	-	332,507
Household hazardous waste	77,224	-	77,224
Blackburn landfill methane recovery	615,163	-	615,163
Water and sewer	-	858,152	858,152
Depreciation	712,933	156,229	869,162
Total operating expenses	<u>5,869,812</u>	<u>1,093,928</u>	<u>6,963,740</u>
Operating income (loss)	<u>(1,377,604)</u>	<u>(1,093,928)</u>	<u>(2,471,532)</u>
Nonoperating Revenues (Expenses)			
Engineering fees	-	59,500	59,500
Interest on long term debt	-	(271,114)	(271,114)
Investment earnings	179,712	353,536	533,248
Miscellaneous	-	75,358	75,358
Municipal revenue sharing	-	443,235	443,235
Scrap tire grant	57,798	-	57,798
Solid waste disposal taxes	302,161	-	302,161
Solid waste capital revenue	1,115,790	-	1,115,790
Total nonoperating revenues (expenses)	<u>1,655,461</u>	<u>660,515</u>	<u>2,315,976</u>
Income (loss) before contributions and transfers	<u>277,857</u>	<u>(433,413)</u>	<u>(155,556)</u>
Capital contributions	337,943	-	337,943
American Reinvestment and Recovery Act	-	1,425,000	1,425,000
Community development block grants	-	194,865	194,865
Transfer from General Fund	-	3,561,973	3,561,973
Increase (decrease) in Net Assets	615,800	4,748,425	5,364,225
Net Assets - Beginning of Year	<u>32,929,469</u>	<u>49,057,069</u>	<u>81,986,538</u>
Net Assets - End of Year	<u>\$ 33,545,269</u>	<u>\$ 53,805,494</u>	<u>\$ 87,350,763</u>

The accompanying notes are an integral part of the financial statements



CATAWBA COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 4,327,019	165,536	\$ 4,492,555
Cash paid for goods and services	(3,277,183)	(1,087,408)	(4,364,591)
Cash paid to employees	(1,430,918)	(74,379)	(1,505,297)
Other operating revenues	42,199	-	42,199
Net cash provided (used) by operating activities	<u>(338,883)</u>	<u>(996,251)</u>	<u>(1,335,134)</u>
Cash Flows from Noncapital Financing Activities			
Tire disposal tax	185,772	-	185,772
Solid waste disposal tax	69,747	-	69,747
White goods disposal tax	46,642	-	46,642
Other charges	1,115,790	-	1,115,790
Scrap tire grant	57,798	-	57,798
Domestic haulers	-	134,858	134,858
Municipal revenue sharing	-	443,235	443,235
Community development block grant	-	194,865	194,865
Transfer from general fund	-	3,561,973	3,561,973
Total cash provided by noncapital financing activities	<u>1,475,749</u>	<u>4,334,931</u>	<u>5,810,680</u>
Cash Flows from Capital and Related Financing Activities			
Loan proceeds for capital	-	1,425,000	1,425,000
Capital contribution-federal grant	-	1,425,000	1,425,000
Principal paid on installment notes payable	-	(324,291)	(324,291)
Interest paid on installment notes payable	-	(271,114)	(271,114)
Acquisition and construction of capital assets	(1,667,020)	(1,196,181)	(2,863,201)
Net cash provided (used) by capital and related financing activities	<u>(1,667,020)</u>	<u>1,058,414</u>	<u>(608,606)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>245,344</u>	<u>448,933</u>	<u>694,277</u>
Net increase (decrease) in cash and cash equivalents	(284,810)	4,846,027	4,561,217
Cash and cash equivalents - beginning of year	<u>16,832,932</u>	<u>27,551,145</u>	<u>44,384,077</u>
Cash and cash equivalents - end of year	<u>\$ 16,548,122</u>	<u>32,397,172</u>	<u>\$ 48,945,294</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

Business-Type Activities - Enterprise Funds

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ (1,377,604)	(1,093,928)	(2,471,532)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	712,933	156,229	869,162
Increase (decrease) in landfill closure and postclosure care costs	785,261	-	785,261
Changes in assets and liabilities			
(Increase) decrease in refundable sales tax	(28,429)	77,918	49,489
(Increase) decrease in other receivables	(94,562)	(12,030)	(106,592)
(Increase) decrease in notes receivables	-	99,648	99,648
Increase (decrease) in accounts payable and other liabilities	(368,962)	(229,256)	(598,218)
Increase (decrease) in compensated absences	8,522	3,309	11,831
Increase (decrease) in accrued salaries and other benefits	23,958	1,859	25,817
Total adjustments	<u>1,038,721</u>	<u>97,677</u>	<u>1,136,398</u>
Net cash provided by operating activities	<u>\$ (338,883)</u>	<u>(996,251)</u>	<u>\$ (1,335,134)</u>
Noncash investing, capital and financing activities:			
Contribution of capital assets	337,943	-	337,943
	<u>\$ 337,943</u>	<u>\$ -</u>	<u>\$ 337,943</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, 2011

	Agency Funds
Assets	
Cash and investments	<u>\$ 100,220</u>
 Liabilities	
Miscellaneous liabilities	<u>\$ 100,220</u>

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, 2011

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 financial activities of 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*) 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 for services provided to them.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

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 activities 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 proprietary funds, each displayed in separate columns. All remaining governmental and proprietary funds are aggregated and reported as non-major 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. Non-operating 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. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund. The General Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

General Capital Projects Fund - *The General Capital Projects Fund* accounts for the financing and construction of all major general capital projects.

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 funds, which are both enterprise funds:

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.

Water and Sewer Fund - *The Water and Sewer Fund* accounts for the operation, maintenance, and development of water and sewer lines and pump stations.

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, which accounts for moneys deposited with the Social Services department for the benefit of certain individuals; the Sheriff

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commissary Fund, which accounts for monies deposited with the Sheriff department for inmates; the Delinquent Motor Vehicle Fund, which 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; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Non-major Funds - The County maintains twenty eight legally budgeted funds. The Emergency Telephone System Fund, Citizens' Alert System Fund, Narcotics Seized Funds and Property Fund, Rescue Squads Fund, Library Endowment Fund, Gretchen Peed Scholarship Fund, Parks/Historic Preservation Fund, Community Development Fund and the fourteen individual Fire District Funds are reported as non-major special revenue funds. The School Capital Projects Fund, School Bond Fund—1997 Series and the Hospital Construction Fund are reported as capital projects funds. The Hospital Capital Reserve Fund is consolidated in the Hospital Construction Fund in accordance with GASB Statement No. 54.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the 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 non-operating 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 funds, the Solid Waste Management Fund and the Water and Sewer Fund, are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. 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 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 (except Community Development Fund), 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. Grant ordinances that span more than one year are adopted for the Community Development Fund. These appropriations are carried over until the projects and grants 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 asso-

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ciation 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).

The County's investments are carried at fair value 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 to maximize investment income. The pool is used by all funds except the Social Services 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 Sheriff Commissary agency funds are maintained in noninterest bearing demand deposit accounts as reflected on Schedule G-1.

Restricted Assets

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

Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

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, 2010.

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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
Computer software	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, 2011, 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 any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither employee nor the County 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 a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid - portion of fund balance that is not an available resource because it represents the asset amount of prepaid expenditures, which are not spendable resources.

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Stabilization of State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

School Construction - portion of fund balance that is restricted by revenue source for school construction.

School Capital - portion of fund balance that can only be used for School Capital per [G.S. 159-18-22].

Public Safety - portion of fund balance that is restricted by revenue source for public safety expenditures.

Fire Protection - portion of fund balance that is restricted by revenue source for fire protection expenditures.

Library Endowment - portion of fund balance that is restricted by revenue source for library expenditures.

Scholarship - portion of fund balance that is restricted by revenue source for scholarship expenditures.

Parks Preservation - portion of fund balance that is restricted by revenue source for parks preservation expenditures.

Hospital Capital - portion of fund balance that is restricted by revenue source for hospital capital expenditures.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Catawba County's governing body (highest level of decision-making authority). Any change or removal or specific purpose requires majority action by the governing body.

Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation.

General Capital Reserve - portion of fund balance that can only be used for specified capital projects and remains unspent.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Capital - portion of fund balance that can only be used for specified capital projects.

School Construction - portion of fund balance that can only used for school construction.

School Capital - portion of fund balance that can only be used for specified school capital projects.

Hospital Construction - portion of fund balance that can only be used for hospital construction.

Assigned Fund Balance - Portion of fund balance that Catawba County governing board has budgeted.

Public Health - portion of fund balance that is been budgeted by the board for future public health expenditures.

Social Services - portion of fund balance that is been budgeted by the board for future social service expenditures.

Administration - portion of fund balance that is been budgeted by the board for future administration expenditures.

Human Resources - portion of fund balance that is been budgeted by the board for future human resource expenditures.

Library - portion of fund balance that is been budgeted by the board for future library expenditures.

Cooperative Extension - portion of fund balance that is been budgeted by the board for future cooperative extension expenditures.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$50,000.

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

For programs with multiple revenue sources, it is the County's practice to use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by in-order committed fund balance, assigned fund balance and lastly unassigned fund balance.

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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 \$(52,133,602) consists of several elements as follows:

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)	\$ 134,644,415
Less accumulated depreciation	<u>(50,883,896)</u>
Net capital assets	<u>83,760,519</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	1,983,308
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	4,142,400
Deferred charges related to advance refunding issued - included on government-wide statement of net assets but are not current financial resources	374,443
Liability for sinking fund included in fund statements but not government-wide statement of net assets	717,187
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	(12,110,000)
Certificates of participation	(37,075,000)
Installment purchase	(48,564,015)
Qualified zone academy bonds	(550,000)
Qualified school construction bonds	(27,808,553)
Build America bonds	(8,401,732)
Compensated absences	(3,975,172)
Net pension obligation	(739,887)
Net other post employment benefits	<u>(3,887,100)</u>
	<u>(143,111,459)</u>
Total adjustment	\$ <u>(52,133,602)</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 \$(20,917,312) as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives	\$ 4,266,474
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	(2,038,066)
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	(36,500,000)
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	5,200,000
Certificates of participation	2,780,000
Installment purchases	4,141,151
Qualified zone academy bonds	50,000
Qualified construction construction bonds sinking fund	717,187
Build America bonds	289,715
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	(95,590)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(44,404)
Net (increase) decrease in pension obligation	(126,412)
Net (increase) decrease in other post employment benefits	(723,734)
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	650,234
Increase (decrease) in receivables and deferred revenue	329,767
Amortization of premium on debt issuance	186,366
Total adjustment	<u><u>\$(20,917,312)</u></u>

NOTE 3. 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 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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, 2011, the County's deposits had a carrying amount of 658,702 and a bank balance of \$1,185,707. Of the bank balance, \$463,359 was covered by federal depository insurance and \$722,348 in interest bearing deposits were covered under the Pooling Method.

At June 30, 2011, Catawba County had \$8,156 cash on hand.

Investments

As of June 30, 2011 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	\$ 5,255,133	\$ 5,000,000	\$ 255,133	\$ -
U.S. Government-sponsored enterprises *	56,369,099	1,002,400	3,340,208	52,026,492
Commercial Paper	25,401,870	15,946,651	9,455,220	-
Money market-unrestricted	4,927,257	-	-	-
Money market-restricted	16,649,604	-	-	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	49,931,019	N/A	N/A	N/A
NC Capital Trust Management Trust				
Cash Portfolio-restricted	67	N/A	N/A	N/A
Total:	\$ 158,534,049	\$ 21,949,051	\$ 13,050,561	\$ 52,026,492

*\$22 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.

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 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, 2011. The County's investment in U.S. government-sponsored enterprises includes Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

(FreddieMac), Federal National Mortgage Association (FannieMae), and are rated AAA by Standard & Poors and Aaa by Moody's Investors Service. The County's investment in money market funds carried a credit rating of A-1 P-1 by Standard & Poor's and Moody's Investors Service as of June 30, 2011. 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 58% of the County's investments are in United States government-sponsored enterprises and commercial paper. Investments in Federal Home Loan Bank are 13%, Federal Home Loan Mortgage Corporation are 14%, Federal National Mortgage Agency are 13% and commercial paper are 18% 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>
2008	1,033,217	208,193	1,241,410
2009	1,085,219	209,905	1,295,124
2010	1,153,886	118,273	1,272,159
2011	1,377,987	-	1,377,987
Total	\$ 4,650,309	\$ 536,371	\$ 5,186,680

Receivables

Receivables at the government-wide level at June 30, 2011 were as follows:

	<u>Governmental activities</u>				<u>Total Governmental Activities</u>
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>School Construction Fund</u>	<u>Non-major Funds</u>	
Receivables					
Accounts	\$ 2,831,725	\$ 11,425	\$ -	\$ -	\$ 2,843,150
Taxes	7,401,285	-	-	365,703	7,766,988
Due from other government	9,878,816	672,105	3,007,553	1,070,735	14,629,209
Other	<u>242,628</u>	<u>41,675</u>	<u>5,580</u>	<u>45,114</u>	<u>334,997</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Gross Receivables	20,354,454	725,205	3,013,133	1,481,552	25,574,344
Allowance for uncollectibles	<u>(4,039,731)</u>	<u>-</u>	<u>-</u>	<u>(171,100)</u>	<u>(4,210,831)</u>
Net total receivables	<u>\$ 16,314,723</u>	<u>\$ 725,205</u>	<u>\$ 3,013,133</u>	<u>\$ 1,310,452</u>	<u>\$ 21,363,513</u>

Business-type activities

	Solid Waste Management Fund	Water and Sewer Fund	Total Business-type Activities
Receivables			
Accounts	\$ 432,907	\$ 1,309,806	\$ 1,742,713
Taxes	-	-	-
Notes	-	346,613	346,613
Due from other governments	192,272	131,021	323,293
Other	<u>35,476</u>	<u>68,897</u>	<u>104,373</u>
Gross Receivables	660,655	1,856,337	2,516,992
Allowance for uncollectibles	<u>-</u>	<u>(1,288,860)</u>	<u>(1,288,860)</u>
Net total receivables	<u>\$ 660,655</u>	<u>\$ 567,477</u>	<u>\$ 1,228,132</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 279,692</u>	<u>\$ 279,692</u>

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

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 6,820,675	\$ -
White goods disposal tax	-	11,390
Scrap tire tax	-	47,254
Solid waste disposal tax	-	16,425
Lottery funds	2,491,654	-
Various federal and state grants	4,348,871	114,158
Refundable sales tax	968,009	134,066
	<u>\$ 14,629,209</u>	<u>\$ 323,293</u>

Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,689,821	\$ -	\$ -	\$ 5,689,821
Construction in progress	<u>3,238,737</u>	<u>4,134,929</u>	<u>(220,602)</u>	<u>7,153,064</u>
Total capital assets, not being depreciated	<u>8,928,558</u>	<u>4,134,929</u>	<u>(220,602)</u>	<u>12,842,885</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Capital assets, being depreciated				
Buildings	88,580,322	3,975	-	88,584,297
Other improvements	14,229,621	26,198	-	14,255,819
Equipment and vehicles	18,639,440	1,621,417	(1,299,443)	18,961,414
Total capital assets, being depreciated	<u>121,449,383</u>	<u>1,651,590</u>	<u>(1,299,443)</u>	<u>121,801,530</u>
Less accumulated depreciation for				
Buildings	(33,483,734)	(1,430,103)	-	(34,913,837)
Other improvements	(3,294,516)	(277,250)	-	(3,571,766)
Equipment and vehicles	(12,067,579)	(1,608,862)	1,278,148	(12,398,293)
Total accumulated depreciation	<u>(48,845,829)</u>	<u>(3,316,215)</u>	<u>1,278,148</u>	<u>(50,883,896)</u>
Total capital assets, being depreciated, net	<u>72,603,554</u>	<u>(1,664,625)</u>	<u>(21,295)</u>	<u>70,917,634</u>
Governmental activities capital assets, net	<u>\$ 81,532,112</u>	<u>\$ 2,470,304</u>	<u>\$ (241,897)</u>	<u>\$ 83,760,519</u>

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

Governmental activities	
General government	\$ 158,311
Public safety	1,458,533
Environmental protection	26,900
Economic & physical development	350,008
Human services	1,250,744
Culture and recreation	71,719
Total depreciation expense	<u>\$ 3,316,215</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 6,580,657	\$ 34,950	\$ -	\$ 6,615,607
Construction in progress	1,924,861	1,056,786	-	2,981,647
Total capital assets, not being depreciated	<u>8,505,518</u>	<u>1,091,736</u>	<u>-</u>	<u>9,597,254</u>
Capital assets, being depreciated				
Buildings	765,861	-	-	765,861
Other improvements	23,984,412	508,121	-	24,492,533
Equipment and vehicles	8,849,069	405,106	(8,125)	9,246,050
Total capital assets, being depreciated	<u>33,599,342</u>	<u>913,227</u>	<u>(8,125)</u>	<u>34,504,444</u>
Less accumulated depreciation for				
Buildings	(134,706)	(15,491)	-	(150,197)
Other improvements	(10,293,869)	(222,764)	-	(10,516,633)
Equipment and vehicles	(7,042,255)	(474,678)	8,125	(7,508,808)
Total accumulated depreciation	<u>(17,470,830)</u>	<u>(712,933)</u>	<u>8,125</u>	<u>(18,175,638)</u>
Total capital assets, being depreciated, net	<u>16,128,512</u>	<u>200,294</u>	<u>-</u>	<u>16,328,806</u>
Business-type activities capital assets, net	<u>\$ 24,634,030</u>	<u>\$ 1,292,030</u>	<u>\$ -</u>	<u>\$ 25,926,060</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 642,882	\$ 30	\$ -	\$ 642,912
Construction in progress	19,085,070	1,196,151	-	20,281,221
Total capital assets, not being depreciated	<u>19,727,952</u>	<u>1,196,181</u>	<u>-</u>	<u>20,924,133</u>
Capital assets, being depreciated				
Buildings	-	-	-	-
Other improvements	9,266,871	-	-	9,266,871
Equipment and vehicles	-	-	-	-
Total capital assets, being depreciated	<u>9,266,871</u>	<u>-</u>	<u>-</u>	<u>9,266,871</u>
Less accumulated depreciation for				
Buildings	-	-	-	-
Other improvements	(1,368,951)	(156,229)	-	(1,525,180)
Equipment and vehicles	-	-	-	-
Total accumulated depreciation	<u>(1,368,951)</u>	<u>(156,229)</u>	<u>-</u>	<u>(1,525,180)</u>
Total capital assets, being depreciated, net	<u>7,897,920</u>	<u>(156,229)</u>	<u>-</u>	<u>7,741,691</u>
Business-type activities capital assets, net	<u>\$ 27,625,872</u>	<u>\$ 1,039,952</u>	<u>\$ -</u>	<u>\$ 28,665,824</u>

Construction Commitments

The County has active construction and other capital projects as of June 30, 2011. The government's commitments with contractors and vendors is composed of numerous projects within the following funds:

	Project Authorization	Expended to June 30, 2011	Committed	Future Financing
Governmental activities				
General Capital Projects	\$ 76,770,775	\$ 31,144,384	45,626,391	None
Schools Capital Projects	19,885,806	14,170,689	5,715,117	None
School Construction	83,568,273	63,052,069	20,516,204	None
Total governmental activities	<u>\$ 180,224,854</u>	<u>\$ 108,367,142</u>	<u>\$ 71,857,712</u>	
	Project Authorization	Expended to June 30, 2011	Committed	Required Future Financing
Business-type activities				
Solid Waste Management Fund	\$ 1,130,790	\$ 115,024	\$ 1,015,766	None
Water and Sewer Fund	45,757,068	16,518,680	29,238,388	None
Total business-type activities	<u>\$ 46,887,858</u>	<u>\$ 16,633,704</u>	<u>\$ 30,254,154</u>	

Invested in capital assets, net of related debt for June 30, 2011 was calculated as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 83,760,519	\$ 54,591,884
Total Debt, gross	(134,509,300)	(7,632,897)
Add: Debt not related to Capital assets		
School debt for which County does not hold title	122,442,550	-
Unexpended proceeds	-	-
Total related debt	<u>(12,066,750)</u>	<u>(7,632,897)</u>
Invested in Capital Assets, net of related debt	<u>\$ 71,693,769</u>	<u>\$ 46,958,987</u>

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2011 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities				
General	\$ 2,019,496	\$ 2,537,120	\$ 695,594	\$ 5,252,210
General Capital Projects	21,195	1,611	-	22,806
School Capital Projects	1,841,817	-	-	1,841,817
Non-major Funds	<u>153,342</u>	<u>9,913</u>	<u>-</u>	<u>163,255</u>
Total governmental activities	<u>\$ 4,035,850</u>	<u>\$ 2,548,644</u>	<u>\$ 695,594</u>	<u>\$ 7,280,088</u>
Business-type Activities				
Solid Waste Management	\$ 385,188	\$ 151,622	5,997	542,807
Water and Sewer	<u>149,278</u>	<u>4,559</u>	<u>19,570</u>	<u>173,407</u>
Total business-type activities	<u>\$ 534,466</u>	<u>\$ 156,181</u>	<u>\$ 25,567</u>	<u>\$ 716,214</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 6.43% and 6.41%, 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, 2011, 2010, and 2009 were \$2,937,405, \$2,218,768 and 2,211,738, respectively. The contributions made by the County equaled the required contributions for each year.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>133</u>
	<u>137</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, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% 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, 2009 was 21 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	\$ 188,321
Interest on net pension obligation	30,674
Adjustment to annual required contribution	<u>(32,843)</u>
Annual pension cost	\$ 186,152
Contributions made	<u>59,740</u>
Increase (decrease) in net pension obligation	\$ 126,412
Net pension obligation beginning of year	<u>613,475</u>
Net pension obligation end of year	<u><u>\$ 739,887</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

3 Year Trend Information			
Fiscal Year	Annual	Percentage	Net Pension
Ended	Pension	of APC	Obligation
Cost (APC)	Contributed	Net Pension	Obligation
6/30/2009	129,251	84.57	548,041
6/30/2010	147,183	55.54	613,475
6/30/2011	186,152	32.09	739,887

Funded Status and Funding Progress

As of December 31, 2010, 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 \$1,299,009. The covered payroll (annual payroll of active employees covered by the plan) was \$5,323,496, and the ratio of the UAAL to the covered payroll was 24.40%.

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. 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.

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, 2011 were \$359,356 which consisted of \$265,373 from the County and \$93,983 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. The Register of Deeds' Supplemental Pension Fund 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 the Register of Deeds' Supplemental Pension Fund. 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. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

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, 2011, the County's required and actual contributions were \$9,662.

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

Plan Description. According to County resolution, the County administers a single-employer defined benefit health care plan. This plan provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (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, 2009, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	41	11
Terminated plan members entitled to but not yet receiving benefits	0	0
Active plan members	976	121
Total	1017	132

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

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 2.07% of annual covered payroll. For the current year, the County contributed \$231,883 or .005% 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	\$ 962,206
Interest on net OPEB obligation	130,044
Adjustment to annual required contribution	(112,194)
Annual OPEB cost (expense)	980,056

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Contributions made	(231,883)
Increase (decrease) in net OPEB obligation	<u>748,173</u>
Net OPEB obligation, beginning of year	3,251,091
Net OPEB obligation, end of year	<u>\$ 3,999,264</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

<u>For the Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2008	\$1,882,841	11.16%	\$1,672,800
2009	\$1,013,872	23.27%	\$2,450,715
2010	\$1,013,872	21.06%	\$3,251,091
2011	\$ 980,056	24.10%	\$3,999,264

Funded Status and Funding Progress. As of December 31, 2009, 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 \$9,569,644. The covered payroll (annual payroll of active employees covered by the plan) was \$46,608,375, and the ratio of the UAAL to the covered payroll was 20.5 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, 2009 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 increase of 10.50 to 5.00 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 9 year period. The UAAL is being amortized as a level percentage of projected payroll on an payroll on an open basis. The remaining amortization period at December 31, 2009, 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 member-

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

ship 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, 2011, the County made contributions to the State for death benefits of \$40,245. 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 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 \$8,825,516 reported as landfill closure and postclosure care liability as of June 30, 2011 represents a cumulative amount reported to date based on the use of 64.6% of the total estimated capacity of the material solid waste operating cell and 55.5% 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 \$8,063,746 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The County expects to close the current material solid waste operating cell at the Blackburn facility in 2020 and the construction and demolition operating cell in 2020. 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:

	Deferred Revenue		Unearned Revenue
	General Fund	Special Revenue	
Governmental Activities			
Taxes receivable (net)	\$ 3,796,485	\$ 194,603	\$ -
Ambulance receivable (net)	1,064,820	-	-
Business license receivable (net)	6,485	-	-
Human resource receivable (net)	1,157,347	-	-
Human resource unearned revenue:	223,299	-	223,299
Prepaid taxes not yet earned	307,168	-	307,168
Prepaid licenses and other	14,083	-	14,083
Unamortized debt premium	-	-	2,077,340
Other unearned revenues	5,751	17,703	23,454
	\$ 6,575,438	\$ 212,306	\$ 2,645,344

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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 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>2011</u>	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning	\$ 436,015	\$ 667,389	\$ 887,351
Incurred claims	5,337,268	6,679,769	5,651,413
Claim payments	<u>5,331,861</u>	<u>6,911,143</u>	<u>5,871,375</u>
Unpaid claims, ending	<u>\$ 441,422</u>	<u>\$ 436,015</u>	<u>\$ 667,389</u>

Contingent Liabilities

At June 30, 2011, 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, 2011, total lease expenditures reached \$194,478.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	613,333	250,562
2013	613,333	224,863
2014	613,333	199,165
2015	613,333	173,466
2016	613,333	147,767
2017-2021	3,066,669	353,357
Total principal payments	<u>\$ 6,133,334</u>	
Total interest payments		<u>\$ 1,349,180</u>

3. 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, 2011, including \$3,443 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	179,730	3,443
Total principal payments	<u>\$ 179,730</u>	
Total interest payments		<u>\$ 3,443</u>

4. 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 Board of Education and Community College Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education and Community College Board of Trustees. 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 Board of Trustees. 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%.

For Catawba County, the future minimum payments as of June 30, 2011, including \$6,733,417 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	1,080,350	758,217
2013	1,080,350	712,950
2014	1,080,350	667,683
2015	1,080,350	622,417
2016	1,080,350	577,150
2017-2021	5,401,750	2,206,750

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

2022-2026	5,401,750	1,075,084
2027-2028	<u>2,160,700</u>	<u>113,166</u>
Total principal payments	\$ <u>18,365,950</u>	
Total interest payments		\$ <u>6,733,417</u>

5. As authorized by State law (G.S. 160A-20 and 153A-), the County entered into an installment financing agreement for the purpose of providing funds up to \$4,906,000 to pay a portion of construction and renovation of a public high school. 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 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 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. This agreement was executed on August 8, 2008 and requires thirty semi-annual principal payments of \$163,533 and interest payments at an interest rate of 4.38%.

For Catawba County, the future minimum payments as of June 30, 2011 including \$1,163.949 of interest are:

	Governmental Activities	
	Principal	Interest
2012	<u>327,067</u>	<u>175,488</u>
2013	327,067	161,162
2014	327,067	146,837
2015	327,067	132,511
2016	327,067	118,185
2017-2021	1,635,332	376,045
2022-2023	<u>817,667</u>	<u>53,721</u>
Total principal payments	\$ <u>4,088,334</u>	
Total interest payments		\$ <u>1,163,949</u>

6. 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 \$16,750,000 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 and Community College Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education and Board of Trustees. 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 and Board of Trustees. This agreement was executed on May 12, 2009 and requires thirty semi-annual principal payments of \$558,333 and interest payments at an interest rate of 3.72%.

For Catawba County, the future minimum payments as of June 30, 2011, including \$3,645,135 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Governmental Activities	
	Principal	Interest
2012	1,116,667	529,635
2013	1,116,667	488,095
2014	1,116,667	446,555
2015	1,116,667	405,015
2016	1,116,667	363,475
2017-2021	5,583,332	1,194,275
2022-2024	3,350,000	218,085
Total principal payments	<u>\$ 14,516,667</u>	
Total interest payments		<u>\$ 3,645,135</u>

Qualified Zone Academy Bonds

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 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 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.

For Catawba County, the future minimum payments as of June 30, 2011 are:

	Governmental Activities	
	Principal	Interest
2012	50,000	-
2013	50,000	-
2014	50,000	-
2015	50,000	-
2016	50,000	-
2017-2021	250,000	-
2022	50,000	-
Total	<u>\$ 550,000</u>	<u>\$ -</u>

Qualified School Construction Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on September 27, 2010 for the purpose of providing funds up to \$21,508,553 for the construction of a new middle school, renovations to a middle school, renovations to a high school, and renovations of a community college. The County's obligation under the contract will be designated as "Qualified School Construction Bonds (QSCBs)" pursuant to the federal QSCB program. 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 and Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education and Board of Trustees. The lease calls for nominal lease payments and a bargain purchase option. The lease term is the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

with the installment purchase obligation are recorded by the Boards of Education and Board of Trustees. The financing contract requires semi-annual sinking fund payments beginning March 2011 with an interest rate of 5% and a maturity date of September 20, 2025. Under the QSCB agreement, the County's obligation is eligible for a 100% credit against the interest paid. The principal is due in full on September 27, 2025.

The future minimum payments as of June 30, 2011, including \$15,062,566 of interest, are as follows:

	Governmental Activities	
	Principal	Interest
2012	-	1,075,428
2013	-	1,075,428
2014	-	1,075,428
2015	-	1,075,428
2016	-	1,075,428
2017-2021	-	5,377,714
2022-2025	21,508,553	4,307,712
Total principal payments	\$ 21,508,553	
Total interest payments		\$ 15,062,566

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on May 4, 2011 for the purpose of providing funds up to \$6,300,000 for the renovations to an elementary school and renovations to a high school. The County's obligation under the contract will be designated as "Qualified School Construction Bonds (QSCBs)" pursuant to the federal QSCB program. This agreement is an amendment to the QSCB financing from September 27, 2010. 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 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 lease payments and a bargain purchase option. The lease term is 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 financing contract requires semi-annual principal and interest payments beginning September 2011 with an interest rate of 5.52% and a maturity date of March 27, 2026. Under the QSCB agreement, the County's obligation is eligible for a 100% credit against the interest paid.

The future minimum payments as of June 30, 2011, including \$2,659,398 of interest are:

	Governmental Activities	
	Principal	Interest
2012	420,000	306,222
2013	420,000	318,780
2014	420,000	295,596
2015	420,000	272,412
2016	420,000	249,228
2017-2021	2,100,000	898,380
2022-2026	2,100,000	318,780
Total principal payments	\$ 6,300,000	
Total interest payments		\$ 2,659,398

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Build America Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on September 27, 2010 for the purpose of providing funds up to \$8,691,447 for the construction of a new middle school, renovations to a middle school, renovations to a high school, and renovations of a community college. The County's obligation under the contract will be designated as "Build America Bonds (BABs)" pursuant to the federal BAB program. 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 and Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education and Board of Trustees. The lease calls for nominal lease payments and a bargain purchase option. The lease term is 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 and Board of Trustees. The financing contract requires semi-annual principal and interest payments beginning March 2011 with an interest rate of 4.9% and a maturity date of September 27, 2025. Under the BAB agreement, the County's obligation is eligible for a 35% credit against the interest paid.

The future minimum payments as of June 30, 2011, including \$3,087,637 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	579,430	404,587
2013	579,430	376,195
2014	579,430	347,803
2015	579,430	319,411
2016	579,430	291,019
2017-2021	2,897,150	1,029,212
2022-2025	2,607,432	319,410
Total principal payments	<u>\$ 8,401,732</u>	
Total interest payments		<u>\$ 3,087,637</u>

Certificates of Participation

1. In August 2004, the County issued \$35,705,000 of Certificates of Participation to finance the constructing and equipping of a new high school, a new middle school 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 as of June 30, 2011, including \$8,556,576 of interest, are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	1,805,000	1,212,613
2013	1,805,000	1,122,225
2014	1,805,000	1,029,962
2015	1,805,000	939,013
2016	1,805,000	850,763
2017-2021	9,005,000	2,835,000
2022-2024	5,395,000	567,000
Total principal payments	<u>\$ 23,425,000</u>	
Total interest payments		<u>\$ 8,556,576</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

2. In May 2005, the County issued \$19,550,000 of Certificates of Participation to finance the constructing, equipping, renovating 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 as of June 30, 2011, including \$5,016,375 of interest, are as follows:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	975,000	643,500
2013	975,000	604,500
2014	975,000	555,750
2015	975,000	516,750
2016	975,000	477,750
2017-2021	4,875,000	1,730,625
2022-2025	3,900,000	487,500
Total principal payments	<u>\$ 13,650,000</u>	
Total interest payments		<u>\$ 5,016,375</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, 2011 are comprised of the following individual issues:

Serviced by the County's General Fund:

<p>\$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 %</p>	<p>\$ 1,600,000</p>				
<p>\$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%</p>	<p>4,000,000</p>				
<p>\$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%</p>	<table border="0"> <tr> <td style="padding-right: 20px;">Schools</td> <td style="text-align: right;">1,124,000</td> </tr> <tr> <td>Community College</td> <td style="text-align: right;">281,000</td> </tr> </table>	Schools	1,124,000	Community College	281,000
Schools	1,124,000				
Community College	281,000				
<p>\$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%</p>	<table border="0"> <tr> <td style="padding-right: 20px;">Schools</td> <td style="text-align: right;">4,902,842</td> </tr> <tr> <td>Community College</td> <td style="text-align: right;">202,158</td> </tr> </table>	Schools	4,902,842	Community College	202,158
Schools	4,902,842				
Community College	202,158				
<p>Total</p>	<p><u>\$ 12,110,000</u></p>				

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2012	4,395,000	523,106
2013	4,390,000	344,006
2014	2,565,000	138,106
2015	760,000	28,500
Total	<u>\$ 12,110,000</u>	<u>\$ 1,033,718</u>

At June 30, 2011, Catawba County had \$1,470,000 of authorized but unissued bonds and had a legal debt margin of \$1,067,686,498.

Business-Type Activities

Installment Purchase

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 \$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, 2011 including \$2,563,990 of interest are:

	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2012	259,845	260,560
2013	270,847	249,558
2014	282,314	238,091
2015	294,267	226,138
2016	306,726	213,679
2017-2021	1,739,779	862,246
2022-2026	2,140,618	461,409
2027-2028	988,501	52,309
Total principal payments	<u>\$ 6,282,897</u>	
Total interest payments		<u>\$ 2,563,990</u>

Federal Revolving Loan

On November 10, 2010, the County entered into federal revolving loan agreement for the purpose of providing funds up to \$3,000,000 for a water project. The County promised to pay the State of North Carolina \$3,000,000 together with any additional amount disbursed under 15A NCAC 02M.0603 or 15A NCAC 01J.2201 with zero interest on the unpaid principal sum. Funds to date disbursed by the North Carolina Department of Environmental and Natural Resources equaled \$2,850,000. As part of the American Recovery and Reinvestment Act of 2009 (ARRA), the unpaid principal and interest was immediately reduced by one half of the loan amount as "principal forgiveness." The loan will be repaid in 20 equal installments on May 1 until the principal is paid in full.

The future minimum payments as of June 30, 2011, including interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2012	75,000	-
2013	75,000	-
2014	75,000	-
2015	75,000	-
2016	75,000	-
2017-2021	375,000	-
2022-2026	375,000	-
2027-2030	225,000	-
Total principal payments	<u>\$ 1,350,000</u>	
Total interest payments		<u>\$ -</u>

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 were 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 constructed new recreational facilities owned by the Corporation ((i) and (ii) collectively, the "Property"), which Property the County simultaneously leased 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 used the funds it received 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 are 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 does give rise to a charge against the general credit or taxing powers of any of them, but is 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, 2011 were \$1.9 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"). A loss of \$2,286,075 was deferred and is being amortized over the remaining life of the refunded 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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

Total 1999 Hospital Refunding Bonds outstanding at June 30, 2011 were \$12,550,000.

On August 12, 2009, the County issued County of Catawba, North Carolina Taxable Variable Rate Demand Hospital Revenue Bonds (Catawba Valley Medical Center Project) Series 2009 (the "Series 2009 Bonds") totaling \$25 million for the purpose of funding a construction project that will renovate and retrofit the current facilities while providing a utilities substructure that will allow for possible future expansion. At June 30, 2010, the variable rate was .3%. Payments of principal begin October 1, 2018 and continue through October 1, 2039. 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 any of its property in connection with any default under the bond order.

Total 2009 Hospital Revenue Bonds outstanding at June 30, 2011 were \$25,000,000.

On December 6, 2010, the County approved issuance of County of Catawba, North Carolina Hospital Revenue Bonds (Catawba Valley Medical Center Project) Series 2010 ("the Series 2010 Bonds") through a commercial lender totaling \$22 million at an interest rate of 4.96% for the purpose of funding a construction project that will provide additional healthcare facilities and the acquisition and installation of health care equipment. As of June 30, 2011 only \$11 million had been deemed issued.

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, 2011:

	Balance			Balance	Current
	June 30, 2010	Increases	Decreases	June 30, 2011	Portion
					of Balance
Governmental activities					
General obligation debt	\$ 17,310,000	\$ -	\$ (5,200,000)	\$ 12,110,000	\$ 4,395,000
Certificates of participation	39,855,000	-	(2,780,000)	37,075,000	2,780,000
Installment purchase	52,705,166	-	(4,141,151)	48,564,015	3,977,147
Qualified Zone Academy Bond	600,000	-	(50,000)	550,000	50,000
Qualified School Const. Bond	-	27,808,553	-	27,808,553	420,000
Build America Bonds	-	8,691,447	(289,715)	8,401,732	579,430
Compensated absences	3,930,768	2,901,846	(2,857,442)	3,975,172	2,857,442
Net pension obligation	613,475	186,152	(59,740)	739,887	-
Net OPEB obligation	3,163,366	955,617	(231,883)	3,887,100	-
Total governmental activities	\$ 118,177,775	\$ 40,543,615	\$ (15,609,931)	\$ 143,111,459	\$ 15,059,019
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 8,040,255	\$ 785,261	\$ -	\$ 8,825,516	\$ 200,294
Compensated absences	103,128	65,925	(57,403)	111,650	57,403
Net OPEB obligation	85,999	23,596	-	109,595	-
Total Solid Waste Management	\$ 8,229,382	\$ 874,782	\$ (57,403)	\$ 9,046,761	\$ 257,697

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Water & Sewer

Installment purchase	\$ 6,532,188	-	\$ (249,291)	\$ 6,282,897	\$ 259,845
Federal Revolving Loan	-	1,425,000	(75,000)	1,350,000	75,000
Compensated absences	12,797	7,338	(4,029)	16,106	4,029
Net OPEB obligation	1,726	843	-	2,569	-
Total Water & Sewer	\$ 6,546,711	\$ 1,433,181	\$ (328,320)	\$ 7,651,572	\$ 338,874
Total business-type activities	\$ 14,776,093	\$ 2,307,963	\$ (385,723)	\$ 16,698,333	\$ 596,571

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 \$2,857,442 for governmental activities and \$61,432 for business-type activities. Net pension and other post employment benefits are typically liquidated in the general fund.

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, 2011, according to information furnished by the Economic Development Commission, there were six series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$8 million.

Other Commitments

In May 2005, an area municipality and tourism development authority (TDA) entered into an agreement to increase the size of the Hickory Metro Convention Center. The municipality is obligated for the financing costs associated with this expansion. The County has a financial commitment of \$1.2 million over fifteen years to the area municipality as a share of the debt obligation. The TDA will repay the County annually for the \$1.2 million obligation from revenues generated by the facility.

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2011 are as follows:

Due to General Fund from Community Development fund for the advance of funds for expenditures prior to grant reimbursement	<u>\$ 1,318</u>
--	-----------------

Transfers to/from other funds at June 30, 2011, consists of the following:

General Fund

From the General fund to the Citizens' Alert System fund to supplement other funding sources for the citizens' alert system	15,285
From the General fund to the Reappraisal fund to accumulate resources for the four year cycle revaluation of real property	397,685
From the General fund to the General Capital Reserve fund to accumulate resources for future economic development projects	71,443
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	1,394,843

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

From the General fund to the Water & Sewer fund for the installation of waterlines to supply adequate water to various County locations	3,561,973
Subtotal General Fund	<u>5,441,229</u>
 Schools Capital Fund	
From the Schools Capital Projects fund to the General fund to supplement funds for debt service	50,000
 From the Schools Capital Projects fund to the School Construction fund to supplement funds for new school construction	<u>50,000</u>
Subtotal School Capital Fund	<u>100,000</u>
 Other Governmental Funds	
From the General Capital Reserve fund to the General fund to supplement funds for economic development projects	83,879
 From the General Capital Reserve fund to the General Capital Projects fund to supplement funds for various capital improvement projects	225,156
 From the School Construction fund to the General fund to supplement funds for debt service	322,792
 From the School Construction fund to the Schools Capital Projects fund to supplement funds for various school renovation projects	<u>83,654</u>
Subtotal Other Governmental Funds	<u>715,481</u>
Total transfers to other funds	<u>\$ 6,256,710</u>

D. Fund Balance

Outstanding encumbrances are not shown on the face of the statement but are included in Stabilization by State Statute restricted amount. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>School Construction Fund</u>	<u>Non-Major Funds</u>
Encumbrances	\$ 1,290,342.00	\$ -	\$ -	\$ -

NOTE 4. 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 5. 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 Commu-

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 5. JOINT VENTURES (continued)

nity 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 \$483,158 and installment purchase obligations of \$10,352,572 are outstanding at June 30, 2011. 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 \$3,617,068 and \$3,837,875 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2011. In addition, the County made debt service payments of \$327,393 during the fiscal year on general obligation bonds and debt service payments of \$1,147,906 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, 2011. 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 \$24,735 to the Lake Norman Marine Commission for operating expenses during the fiscal year ended June 30, 2011. 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 governed 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 \$1,983,308 at June 30, 2011. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

NOTE 6. 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 \$41,323 to the Council during the fiscal year ended June 30, 2011.

NOTE 7. 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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 7. BENEFIT PAYMENTS ISSUED BY THE STATE (continued)

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	\$ 108,083,494	\$ 44,414,041
Temporary assistance for needy families	561,026	(67)
Low-income energy assistance	1,363,622	-
Aid the aged and disabled	-	1,233,261
Adoptive services	-	1,119,982
WIC	3,142,669	-
	<u>\$ 113,150,811</u>	<u>\$ 46,767,217</u>

NOTE 8. 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 9. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In October, 2011 Catawba County entered into a \$650,000 financing agreement for the upgrade of computer equipment.

In November, 2011 Catawba County issued \$48,115,000 in Limited Obligation Bonds. ("2011 Bonds"). The 2011 Bonds are executed and delivered pursuant to an Indenture of Trust between the Catawba County Public Facilities Corporation and U.S. Bank National Association as trustee. The 2011 Bonds are executed to provide funds to (1) refinance certain existing financing obligations of the County and (2) pay related financing costs. It is expected that this refinancing will have a net present value savings for the County of \$2,446,941 over the life of the debt obligation.

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, 2006 to 2011

<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	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%
12/31/2008	0	1,118,461	1,118,461	0.00%	5,093,101	21.96%
12/31/2009	0	1,482,425	1,482,425	0.00%	5,311,352	27.91%
12/31/2010	0	1,299,009	1,299,009	0.00%	5,323,496	24.40%

CATAWBA COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions
For Fiscal Years Ended June 30, 2006 to 2011

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2006	124,640	98.44
2007	111,942	101.66
2008	109,823	87.99
2009	124,340	87.91
2010	141,973	57.58
2011	188,321	31.72

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
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 to 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
12/31/2005	\$0	\$18,572,261	\$18,572,261	0.00%	\$38,665,996	48.00%
12/31/2007	\$0	\$9,826,953	\$9,826,953	0.00%	\$45,934,924	21.40%
12/31/2009	\$0	\$9,569,644	\$9,569,644	0.00%	\$46,608,375	20.50%

CATAWBA COUNTY, NORTH CAROLINA
Health Care Benefit - Pay As You Go
Required Supplementary Information
Schedule of Employer Contributions
For Fiscal Years Ended June 30, 2009 to 2011

<u>Year Ended June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	1,013,872	23.27
2010	1,013,872	21.06
2011	962,206	24.10

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate increases (decreases)*	10.50 - 5.00%
Year of ultimate trend rate	2017
*Includes inflation at	3.75%



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.

Reappraisal Fund –

The County maintains this fund as required by the General Statutes of North Carolina for financing the cost of the next reappraisal of real property in the County. A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes.

General Capital Reserve Fund –

To account for the accumulation of funds for the financing and construction of schools, general and hospital capital projects. A legally budgeted General Capital Reserve Fund is consolidated into 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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
REVENUES				
Ad Valorem Taxes				
Current year	\$ 77,930,272	\$ 77,904,536		
Prior year	599,500	1,226,357		
Penalties and interest	270,000	546,066		
Tax leased vehicles	53,410	91,890		
Total ad valorem taxes	<u>78,853,182</u>	<u>79,768,849</u>	<u>915,667</u>	<u>80,274,373</u>
Other Taxes				
Local Option Sales Taxes				
Article 39 - one percent	10,034,342	10,703,514		
Article 40 - one half of one percent	5,319,149	5,591,380		
Article 42 - one half of one percent	2,394,912	2,483,633		
Article 44 - one half of one percent	-	(53,482)		
Article 46 - one quarter of one percent	1,911,409	1,802,902		
Subtotal local option sales taxes	<u>19,659,812</u>	<u>20,527,947</u>	<u>868,135</u>	<u>20,619,985</u>
Other Taxes and Licenses				
Real estate excise stamps	400,000	357,820		
ABC 5 cents per bottle	45,000	47,382		
Privilege licenses	24,000	24,876		
Subtotal other taxes and licenses	<u>469,000</u>	<u>430,078</u>	<u>(38,922)</u>	<u>429,680</u>
Total other taxes	<u>20,128,812</u>	<u>20,958,025</u>	<u>829,213</u>	<u>21,049,665</u>
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	107,250	370,115		
Video Programming fees	628,000	691,162		
Catawba County ABC profit distribution	963,000	845,000		
Total unrestricted intergovernmental revenues	<u>1,698,250</u>	<u>1,906,277</u>	<u>208,027</u>	<u>1,878,455</u>
Restricted Intergovernmental Revenues				
State of North Carolina				
Mental Health Services				
Criminal justice partnership program	122,789	122,789		
Social Services				
American recovery and reinvestment act (ARRA) funds	181,030	144,081		
ARRA - Adoptions	15,000	47,144		
ARRA - Foster Care	5,000	17,466		
Rural general public funds	122,238	119,968		
Office Juvenile Justice Corner house	223,569	226,837		
Smart Start	1,876,964	1,766,122		
Share the warmth grant	6,000	5,783		
Child boarding home funds	298,500	156,643		
Special permanency planning	9,794	33,632		
Community alternatives state in-home	40,116	40,132		
Family finders grant	69,000	35,130		
Medicaid expansion	31,742	24,940		
Foster care visitation	-	13,747		
Child boarding home funds therapeutic	-	1,551		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Adult day care	143,000	145,932		
Adult services	39,396	46,860		
Elderly handicapped transportation	127,224	126,271		
Child Protective Services	212,717	173,528		
Community transportation grant	30,000	37,363		
Aid to blind equalization	75	-		
Public Health				
Smart Start	228,180	228,180		
NC information highway funds	1,100	-		
School nurse initiative	199,001	200,000		
Health partners grant	21,000	19,942		
Immunization program	37,780	37,780		
Communicable diseases	8,197	8,197		
Communicable diseases -aid to counties	12,500	12,500		
Child health	85,793	85,793		
Child service coordination	2,189	333		
Child fatality prevention	1,250	1,208		
Childhood lead prevention	4,500	-		
Health aid to counties	162,841	154,134		
Maternal health	115,982	115,982		
Health promotion	23,552	23,552		
Breastfeeding promotion grant	3,310	3,310		
Breast cancer grant	62,819	59,042		
North Carolina health and wellness grant	98,545	89,443		
Tuberculosis grant	24,926	24,926		
Public health interpreter grant	20,000	19,000		
Veterans service	2,000	2,000		
Controlled substance tax	20,000	14,272		
Public school building capital lottery funds	1,500,000	1,500,000		
Juvenile Justice & Delinquency Prevention				
Project challenge	45,512	45,512		
Catawba parenting network	25,305	25,305		
Juvenile crime prevention planning	14,250	14,250		
Peace pipeline conflict resolution	20,462	20,462		
North Carolina agriculture cost share	25,250	26,875		
North Carolina agriculture development	6,770	-		
Court facility fees	165,000	158,757		
District court fees	64,000	61,560		
State Aid - Library	151,825	152,147		
Safe roads act	15,000	11,729		
Citizens corp grant	12,363	7,414		
Library services and technology grant	30,000	21,400		
Library summer reading grant	-	2,620		
Soil and water conservation grant	4,000	4,160		
Subtotal state revenue	<u>6,769,356</u>	<u>6,437,704</u>	<u>(331,652)</u>	<u>8,036,711</u>
Federal				
Social Services				
Permanency planning	43,993	-		
Energy assistance administration	102,583	102,292		
Employment and training	5,000	2,365		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Medical transportation administration	893,528	1,104,608		
Temporary assistance for needy family-domestic violence	30,000	37,020		
Temporary assistance for needy family-subsidized employment	105,600	83,436		
Social Security Payments	103,000	109,301		
US Department of Agriculture supplemental funds	1,890	2,637		
Supplemental meals	1,340	9,186		
Chore Level II	152,461	29,313		
Chore Level III	141,538	261,837		
In-home aid on site Social Security block grant	66,082	8,325		
IV-D administration	1,150,353	915,452		
IV-E board	37,000	69,672		
IV-E administration	1,122,143	936,763		
Independent living administration	40,900	48,487		
Links-independent living trust fund	40,000	49,137		
In-home case management Social Security block grant	-	6,773		
Case management at risk	135,500	228,452		
Work First block grant	1,939,739	2,171,272		
Food stamp fraud administration	51,304	65,414		
Food stamp administration	782,939	822,622		
SNAP Federal defense bill	197,419	181,459		
Medicaid administration	1,512,702	1,462,222		
Adult day health	16,099	33,696		
IV-A Child care	273,097	265,975		
Title III Nutrition	118,860	120,647		
US Department of Agriculture nutrition	23,000	19,260		
US Department of Agriculture home delivered meals	31,500	27,224		
Home delivered meals	178,339	177,515		
Community assistance home delivered meals	9,800	10,343		
Community services block grant	229,729	229,500		
Crisis intervention	900,000	896,546		
Intensive family preservation restore families	50,104	69,328		
Public Health				
Bioterrorism grants	64,163	52,365		
H1N1 flu funds	80,000	80,000		
Title X	136,343	136,144		
Hazardous Mitigation Funds				
Help America Vote Grant	20,000	20,000		
Juvenile Crime Prevention - gang assessment	17,981	17,982		
Federal inmate transport	23,000	10,444		
Local law enforcement block grant	18,005	35,330		
Governor Crime Commission DV Unit Grant	127,693	127,514		
State criminal alien assistance program	23,103	23,103		
Homeland security exercise grant	25,000	20,783		
Emergency management planning grant	20,000	24,557		
Homeland security resource database grant	39,000	39,000		
Homeland security transfer switches grant	350,000	-		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Assistance to firefighters grant	4,006	-		
Assistant secretary for preparedness and response grant	6,000	5,977		
Subtotal federal revenue	<u>11,441,836</u>	<u>11,151,278</u>	<u>(290,558)</u>	<u>10,964,690</u>
State of North Carolina and Federal				
Social Services				
Social Services block grant	484,029	590,846		
Temporary assistance for needy families social security block grant	60,191	64,480		
Aid to families with dependent children	10,000	1,481		
Child day care purchase of care	5,472,729	5,491,786		
Aid to families with dependent children-foster care	850,000	739,532		
IV-E foster care therapeutic	1,500	18,324		
Temporary assistance for needy families foster care	9,000	13,149		
Adoption assistance non-recurring	40,000	51,023		
Adoption assistance medical	300,000	11,135		
Special children adoption fund	50,000	36,000		
IV-E/Child protective services	1,232,846	1,185,331		
Family preservation	58,444	(1,948)		
High risk intervention	700,400	744,234		
Title III Adult day care	82,433	74,633		
IV-D Aid to families with dependent children	35,000	-		
Iv-D Child support - non AFDC	34,000	26,871		
IV-D Incentives	302,156	256,914		
Medicaid waiver-case management	359,900	351,011		
Community alternative program medical equipment and supplies	142,000	72,519		
Adult care home case management	76,355	78,003		
State adult specialist fund	57,749	47,629		
North Carolina Health Choice	77,942	100,100		
Public Health				
Medicaid per member per month	12,000	168,722		
Women Infants Children funds	804,175	766,575		
IV-D Civil papers	81,402	85,126		
Medicaid-emergency medical services transports	420,000	631,734		
Subtotal state and federal revenue	<u>11,754,251</u>	<u>11,605,210</u>	<u>(149,041)</u>	<u>11,649,732</u>
Fines & Forfeitures	<u>1,006,755</u>	<u>796,001</u>	<u>(210,754)</u>	<u>892,179</u>
Other grants				
Social Services				
Catawba County Medical Society Alliance	1,200	1,000		
Rising Stars summer enrichment	10,000	28,186		
Community corrections contractual	265,792	364,656		
Confidential intermediary	1,000	700		
Adult day care - local	7,844	8,148		
Duke Endowment grant	698,050	775,950		
Medicaid contract local managing entity	-	80,397		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Child mental health local managing entity	28,223	-		
Other state revenue local managing entity	4,000	5,162		
Comprehensive treatment services program local managing entity	247,587	205,954		
Mental Health contract local managing entity	506,819	484,030		
Federal substance abuse local managing entity	11,077	3,452		
Medicaid direct billing	1,737,013	1,587,653		
Medicaid community support	201,990	66,773		
Catawba Valley Medical Center	80,879	79,979		
Hickory Public Schools	103,557	103,730		
Catawba County health partners	-	20,000		
Public Health				
Catawba Valley Medical Center	461,427	459,439		
Catawba County Schools	171,154	155,531		
Newton-Conover City Schools	34,552	33,306		
Hickory Public Schools	47,864	12,369		
Municipalities				
City Of Newton	41,516	23,693		
Town Of Maiden	4,435	4,528		
City Of Conover	36,978	43,801		
City Of Hickory	19,695	20,102		
City Of Claremont	20,832	21,590		
Town Of Longview	887	906		
Citizen alert notification				
Sex crimes investigation	56,000	56,883		
Transport mental health patients	9,697	3,611		
Mental health partners contracts	113,107	114,617		
Lifeskills rent	15,780	-		
Social services local funds	18,910	18,910		
Community Schools-Cooperative Extension	15,626	15,626		
Lawn and mowing services	2,226	2,239		
Hospice	50,000	84,543		
Supervisor training	-	7,250		
Voice over internet protocol revenue	186,031	189,241		
Four-H Grant	14,965	10,450		
Tourism development authority	89,780	89,780		
Jail bed rental	225,000	288,462		
Western Piedmont COG technology services	22,980	24,895		
Vocational rehabilitation grant funds	-	439		
Catawba Valley Behavioral Healthcare technical support	36,758	40,040		
Catawba Valley Community College - deputy reimbursement	146,905	148,932		
Catawba County Schools-deputy reimbursement	468,225	468,226		
Personnel indirect cost	1,315,239	1,315,239		
Subtotal other grants	<u>7,531,600</u>	<u>7,470,418</u>	<u>(61,182)</u>	<u>6,738,778</u>
Total restricted intergovernmental revenues	<u>38,503,798</u>	<u>37,460,611</u>	<u>(1,043,187)</u>	<u>38,282,090</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Licenses, Permits and Fees				
Marriage licenses	22,250	26,092		
Recording of legal instruments	483,000	459,134		
Uniform commercial code filing	9,975	9,991		
Gun permits	12,350	15,210		
Surrendered weapon storage fee	800	455		
Noise amplification permit	100	160		
Involuntary commitment fee	300	525		
Concealed weapon fees	35,000	49,675		
Public fingerprint fees	9,500	9,440		
Precious metals dealer fees	200	186		
Electronic house arrest fees	5,000	336		
Vehicle storage fees	200	705		
Building permits	1,610,818	886,825		
Building services after hours inspections	-	3,990		
Minor sub-division plat review	3,250	2,040		
Express plan review fee	4,000	10,150		
Plan review fees	6,000	3,900		
Storm water and erosion control	30,000	19,530		
Plat review fees	3,354	2,002		
Performance guarantees	230	160		
Telecommunications tower fees	47,000	30,000		
Zoning permits	3,500	16,375		
Accessory permit fees	3,325	650		
Sign permits	1,000	800		
Homeowners recovery fund	-	315		
Park fees and permits	6,000	5,076		
Environmental health fees	333,596	213,493		
Election filing fees	150	95		
Fire inspection fees	6,100	10,225		
Animal control fines and citations	3,000	2,390		
Immunizations	12,851	14,175		
Training fees	500	1,395		
Total licenses, permits, fees	<u>2,653,349</u>	<u>1,795,495</u>	<u>(857,854)</u>	<u>2,545,161</u>
Sales and Services				
Social Services				
Patient fees	18,314	7,839		
Insurance reimbursements	242,128	140,004		
State in-home fees	100	-		
IV-D application fees	21,000	20,144		
Level II and III chore fees	300	676		
Title III adult day care fees	100	508		
Trust account fees	5,000	4,189		
Adoption fees	7,500	4,150		
North Carolina health choice premiums	42,000	50,150		
IV-D blood test fees	750	79		
Access care	20,796	20,796		
Local support general assistance	15,000	14,339		
Public Health				
Patient fees	221,701	192,455		
Home health/third party reimbursements	3,817,550	3,596,477		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Pregnancy fees	8,500	1,678		
Clinic fees	214,091	167,339		
Child health fees	-	2,131		
Adult health fees	3,095	6,877		
Medicaid management fees	8,000	8,310		
Obstetrics services	550,000	357,989		
Dental services	2,976	2,976		
Lab fees	-	119		
Child seats copay	-	40		
Medicaid earned	-	5,108		
Medicaid earned maternity care coordinator	251,556	159,981		
Medicaid maximization maternity care coordinatr	-	27,252		
Medicaid earned maternal health	600,000	449,243		
Medicaid escrow maternal health	120,232	258,887		
Medicaid earned postpartum maternity	-	2,482		
Medicaid earned postpartum newborn	18,000	4,680		
Medicaid earned child service coordination	140,441	70,851		
Medicaid earned child health	10,000	34,800		
Medicaid escrow child health	345,598	582,672		
Medicaid earned dental	400,000	333,576		
Medicaid earned adult health	44,000	57,915		
Medicaid escrow adult health	58,370	58,373		
Medicaid earned women's preventative health	350,000	247,318		
Medicaid escrow women's preventative health	94,246	-		
Medicaid earned enhanced nutrition	-	18,644		
Medicaid escrow sonogram	141,806	100,280		
Medicaid escrow immunization	20,000	-		
Social services/public health contract services	10,000	11,198		
Municipalities				
Tax billing/collection	164,790	177,796		
Data processing	500	150		
Animal shelter	182,668	182,668		
Fire inspections	30,375	30,377		
Tax fees and charges				
Motor vehicle tax-collection fee	25,000	46,471		
Leased vehicle tax - collection fee	37,855	34,951		
Sale of maps and publications	765	1,176		
Check processing fees	8,400	4,843		
Transport fees district confinement facility	5,000	7,868		
Garage services	56,500	56,067		
Sheriff service of process	7,000	8,729		
Project lifesavers	200,000	194,696		
Inmate services	4,200	2,840		
Ambulance services	63,000	94,572		
Animal services	4,770,000	5,600,214		
Planning department ordinance	93,000	74,636		
Zoning amendments	50	-		
Board of adjustment charges	4,320	3,650		
Clinic fees	2,550	-		
Miscellaneous fees	6,000	7,632		
Library rental fees	-	2,815		
	40,100	46,043		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Copy and print charges	31,876	30,705		
Total sales and services	<u>13,537,099</u>	<u>13,631,424</u>	<u>94,325</u>	<u>13,041,964</u>
Investment Earnings				
Interest On Investments	<u>803,000</u>	<u>450,728</u>	<u>(352,272)</u>	<u>1,005,537</u>
Miscellaneous				
Social Services				
Restitution funds	3,175	1,608		
Fraud services	35,700	51,446		
Nutrition meals project income	53,400	52,715		
Donations	50,000	57,602		
Miscellaneous	1,600	14,140		
Public Health				
Kids in Need	47,200	39,505		
Cardio pulmonary resuscitation training	4,258	676		
Donations	350	-		
Susan G. Komen grant	25,000	43,738		
Quality improvement	1,500	174,417		
March of Dimes	1,795	1,795		
Miscellaneous	2,450	1,082		
Badge revenue	-	140		
Rents & Royalties	112,574	120,283		
Cell tower lease payments	20,259	18,571		
Cable lease payment	1,176	1,176		
Park souvenir sales	300	35		
Concessions	50,000	44,899		
Commissary	25,000	20,383		
Sale of surplus properties	-	74,869		
Insurance settlements	40,000	87,744		
Drug reimbursement	3,000	40		
Excise tax administrative cost	8,000	7,156		
Donations	8,850	25,530		
Emergency management/Duke Power grant	43,271	54,868		
Hazmat revenue	16,000	10,939		
Carolina Thread Trail	1,760	-		
Short term disability premiums	80,000	81,678		
Group health and dental premiums	2,411,300	1,868,828		
Miscellaneous revenue	<u>208,502</u>	<u>314,154</u>		
Total miscellaneous	<u>3,256,420</u>	<u>3,170,017</u>	<u>(86,403)</u>	<u>3,005,599</u>
 Total revenues	 <u>159,433,910</u>	 <u>159,141,426</u>	 <u>(292,484)</u>	 <u>161,082,844</u>
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	5,660	5,660		
Other operating	<u>174,228</u>	<u>133,457</u>		
	<u>179,888</u>	<u>139,117</u>	<u>40,771</u>	<u>156,862</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Administration				
County Manager				
Salaries & employee benefits	866,745	847,414		
Other operating	31,619	42,654		
Non-operating	111,145	-		
	<u>1,009,509</u>	<u>890,068</u>	<u>119,441</u>	<u>900,278</u>
Legal Services				
Salaries & employee benefits	327,992	326,670		
Other operating	31,464	11,110		
	<u>359,456</u>	<u>337,780</u>	<u>21,676</u>	<u>338,136</u>
Budget				
Salaries & employee benefits	227,740	218,905		
Other operating	19,413	14,080		
	<u>247,153</u>	<u>232,985</u>	<u>14,168</u>	<u>209,711</u>
Total Administration	<u>1,616,118</u>	<u>1,460,833</u>	<u>155,285</u>	<u>1,448,125</u>
Tax Administration				
Tax Assessor				
Salaries & employee benefits	874,728	858,602		
Other operating	213,628	194,594		
	<u>1,088,356</u>	<u>1,053,196</u>	<u>35,160</u>	<u>971,260</u>
Tax Collector				
Salaries & employee benefits	424,165	411,075		
Other operating	130,551	102,335		
	<u>554,716</u>	<u>513,410</u>	<u>41,306</u>	<u>509,784</u>
Total Tax Administration	<u>1,643,072</u>	<u>1,566,606</u>	<u>76,466</u>	<u>1,481,044</u>
Board of Elections				
Salaries & employee benefits	307,612	305,025		
Other operating	174,190	93,237		
	<u>481,802</u>	<u>398,262</u>	<u>83,540</u>	<u>486,789</u>
Human Resources				
Personnel				
Salaries & employee benefits	545,134	510,650		
Other operating	96,962	89,519		
Non-operating	384,175	-		
	<u>1,026,271</u>	<u>600,169</u>	<u>426,102</u>	<u>474,067</u>
Wellness				
Other operating	156,300	140,514		
	<u>156,300</u>	<u>140,514</u>	<u>15,786</u>	<u>176,063</u>
Recruitment				
Salaries & employee benefits	61,475	61,391		
Other operating	29,850	14,124		
Non-operating	100,050	-		
	<u>191,375</u>	<u>75,515</u>	<u>115,860</u>	<u>74,549</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Risk Management				
Salaries & employee benefits	128,764	128,044		
Other operating	30,865	23,091		
	<u>159,629</u>	<u>151,135</u>	<u>8,494</u>	<u>135,454</u>
 Total Human Resources	 <u>1,533,575</u>	 <u>967,333</u>	 <u>566,242</u>	 <u>860,133</u>
Register of Deeds				
Salaries & employee benefits	553,773	522,164		
Other operating	278,619	210,572		
	<u>832,392</u>	<u>732,736</u>	<u>99,656</u>	<u>750,104</u>
Finance				
Administration				
Salaries & employee benefits	324,077	322,586		
Other operating	190,667	174,462		
	<u>514,744</u>	<u>497,048</u>	<u>17,696</u>	<u>473,541</u>
Accounting				
Salaries & employee benefits	421,235	417,119		
Other operating	474,135	420,178		
	<u>895,370</u>	<u>837,297</u>	<u>58,073</u>	<u>776,742</u>
Purchasing and Service Center				
Salaries & employee benefits	210,870	203,791		
Other operating	26,166	19,707		
	<u>237,036</u>	<u>223,498</u>	<u>13,538</u>	<u>221,172</u>
 Total Finance	 <u>1,647,150</u>	 <u>1,557,843</u>	 <u>89,307</u>	 <u>1,471,455</u>
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	10,500	2,317		
	<u>10,500</u>	<u>2,317</u>	<u>8,183</u>	<u>9,773</u>
Other Government Costs				
Salaries & employee benefits	142,598	12,404		
Other operating	198,361	184,542		
	<u>340,959</u>	<u>196,946</u>	<u>144,013</u>	<u>217,370</u>
Self Insurance				
Premiums	2,885,250	1,574,025		
Liability	809,326	612,933		
Workers Compensation	573,000	458,778		
Total Self Insurance	<u>4,267,576</u>	<u>2,645,736</u>	<u>1,621,840</u>	<u>4,309,715</u>
 Total Other General Government Programs	 <u>4,619,035</u>	 <u>2,844,999</u>	 <u>1,774,036</u>	 <u>4,536,858</u>
 Total General Government	 <u>12,553,032</u>	 <u>9,667,729</u>	 <u>2,885,303</u>	 <u>11,191,370</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Public Safety				
Sheriff				
Administration and Law Enforcement				
Salaries & employee benefits	3,093,148	3,058,427		
Other operating	909,342	825,376		
Capital outlay	35,774	14,290		
	<u>4,038,264</u>	<u>3,898,093</u>	<u>140,171</u>	<u>4,157,794</u>
 Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	151,742	149,984		
Other operating	3,000	3,000		
	<u>154,742</u>	<u>152,984</u>	<u>1,758</u>	<u>147,137</u>
 School Resource Officers				
Salaries & employee benefits	591,566	581,796		
Other operating	38,100	37,777		
	<u>629,666</u>	<u>619,573</u>	<u>10,093</u>	<u>614,722</u>
 Records				
Salaries & employee benefits	353,074	342,329		
Other operating	22,190	19,942		
Capital outlay	17,800	-		
	<u>393,064</u>	<u>362,271</u>	<u>30,793</u>	<u>361,974</u>
 Mental Health Transport				
Salaries & employee benefits	9,697	3,116		
	<u>9,697</u>	<u>3,116</u>	<u>6,581</u>	<u>5,370</u>
 Crime Prevention				
Salaries & employee benefits	82,821	80,334		
Other operating	14,110	8,944		
	<u>96,931</u>	<u>89,278</u>	<u>7,653</u>	<u>113,963</u>
 Narcotics				
Salaries & employee benefits	295,458	290,281		
Other operating	66,970	61,693		
	<u>362,428</u>	<u>351,974</u>	<u>10,454</u>	<u>333,526</u>
 Detectives				
Salaries & employee benefits	813,005	788,414		
Other operating	55,912	51,228		
	<u>868,917</u>	<u>839,642</u>	<u>29,275</u>	<u>806,153</u>
 Lake Norman Water Patrol				
Salaries & employee benefits	368,071	308,731		
Other operating	26,450	23,970		
Capital outlay	26,991	26,591		
	<u>421,512</u>	<u>359,292</u>	<u>62,220</u>	<u>305,152</u>
 Court Security				
Salaries & employee benefits	530,362	525,638		
Other operating	7,000	6,922		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
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For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	537,362	532,560	4,802	476,682
Newton Detention Center				
Salaries & employee benefits	3,360,041	3,188,600		
Other operating	972,940	826,093		
Capital outlay	31,254	8,860		
	<u>4,364,235</u>	<u>4,023,553</u>	<u>340,682</u>	<u>3,937,907</u>
Prisoner Food Services				
Other operating	436,183	402,162	34,021	442,971
District Confinement Facility				
Salaries & employee benefits	56,052	54,197		
Other operating	1,172,721	1,072,312		
	<u>1,228,773</u>	<u>1,126,509</u>	<u>102,264</u>	<u>1,728,427</u>
Total Sheriff	<u>13,541,774</u>	<u>12,761,007</u>	<u>780,767</u>	<u>13,431,778</u>
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	22,595	24,002		
Other operating	65,760	49,182		
	<u>88,355</u>	<u>73,184</u>	<u>15,171</u>	<u>52,050</u>
Emergency Management				
Salaries & employee benefits	229,080	222,355		
Other operating	549,350	178,039		
Capital outlay	19,585	13,585		
	<u>798,015</u>	<u>413,979</u>	<u>384,036</u>	<u>513,576</u>
Veterans Services				
Salaries & employee benefits	63,130	62,229		
Other operating	5,700	5,146		
	<u>68,830</u>	<u>67,375</u>	<u>1,455</u>	<u>54,411</u>
Fire Marshal				
Salaries & employee benefits	191,245	179,030		
Other operating	35,662	28,727		
	<u>226,907</u>	<u>207,757</u>	<u>19,150</u>	<u>194,579</u>
Emergency Medical Services				
Salaries & employee benefits	5,953,426	5,707,142		
Other operating	1,036,826	823,143		
Capital outlay	5,929	-		
	<u>6,996,181</u>	<u>6,530,285</u>	<u>465,896</u>	<u>7,102,775</u>
Fire Fighting Alarms				
Other operating	33,600	33,600	-	33,600
Animal Control				
Salaries & employee benefits	166,700	165,032		
Other operating	52,900	45,614		
	<u>219,600</u>	<u>210,646</u>	<u>8,954</u>	<u>197,326</u>

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, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Animal Shelter				
Salaries & employee benefits	262,325	240,540		
Other operating	251,559	219,096		
Capital outlay	26,990	26,198		
	<u>540,874</u>	<u>485,834</u>	<u>55,040</u>	<u>411,877</u>
 Total Emergency Services	 <u>8,972,362</u>	 <u>8,022,660</u>	 <u>949,702</u>	 <u>8,560,194</u>
Communication Center				
Salaries & employee benefits	1,356,454	1,327,419		
Other operating	281,038	257,860		
	<u>1,637,492</u>	<u>1,585,279</u>	<u>52,213</u>	<u>1,527,737</u>
Other Public Safety				
Other operating	310,511	258,933	51,578	247,722
 Total Public Safety	 <u>24,462,139</u>	 <u>22,627,879</u>	 <u>1,834,260</u>	 <u>23,767,431</u>
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	125,006	116,127		
Other operating	203,208	169,105		
Capital outlay	21,782	21,782		
Non-operating	93,829	-		
	<u>443,825</u>	<u>307,014</u>	<u>136,811</u>	<u>278,643</u>
Soil & Water Conservation				
Salaries & employee benefits	137,489	135,915		
Other operating	10,618	8,975		
	<u>148,107</u>	<u>144,890</u>	<u>3,217</u>	<u>137,808</u>
Forest Ranger				
Other operating	51,227	51,226	1	52,563
 Total Environmental Protection	 <u>643,159</u>	 <u>503,130</u>	 <u>140,029</u>	 <u>469,014</u>
Economic and Physical Development				
Technology				
Information Technology Center				
Salaries & employee benefits	1,715,166	1,684,372		
Other operating	1,309,963	1,222,343		
	<u>3,025,129</u>	<u>2,906,715</u>	<u>118,414</u>	<u>2,861,441</u>
Geospatial Information Services				
Salaries & employee benefits	263,464	262,480		
Other operating	86,625	74,538		
	<u>350,089</u>	<u>337,018</u>	<u>13,071</u>	<u>319,571</u>
 Total Technology	 <u>3,375,218</u>	 <u>3,243,733</u>	 <u>131,485</u>	 <u>3,181,012</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	510,107	509,789		
Other operating	145,274	91,424		
	<u>655,381</u>	<u>601,213</u>	<u>54,168</u>	<u>687,165</u>
County Parks				
Salaries & employee benefits	232,488	227,401		
Other operating	72,507	55,764		
Capital outlay	7,517	-		
	<u>312,512</u>	<u>283,165</u>	<u>29,347</u>	<u>312,466</u>
Other Economic and Physical Development				
Other operating	1,299,249	697,967	601,282	1,408,520
	<u>2,267,142</u>	<u>1,582,345</u>	<u>684,797</u>	<u>2,408,151</u>
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	142,262	141,924		
Other operating	31,483	22,896		
	<u>173,745</u>	<u>164,820</u>	<u>8,925</u>	<u>160,515</u>
Building Inspection				
Salaries & employee benefits	1,024,420	876,525		
Other operating	398,318	337,061		
	<u>1,422,738</u>	<u>1,213,586</u>	<u>209,152</u>	<u>1,353,642</u>
Permit Center				
Salaries & employee benefits	300,932	299,811		
Other operating	31,807	18,168		
	<u>332,739</u>	<u>317,979</u>	<u>14,760</u>	<u>344,757</u>
Plan Review				
Salaries & employee benefits	329,464	312,546		
Other operating	15,858	9,253		
	<u>345,322</u>	<u>321,799</u>	<u>23,523</u>	<u>302,623</u>
Storm water and Erosion Control				
Salaries & employee benefits	194,956	175,950		
Other operating	28,430	13,387		
	<u>223,386</u>	<u>189,337</u>	<u>34,049</u>	<u>199,112</u>
	<u>2,497,930</u>	<u>2,207,521</u>	<u>290,409</u>	<u>2,360,649</u>
Finance/Facilities Division				
Garage				
Salaries & employee benefits	215,798	216,576		
Other operating	308,150	260,309		
	<u>523,948</u>	<u>476,885</u>	<u>47,063</u>	<u>504,325</u>

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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
General maintenance				
Salaries & employee benefits	582,207	563,184		
Other operating	176,937	133,524		
Capital outlay	10,519	9,824		
	<u>769,663</u>	<u>706,532</u>	<u>63,131</u>	<u>672,486</u>
General Buildings				
Other operating	523,700	473,604		
	<u>523,700</u>	<u>473,604</u>	<u>50,096</u>	<u>547,444</u>
Justice Buildings				
Other operating	739,840	681,836		
	<u>739,840</u>	<u>681,836</u>	<u>58,004</u>	<u>655,090</u>
Library Buildings				
Other operating	86,759	87,401	(642)	56,768
Leased Buildings				
Other operating	48,050	35,419	12,631	19,199
Social Services Buildings				
Other operating	108,902	78,874		
	<u>108,902</u>	<u>78,874</u>	<u>30,028</u>	<u>66,653</u>
Public Health Buildings				
Other operating	35,439	24,260		
	<u>35,439</u>	<u>24,260</u>	<u>11,179</u>	<u>34,396</u>
Mental Health Buildings				
Other operating	59,995	38,125	21,870	22,969
Street Signs				
Other operating	17,500	17,027	473	19,624
Total Finance/Facilities Division	<u>2,913,796</u>	<u>2,619,963</u>	<u>293,833</u>	<u>2,598,954</u>
Total Economic & Physical Development	<u>11,054,086</u>	<u>9,653,562</u>	<u>1,400,524</u>	<u>10,548,766</u>
Human Services				
Medical Examiner				
Other operating	100,000	81,600	18,400	96,500
Mental Health Services				
General Administration				
Other operating	1,412,418	1,399,550		
Mental Health Assistance	122,789	122,789		
	<u>1,535,207</u>	<u>1,522,339</u>	<u>12,868</u>	<u>1,590,254</u>
Total Mental Health Services	<u>1,535,207</u>	<u>1,522,339</u>	<u>12,868</u>	<u>1,590,254</u>
Social Services Department				
Administration				
Salaries & employee benefits	1,272,875	1,142,616		
Other operating	1,098,399	1,100,973		

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Non-operating	2,784,211	-		
Capital outlay	25,000	-		
	<u>5,180,485</u>	<u>2,243,589</u>	<u>2,936,896</u>	<u>2,285,040</u>
Children and Family Services				
Salaries & employee benefits	1,811,864	1,744,131		
Other operating	464,113	374,261		
Social Services assistance	1,000	468		
	<u>2,276,977</u>	<u>2,118,860</u>	<u>158,117</u>	<u>2,117,992</u>
Department of Human Resources Teams				
Salaries & employee benefits	275,607	275,824		
Other operating	13,465	6,897		
Social Services assistance	2,500	907		
	<u>291,572</u>	<u>283,628</u>	<u>7,944</u>	<u>272,681</u>
Children's Day Care				
Salaries & employee benefits	387,511	385,984		
Other operating	4,777	3,252		
	<u>392,288</u>	<u>389,236</u>	<u>3,052</u>	<u>372,185</u>
Intensive Family Preservation				
Salaries & employee benefits	180,374	148,556		
Other operating	24,084	17,871		
Social Services assistance	500	2,648		
	<u>204,958</u>	<u>169,075</u>	<u>35,883</u>	<u>184,370</u>
Early Childhood Development				
Salaries & employee benefits	64,774	62,216		
Other operating	7,716	10,406		
	<u>72,490</u>	<u>72,622</u>	<u>(132)</u>	<u>68,104</u>
Prevention Management				
Salaries & employee benefits	104,686	104,012		
Other operating	1,000	1,032		
	<u>105,686</u>	<u>105,044</u>	<u>642</u>	<u>87,229</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	310,273	98,177		
Other operating	6,469	19,865		
Social Services assistance	1,412	29,323		
	<u>318,154</u>	<u>147,365</u>	<u>170,789</u>	<u>241,545</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,501,446	3,463,137		
Other operating	35,055	35,055		
Social Services assistance	47,000	54,649		
	<u>3,583,501</u>	<u>3,552,841</u>	<u>30,660</u>	<u>3,410,795</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	737,237	697,013		
Other operating	123,575	65,848		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Social Services assistance	5,000	4,964		
	<u>865,812</u>	<u>767,825</u>	<u>97,987</u>	<u>564,308</u>
Teen Up				
Salaries & employee benefits	125,831	113,636		
Other operating	17,000	14,196		
Social Services assistance	3,700	1,355		
	<u>146,531</u>	<u>129,187</u>	<u>17,344</u>	<u>137,339</u>
Community Services Block Grant				
Salaries & employee benefits	197,618	191,065		
Other operating	11,763	8,462		
Social Services assistance	21,204	9,951		
	<u>230,585</u>	<u>209,478</u>	<u>21,107</u>	<u>218,951</u>
Therapeutic Foster Care				
Salaries & employee benefits	234,313	216,878		
Other operating	28,977	14,458		
Social Services assistance	-	629		
	<u>263,290</u>	<u>231,965</u>	<u>31,325</u>	<u>247,272</u>
Adoptions				
Salaries & employee benefits	879,509	754,335		
Other operating	17,056	13,682		
Social Services assistance	3,500	3,308		
	<u>900,065</u>	<u>771,325</u>	<u>128,740</u>	<u>768,548</u>
Child Advocacy				
Salaries & employee benefits	254,221	252,557		
Other operating	115,698	114,173		
Social Services assistance	5,000	330		
	<u>374,919</u>	<u>367,060</u>	<u>7,859</u>	<u>335,373</u>
FamilyNet Administration				
Salaries & employee benefits	501,739	601,021		
Other operating	547,747	353,542		
Capital outlay	-	20,497		
Social Services assistance	10,000	6,435		
	<u>1,059,486</u>	<u>981,495</u>	<u>77,991</u>	<u>999,403</u>
FamilyNet Community Support				
Salaries & employee benefits	343,310	320,597		
Other operating	33,054	17,603		
	<u>376,364</u>	<u>338,200</u>	<u>38,164</u>	<u>385,850</u>
FamilyNet Act				
Salaries & employee benefits	506,664	540,351		
Other operating	62,050	22,642		
Social Services assistance	500	609		
	<u>569,214</u>	<u>563,602</u>	<u>5,612</u>	<u>471,287</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
FamilyNet In-home Services				
Salaries & employee benefits	405,654	406,582		
Other operating	19,777	17,512		
	<u>425,431</u>	<u>424,094</u>	<u>1,337</u>	<u>304,347</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	328,836	227,941		
Other operating	3,000	2,003		
	<u>331,836</u>	<u>229,944</u>	<u>101,892</u>	<u>208,015</u>
FamilyNet Family Services				
Salaries & employee benefits	297,850	207,573		
Other operating	5,500	2,691		
	<u>303,350</u>	<u>210,264</u>	<u>93,086</u>	<u>242,241</u>
FamilyNet Children Services				
Salaries & employee benefits	370,060	289,736		
Other operating	1,694	3,768		
	<u>371,754</u>	<u>293,504</u>	<u>78,250</u>	<u>356,783</u>
FamilyNet ECST				
Salaries & employee benefits	372,201	354,079		
Other operating	40,200	23,045		
Social Services assistance	4,000	2,000		
	<u>416,401</u>	<u>379,124</u>	<u>37,277</u>	<u>402,580</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	61,324	60,898		
Other operating	13,208	11,273		
	<u>74,532</u>	<u>72,171</u>	<u>2,361</u>	<u>106,771</u>
Work First				
Salaries & employee benefits	490,054	446,499		
Other operating	158,507	112,543		
Social Services assistance	95,600	56,369		
	<u>744,161</u>	<u>615,411</u>	<u>128,750</u>	<u>603,555</u>
Office Juvenile Justice Girls Program				
Other operating	49,255	41,103		
Social Services assistance	2,000	665		
	<u>51,255</u>	<u>41,768</u>	<u>9,487</u>	<u>39,345</u>
Administration Group Homes				
Salaries & employee benefits	1,221,380	1,007,253		
Other operating	50,988	41,743		
	<u>1,272,368</u>	<u>1,048,996</u>	<u>223,372</u>	<u>1,106,850</u>
Emergency Shelter				
Other operating	6,000	4,640		
	<u>6,000</u>	<u>4,640</u>	<u>1,360</u>	<u>2,717</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Girls Program				
Other operating	44,755	50,017		
Social Services assistance	3,000	640		
Capital outlay	22,000	-		
	<u>69,755</u>	<u>50,657</u>	<u>19,098</u>	<u>43,776</u>
Boys Program				
Other operating	49,155	47,454		
Social Services assistance	3,000	2,162		
	<u>52,155</u>	<u>49,616</u>	<u>2,539</u>	<u>47,926</u>
Office Juvenile Justice Boys Program				
Other operating	58,455	55,037		
Social Services assistance	2,000	1,177		
	<u>60,455</u>	<u>56,214</u>	<u>4,241</u>	<u>52,786</u>
Adult Services				
Other operating	390,402	401,045		
Social Services assistance	1,324,009	1,263,508		
	<u>1,714,411</u>	<u>1,664,553</u>	<u>49,858</u>	<u>1,712,563</u>
Adult Social Work				
Salaries & employee benefits	1,319,630	1,241,537		
Other operating	73,422	50,264		
Social Services assistance	13,000	10,899		
	<u>1,406,052</u>	<u>1,302,700</u>	<u>103,352</u>	<u>1,304,032</u>
Medicaid Administration				
Salaries & employee benefits	901,920	895,020		
Other operating	7,554	6,787		
	<u>909,474</u>	<u>901,807</u>	<u>7,667</u>	<u>833,575</u>
Transportation				
Salaries & employee benefits	392,964	385,350		
Other operating	285,973	280,991		
Capital outlay	117,000	90,679		
	<u>795,937</u>	<u>757,020</u>	<u>38,917</u>	<u>785,119</u>
Nutrition				
Salaries & employee benefits	191,863	153,875		
Other operating	68,313	85,787		
Social Services assistance	504,007	439,838		
	<u>764,183</u>	<u>679,500</u>	<u>84,683</u>	<u>589,148</u>
Public Assistance Administration				
Salaries & employee benefits	1,394,001	1,394,248		
Other operating	113,445	85,478		
	<u>1,507,446</u>	<u>1,479,726</u>	<u>27,720</u>	<u>1,392,713</u>
Food Stamps				
Salaries & employee benefits	1,422,802	1,397,121		
Other operating	82,939	80,743		
Social Services assistance	10,000	4,730		

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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	1,515,741	1,482,594	33,147	1,226,362
Child Support				
Salaries & employee benefits	1,329,006	1,144,011		
Other operating	27,831	14,317		
	<u>1,356,837</u>	<u>1,158,328</u>	<u>198,509</u>	<u>1,220,588</u>
General Assistance				
Other operating	53,000	45,154		
Social Services assistance	115,000	111,502		
	<u>168,000</u>	<u>156,656</u>	<u>11,344</u>	<u>142,548</u>
Public Assistance Payments				
Social Services assistance	1,340,012	1,241,740	98,272	1,252,086
Children's Purchase Services				
Social Services assistance	9,882,547	9,061,878	820,669	10,060,335
Total Social Services	<u>42,752,470</u>	<u>36,805,302</u>	<u>5,947,168</u>	<u>37,205,033</u>
Public Health Department				
Health Administration				
Salaries & employee benefits	707,640	695,883		
Other operating	449,114	227,926		
	<u>1,156,754</u>	<u>923,809</u>	<u>232,945</u>	<u>898,131</u>
Home Health				
Salaries & employee benefits	1,763,345	1,637,176		
Other operating	1,451,239	1,386,394		
	<u>3,214,584</u>	<u>3,023,570</u>	<u>191,014</u>	<u>2,792,320</u>
Environmental Health				
Salaries & employee benefits	869,508	788,819		
Other operating	135,390	116,348		
	<u>1,004,898</u>	<u>905,167</u>	<u>99,731</u>	<u>967,301</u>
Maternal Health				
Salaries & employee benefits	566,904	561,765		
Other operating	1,057,581	914,049		
Public Health assistance	30,057	33,224		
	<u>1,654,542</u>	<u>1,509,038</u>	<u>145,504</u>	<u>1,550,401</u>
Family Care Coordination				
Salaries & employee benefits	399,161	414,797		
Other operating	25,125	19,170		
	<u>424,286</u>	<u>433,967</u>	<u>(9,681)</u>	<u>704,081</u>
Child Health				
Salaries & employee benefits	526,438	568,728		
Other operating	92,066	83,218		
	<u>618,504</u>	<u>651,946</u>	<u>(33,442)</u>	<u>587,857</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	456,114	464,164		
Other operating	89,254	57,310		
	<u>545,368</u>	<u>521,474</u>	<u>23,894</u>	<u>453,127</u>
Child Health - Smart Start				
Salaries & employee benefits	170,550	172,543		
Other operating	21,053	19,797		
	<u>191,603</u>	<u>192,340</u>	<u>(737)</u>	<u>195,080</u>
Health and Wellness				
Salaries & employee benefits	67,500	70,551		
Other operating	34,198	17,536		
	<u>101,698</u>	<u>88,087</u>	<u>13,611</u>	<u>72,193</u>
School Health Assistants				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,778</u>
School Nurse Fund Initiative				
Salaries & employee benefits	149,902	151,441		
Other operating	14,819	8,830		
	<u>164,721</u>	<u>160,271</u>	<u>4,450</u>	<u>152,319</u>
School Nurses Initiative - Catawba Valley Medical Center				
Salaries & employee benefits	270,473	273,372		
Other operating	27,583	22,845		
	<u>298,056</u>	<u>296,217</u>	<u>1,839</u>	<u>281,502</u>
School Nurses - Catawba County				
Salaries & employee benefits	210,923	211,986		
Other operating	26,715	21,533		
	<u>237,638</u>	<u>233,519</u>	<u>4,119</u>	<u>221,263</u>
School Nurses - Newton-Conover				
Salaries & employee benefits	103,526	104,467		
Other operating	5,040	2,929		
	<u>108,566</u>	<u>107,396</u>	<u>1,170</u>	<u>106,879</u>
School Nurses Initiative - Catawba County				
Salaries & employee benefits	58,973	60,239		
Other operating	7,569	6,203		
	<u>66,542</u>	<u>66,442</u>	<u>100</u>	<u>23,117</u>
Dental Health				
Salaries & employee benefits	329,060	333,189		
Other operating	96,661	62,145		
Public Health assistance	-	25,447		
	<u>425,721</u>	<u>420,781</u>	<u>4,940</u>	<u>400,647</u>
Glaucoma/Adult Health				
Salaries & employee benefits	328,789	299,039		
Other operating	337,421	298,477		
	<u>666,210</u>	<u>597,516</u>	<u>68,694</u>	<u>573,673</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Bioterrorism Grant				
Salaries & employee benefits	32,846	32,124		
Other operating	111,439	89,452		
	<u>144,285</u>	<u>121,576</u>	<u>22,709</u>	<u>246,214</u>
ABCD Grant				
Salaries & employee benefits	13,899	15,616		
Other operating	2,801	2,850		
	<u>16,700</u>	<u>18,466</u>	<u>(1,766)</u>	<u>-</u>
Nurses/Family Planning				
Salaries & employee benefits	867,611	861,788		
Other operating	220,296	196,383		
	<u>1,087,907</u>	<u>1,058,171</u>	<u>29,736</u>	<u>984,551</u>
Women Infants Children Program				
Salaries & employee benefits	690,536	695,582		
Other operating	122,548	106,365		
	<u>813,084</u>	<u>801,947</u>	<u>11,137</u>	<u>754,449</u>
Total Public Health	<u>12,941,667</u>	<u>12,131,700</u>	<u>809,967</u>	<u>11,986,883</u>
Total Human Services	<u>57,329,344</u>	<u>50,540,941</u>	<u>6,788,403</u>	<u>50,878,670</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	868,869	848,284		
Other operating	289,114	281,539		
Non-operating	222,183	-		
	<u>1,380,166</u>	<u>1,129,823</u>	<u>250,343</u>	<u>1,216,906</u>
Sherrills Ford Branch				
Salaries & employee benefits	99,454	99,373		
Other operating	43,160	43,549		
	<u>142,614</u>	<u>142,922</u>	<u>(308)</u>	<u>156,376</u>
Maiden Branch				
Salaries & employee benefits	97,691	90,086		
Other operating	30,599	26,850		
	<u>128,290</u>	<u>116,936</u>	<u>11,354</u>	<u>123,407</u>
St. Stephens Branch				
Salaries & employee benefits	285,260	283,539		
Other operating	110,830	96,690		
	<u>396,090</u>	<u>380,229</u>	<u>15,861</u>	<u>373,663</u>
Southwest Branch Library				
Salaries & employee benefits	134,112	131,449		
Other operating	121,915	114,746		
	<u>256,027</u>	<u>246,195</u>	<u>9,832</u>	<u>243,644</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Conover Branch Library				
Salaries & employee benefits	51,095	50,921		
Other operating	26,253	21,655		
	<u>77,348</u>	<u>72,576</u>	<u>4,772</u>	<u>69,649</u>
Claremont Branch Library				
Salaries & employee benefits	36,008	35,426		
Other operating	20,174	16,423		
	<u>56,182</u>	<u>51,849</u>	<u>4,333</u>	<u>48,769</u>
Total County Library	<u>2,436,717</u>	<u>2,140,530</u>	<u>296,187</u>	<u>2,232,414</u>
Arts-Administration				
Other operating	521,000	521,000	-	526,254
Other Cultural				
Other operating	4,000	-	4,000	-
Total Culture and Recreation	<u>2,961,717</u>	<u>2,661,530</u>	<u>300,187</u>	<u>2,758,668</u>
Education				
Catawba County Schools				
Current expense	24,719,250	24,719,250		
Fines and forfeitures	707,250	563,825		
	<u>25,426,500</u>	<u>25,283,075</u>	<u>143,425</u>	<u>24,897,176</u>
Newton-Conover City Schools				
Current expense	4,171,463	4,171,463		
Fines and forfeitures	119,351	95,162		
	<u>4,290,814</u>	<u>4,266,625</u>	<u>24,189</u>	<u>4,061,819</u>
Hickory City Schools				
Current expense	6,295,169	6,295,169		
Fines and forfeitures	180,113	137,014		
	<u>6,475,282</u>	<u>6,432,183</u>	<u>43,099</u>	<u>6,315,721</u>
Catawba Valley Community College				
Current expense	3,617,068	3,617,068	-	3,332,000
Total Education	<u>39,809,664</u>	<u>39,598,951</u>	<u>210,713</u>	<u>38,606,716</u>
Debt Service				
General obligation bonds				
Principal	5,200,005	5,200,000		
Interest	729,775	729,769		
	<u>5,929,780</u>	<u>5,929,769</u>	<u>11</u>	<u>7,448,494</u>
Installment purchases				
Principal	6,817,060	4,141,151		
Interest	3,330,406	2,056,399		
	<u>10,147,466</u>	<u>6,197,550</u>	<u>3,949,916</u>	<u>6,347,744</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Certificates of Participation				
Principal	2,780,005	2,780,000		
Interest	1,978,255	1,978,250		
	<u>4,758,260</u>	<u>4,758,250</u>	<u>10</u>	<u>4,890,975</u>
Qualified Zone Academy Bonds				
Principal	50,000	50,000	-	50,000
Build America Bonds				
Principal	289,720	289,715		
Interest	212,950	138,411		
	<u>502,670</u>	<u>428,126</u>	<u>74,544</u>	<u>-</u>
Qualified School Construction Bonds				
Principal (sinking fund escrow)	-	716,951		
Interest	537,715	-		
	<u>537,715</u>	<u>716,951</u>	<u>(179,236)</u>	<u>-</u>
Total Debt Service	<u>21,925,891</u>	<u>18,080,646</u>	<u>3,845,245</u>	<u>18,737,213</u>
Total expenditures	<u>170,739,032</u>	<u>153,334,368</u>	<u>17,404,664</u>	<u>156,957,848</u>
Revenues over (under) expenditures	<u>(11,305,122)</u>	<u>5,807,058</u>	<u>17,112,180</u>	<u>4,124,996</u>
Other financing sources (uses)				
Transfers from				
General Capital Reserve Fund	83,879	83,879	-	86,288
School Capital Fund	50,000	50,000	-	2,524,631
School Construction Fund	322,792	322,792	-	-
Transfers to				
Citizens Alert System Fund	(15,285)	(15,285)	-	(10,341)
Reappraisal Fund	(397,685)	(397,685)	-	(439,680)
General Capital Reserve Fund	(71,443)	(71,443)	-	(300,000)
Rescue Squads Fund	-	-	-	(1,034,362)
General Capital Projects Fund	(1,394,843)	(1,394,843)	-	-
Water and Sewer Construction Fund	(3,561,973)	(3,561,973)	-	-
Water and Sewer Fund	-	-	-	(3,700,000)
Installment purchase obligation issued	1,820,791	-	(1,820,791)	-
Fund Balance appropriated/contingency	14,468,889	-	(14,468,889)	-
Total other financing sources (uses)	<u>11,305,122</u>	<u>(4,984,558)</u>	<u>(16,289,680)</u>	<u>(2,873,464)</u>
Net change in fund balance	<u>-</u>	<u>822,500</u>	<u>822,500</u>	<u>1,251,532</u>
Fund Balances - Beginning of Year		<u>51,665,535</u>		
Fund Balances - End of Year		<u>\$ 52,488,035</u>		

CATAWBA COUNTY, NORTH CAROLINA
Reappraisal Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 5,397	\$ 5,397	\$ 11,305
Total revenues	<u>-</u>	<u>5,397</u>	<u>5,397</u>	<u>11,305</u>
Expenditures				
Current				
General government				
Salaries & employee benefits	349,040	343,281	5,759	336,490
Other operating	100,445	81,482	18,963	73,289
Capital outlay	25,300	22,586	2,714	-
Total expenditures	<u>474,785</u>	<u>447,349</u>	<u>27,436</u>	<u>409,779</u>
Excess of revenues over (under) expenditures	<u>(474,785)</u>	<u>(441,952)</u>	<u>32,833</u>	<u>(398,474)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	397,685	397,685	-	439,680
Fund balance appropriated	77,100	-	(77,100)	-
Total other financing sources (uses)	<u>474,785</u>	<u>397,685</u>	<u>(77,100)</u>	<u>439,680</u>
Net change in fund balance	<u>\$ -</u>	<u>(44,267)</u>	<u>\$ (44,267)</u>	<u>41,206</u>
Fund Balances - Beginning of Year		<u>195,539</u>		<u>154,333</u>
Fund Balances - End of Year		<u>\$ 151,272</u>		<u>\$ 195,539</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 7,142	\$ 7,142	\$ 13,966
Total revenues	<u>-</u>	<u>7,142</u>	<u>7,142</u>	<u>13,966</u>
Expenditures				
Other operating	71,443	-	71,443	-
Total expenditures	<u>71,443</u>	<u>-</u>	<u>71,443</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(71,443)</u>	<u>7,142</u>	<u>78,585</u>	<u>13,966</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	71,443	71,443	-	300,000
Fund balance appropriated	309,035	-	(309,035)	-
Transfers to				
General Fund	(83,879)	(83,879)	-	-
General Capital Project Funds	(225,156)	(225,156)	-	(86,288)
Total other financing sources (uses)	<u>71,443</u>	<u>(237,592)</u>	<u>(309,035)</u>	<u>213,712</u>
Net change in fund balance	<u>\$ -</u>	<u>(230,450)</u>	<u>\$ (230,450)</u>	<u>227,678</u>
Fund Balances - Beginning of Year		<u>675,767</u>		<u>448,089</u>
Fund Balances - End of Year		<u>\$ 445,317</u>		<u>\$ 675,767</u>

Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 4,047,306	\$ 14,502,666	\$ 18,549,972
Taxes receivable - net	194,603	-	194,603
Due from other governments	108,725	962,010	1,070,735
Interest receivable	11,940	33,174	45,114
Restricted cash and investments	<u>-</u>	<u>88,862</u>	<u>88,862</u>
Total assets	<u>4,362,574</u>	<u>15,586,712</u>	<u>19,949,286</u>
Liabilities			
Accounts payable and accrued liabilities	16,639	146,616	163,255
Deferred revenues	212,306	-	212,306
Due to General Fund	<u>1,318</u>	<u>-</u>	<u>1,318</u>
Total liabilities	<u>230,263</u>	<u>146,616</u>	<u>376,879</u>
Fund Balances			
Restricted			
Stabilization by State Statute	120,665	995,184	1,115,849
School Capital	-	88,862	88,862
Public Safety	2,743,445	-	2,743,445
Fire Protection	852,061	-	852,061
Library Endowment	234,704	-	234,704
Scholarship	43,207	-	43,207
Parks Preservation	142,407	-	142,407
Hospital Capital	-	5,347,139	5,347,139
Committed			
School Capital	-	8,985,425	8,985,425
Hospital Construction	-	23,486	23,486
Unassigned	<u>(4,178)</u>	<u>-</u>	<u>(4,178)</u>
Total fund balances	<u>4,132,311</u>	<u>15,440,096</u>	<u>19,572,407</u>
Total liabilities and fund balances	<u>\$ 4,362,574</u>	<u>\$ 15,586,712</u>	<u>\$ 19,949,286</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, 2011

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 5,521,899	\$ -	\$ 5,521,899
Other taxes	-	3,725,450	3,725,450
Restricted intergovernmental revenues	1,409,239	-	1,409,239
Investment earnings	68,811	173,036	241,847
Miscellaneous	21,600	65,000	86,600
Total revenues	<u>7,021,549</u>	<u>3,963,486</u>	<u>10,985,035</u>
Expenditures			
Current			
Public safety	7,632,434	-	7,632,434
Economic and physical development	273,389	-	273,389
Capital outlay	-	5,050,915	5,050,915
Total expenditures	<u>7,905,823</u>	<u>5,050,915</u>	<u>12,956,738</u>
Excess of revenues over (under) expenditures	(884,274)	(1,087,429)	(1,971,703)
Other Financing Sources (Uses)			
Transfers from other funds	15,285	83,654	98,939
Transfers to other funds	-	(100,000)	(100,000)
Total other financing sources (uses)	<u>15,285</u>	<u>(16,346)</u>	<u>(1,061)</u>
Net change in fund balance	(868,989)	(1,103,775)	(1,972,764)
Fund Balances - Beginning of Year	<u>5,001,300</u>	<u>16,543,871</u>	<u>21,545,171</u>
Fund Balances - End of Year	<u>\$ 4,132,311</u>	<u>\$ 15,440,096</u>	<u>\$ 19,572,407</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.

Citizens' Alert System Fund –

To account for the accumulation of funds to provide emergency notifications to citizens and local agencies.

Narcotics Seized Funds and Property Fund –

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

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 fourteen 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, 2011

	<u>Emergency Telephone System Fund</u>	<u>Citizens' Alert System Fund</u>	<u>Narcotics Seized Funds And Property Fund</u>	<u>Rescue Squads Fund</u>
Assets				
Cash and investments	\$ 2,182,811	\$ 22,588	\$ 257,028	\$ 292,987
Taxes receivable - net	-	-	-	-
Due from other governments	95,392	10,000	2,965	-
Other receivables	-	-	-	-
Interest receivable	7,681	55	614	857
Total assets	<u>2,285,884</u>	<u>32,643</u>	<u>260,607</u>	<u>293,844</u>
Liabilities				
Accounts payable and accrued liabilities	9,617	1,396	-	956
Deferred revenues	-	-	-	-
Due to General Fund	-	-	-	-
Total liabilities	<u>9,617</u>	<u>1,396</u>	<u>-</u>	<u>956</u>
Fund Balances				
Restricted				
Stabilization by State Statute	103,073	10,055	3,579	857
Public Safety	2,173,194	21,192	257,028	292,031
Fire Protection	-	-	-	-
Library Endowment	-	-	-	-
Scholarship	-	-	-	-
Parks Preservation	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,276,267</u>	<u>31,247</u>	<u>260,607</u>	<u>292,888</u>
Total liabilities and fund balances	<u>\$ 2,285,884</u>	<u>\$ 32,643</u>	<u>\$ 260,607</u>	<u>\$ 293,844</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>
\$ 234,704	\$ 43,207	\$ 142,407	\$ -	\$ 871,574	\$ 4,047,306
-	-	-	-	194,603	194,603
-	-	-	368	-	108,725
-	-	-	-	-	-
502	92	304	-	1,835	11,940
<u>235,206</u>	<u>43,299</u>	<u>142,711</u>	<u>368</u>	<u>1,068,012</u>	<u>4,362,574</u>
-	-	-	2,860	1,810	16,639
-	-	-	-	212,306	212,306
-	-	-	1,318	-	1,318
-	-	-	<u>4,178</u>	<u>214,116</u>	<u>230,263</u>
502	92	304	368	1,835	120,665
-	-	-	-	-	2,743,445
-	-	-	-	852,061	852,061
234,704	-	-	-	-	234,704
-	43,207	-	-	-	43,207
-	-	142,407	-	-	142,407
-	-	-	(4,178)	-	(4,178)
<u>235,206</u>	<u>43,299</u>	<u>142,711</u>	<u>(3,810)</u>	<u>853,896</u>	<u>4,132,311</u>
<u>\$ 235,206</u>	<u>\$ 43,299</u>	<u>\$ 142,711</u>	<u>\$ 368</u>	<u>\$ 1,068,012</u>	<u>\$ 4,362,574</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2011

	<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>
Assets					
Cash and investments	\$ 16,718	\$ 16,918	\$ 81,392	\$ 176,617	\$ 34,917
Taxes receivable - net	13,905	20,121	23,636	2,810	14,863
Interest receivable	30	31	147	374	69
Total assets	<u>30,653</u>	<u>37,070</u>	<u>105,175</u>	<u>179,801</u>	<u>49,849</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Deferred revenues	15,996	21,068	26,761	3,197	15,826
Total liabilities	<u>15,996</u>	<u>21,068</u>	<u>26,761</u>	<u>3,197</u>	<u>15,826</u>
Fund Balances					
Restricted					
Stabilization by State Statute	30	31	147	374	69
Fire Protection	14,627	15,971	78,267	176,230	33,954
Total fund balances	<u>14,657</u>	<u>16,002</u>	<u>78,414</u>	<u>176,604</u>	<u>34,023</u>
Total liabilities and fund balances	<u>\$ 30,653</u>	<u>\$ 37,070</u>	<u>\$ 105,175</u>	<u>\$ 179,801</u>	<u>\$ 49,849</u>

(continued on page 108)

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
\$ 100,602	\$ 164,660	\$ 114,448	\$ 18,707	\$ 76,300	\$ 14,761	\$ 14,736
41,553	20,677	8,010	11,796	10,332	879	12,628
181	336	237	32	266	30	21
<u>142,336</u>	<u>185,673</u>	<u>122,695</u>	<u>30,535</u>	<u>86,898</u>	<u>15,670</u>	<u>27,385</u>
-	-	-	-	-	-	-
44,865	22,165	8,913	12,923	10,798	1,095	14,040
<u>44,865</u>	<u>22,165</u>	<u>8,913</u>	<u>12,923</u>	<u>10,798</u>	<u>1,095</u>	<u>14,040</u>
181	336	237	32	266	30	21
97,290	163,172	113,545	17,580	75,834	14,545	13,324
<u>97,471</u>	<u>163,508</u>	<u>113,782</u>	<u>17,612</u>	<u>76,100</u>	<u>14,575</u>	<u>13,345</u>
\$ <u>142,336</u>	\$ <u>185,673</u>	\$ <u>122,695</u>	\$ <u>30,535</u>	\$ <u>86,898</u>	\$ <u>15,670</u>	\$ <u>27,385</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2011

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
Assets			
Cash and investments	\$ 37,178	\$ 3,620	\$ 871,574
Taxes receivable - net	3,422	9,971	194,603
Interest receivable	<u>77</u>	<u>4</u>	<u>1,835</u>
Total assets	<u>40,677</u>	<u>13,595</u>	<u>1,068,012</u>
Liabilities			
Accounts payable and accrued liabilities	-	1,810	1,810
Deferred revenues	<u>3,783</u>	<u>10,876</u>	<u>212,306</u>
Total liabilities	<u>3,783</u>	<u>12,686</u>	<u>214,116</u>
Fund Balances			
Restricted			
Stabilization by State Statute	77	4	1,835
Fire Protection	<u>36,817</u>	<u>905</u>	<u>852,061</u>
Total fund balances	<u>36,894</u>	<u>909</u>	<u>853,896</u>
Total liabilities and fund balances	<u>\$ 40,677</u>	<u>\$ 13,595</u>	<u>\$ 1,068,012</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, 2011

	Emergency Telephone System Fund	Citizens' Alert System Fund	Narcotics Seized Funds and Property Fund	Rescue Squads Fund
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,000,500
Restricted intergovernmental revenues	1,098,978	31,521	16,815	-
Licenses and permits	-	-	-	-
Investment earnings	39,425	70	3,382	11,018
Miscellaneous	-	20,000	-	-
Total revenues	<u>1,138,403</u>	<u>51,591</u>	<u>20,197</u>	<u>1,011,518</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	2,053,046	56,297	55,060	985,122
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>2,053,046</u>	<u>56,297</u>	<u>55,060</u>	<u>985,122</u>
Excess of revenue over (under) expenditures	<u>(914,643)</u>	<u>(4,706)</u>	<u>(34,863)</u>	<u>26,396</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	15,285	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>15,285</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(914,643)	10,579	(34,863)	26,396
Fund Balances - Beginning of Year	<u>3,190,910</u>	<u>20,668</u>	<u>295,470</u>	<u>266,492</u>
Fund Balances - End of Year	<u>\$ 2,276,267</u>	<u>\$ 31,247</u>	<u>\$ 260,607</u>	<u>\$ 292,888</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>
\$ -	\$ -	\$ -	\$ -	\$ 4,521,399	\$ 5,521,899
-	-	-	261,925	-	1,409,239
-	-	-	-	-	-
2,603	473	1,592	109	10,139	68,811
-	<u>1,250</u>	<u>350</u>	-	-	<u>21,600</u>
<u>2,603</u>	<u>1,723</u>	<u>1,942</u>	<u>262,034</u>	<u>4,531,538</u>	<u>7,021,549</u>
-	-	-	-	-	-
-	-	-	-	4,482,909	7,632,434
-	-	-	273,389	-	273,389
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	<u>273,389</u>	<u>4,482,909</u>	<u>7,905,823</u>
<u>2,603</u>	<u>1,723</u>	<u>1,942</u>	<u>(11,355)</u>	<u>48,629</u>	<u>(884,274)</u>
-	-	-	-	-	15,285
-	-	-	-	-	-
-	-	-	-	-	<u>15,285</u>
2,603	1,723	1,942	(11,355)	48,629	(868,989)
<u>232,603</u>	<u>41,576</u>	<u>140,769</u>	<u>7,545</u>	<u>805,267</u>	<u>5,001,300</u>
<u>\$ 235,206</u>	<u>\$ 43,299</u>	<u>\$ 142,711</u>	<u>\$ (3,810)</u>	<u>\$ 853,896</u>	<u>\$ 4,132,311</u>

CATAWBA COUNTY, NORTH CAROLINA
Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	1,056,800	1,098,978	42,178	1,098,978
Investment earnings	-	39,425	39,425	57,720
Total revenues	<u>1,056,800</u>	<u>1,138,403</u>	<u>81,603</u>	<u>1,156,698</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	88,247	89,190	(943)	82,636
Other operating	966,587	856,263	110,324	222,244
Capital outlay	1,107,593	1,107,593	-	-
Nonoperating	489,828	-	489,828	-
Total expenditures	<u>2,652,255</u>	<u>2,053,046</u>	<u>599,209</u>	<u>304,880</u>
Excess of revenues over (under) expenditures	<u>(1,595,455)</u>	<u>(914,643)</u>	<u>680,812</u>	<u>851,818</u>
Other Financing Sources (Uses)				
Fund balance appropriated	1,595,455	-	(1,595,455)	-
Total other financing sources (uses)	<u>1,595,455</u>	<u>-</u>	<u>(1,595,455)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(914,643)</u>	<u>\$ (914,643)</u>	<u>851,818</u>
Fund Balances - Beginning of Year		<u>3,190,910</u>		<u>2,339,092</u>
Fund Balances - End of Year		<u>\$ 2,276,267</u>		<u>\$ 3,190,910</u>

CATAWBA COUNTY, NORTH CAROLINA
Citizens' Alert System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	2011			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Restricted intergovernmental revenues - federal	\$ 20,000	\$ 20,000	\$ -	\$ -
Restricted intergovernmental revenues - local	11,521	11,521	-	\$ 39,087
Investment earnings	-	70	70	631
Miscellaneous	10,000	20,000	10,000	10,000
Total revenues	<u>41,521</u>	<u>51,591</u>	<u>10,070</u>	<u>49,718</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	19,306	18,797	509	18,512
Other operating	37,500	37,500	-	37,500
Total expenditures	<u>56,806</u>	<u>56,297</u>	<u>509</u>	<u>56,012</u>
Excess of revenues over (under) expenditures	<u>(15,285)</u>	<u>(4,706)</u>	<u>10,579</u>	<u>(6,294)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	15,285	15,285	-	10,341
Total other financing sources (uses)	<u>15,285</u>	<u>15,285</u>	<u>-</u>	<u>10,341</u>
Net change in fund balance	<u>\$ -</u>	10,579	<u>\$ 10,579</u>	4,047
Fund Balances - Beginning of Year		<u>20,668</u>		<u>16,621</u>
Fund Balances - End of Year		<u>\$ 31,247</u>		<u>\$ 20,668</u>

CATAWBA COUNTY, NORTH CAROLINA
Narcotics Seized Funds and Property Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</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	\$ 14,000	\$ 16,815	\$ 2,815	\$ 79,525
Investment earnings	-	3,382	3,382	6,052
Sale of properties	2,000	-	(2,000)	-
Total revenues	<u>16,000</u>	<u>20,197</u>	<u>4,197</u>	<u>85,577</u>
Expenditures				
Current				
Public Safety				
Other operating	56,000	55,060	940	500
Capital outlay	-	-	-	7,500
Total expenditures	<u>56,000</u>	<u>55,060</u>	<u>940</u>	<u>8,000</u>
Excess of revenues over (under) expenditures	<u>(40,000)</u>	<u>(34,863)</u>	<u>5,137</u>	<u>77,577</u>
Other Financing Sources (Uses)				
Fund balance appropriated	40,000	-	(40,000)	-
Total other financing sources (uses)	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(34,863)</u>	<u>\$ (34,863)</u>	<u>77,577</u>
Fund Balances - Beginning of Year		<u>295,470</u>		<u>217,893</u>
Fund Balances - End of Year		<u>\$ 260,607</u>		<u>\$ 295,470</u>

CATAWBA COUNTY, NORTH CAROLINA
Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 1,000,500	\$ 1,000,500	\$ -	\$ 13,130
Investment earnings	-	11,018	11,018	-
Total revenues	<u>1,000,500</u>	<u>1,011,518</u>	<u>-</u>	<u>13,130</u>
Expenditures				
Public Safety				
Other operating	1,093,601	985,122	108,479	957,894
Total expenditures	<u>1,093,601</u>	<u>985,122</u>	<u>108,479</u>	<u>957,894</u>
Excess of revenues over (under) expenditures	<u>(93,101)</u>	<u>26,396</u>	<u>119,497</u>	<u>(944,764)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	93,101	-	(93,101)	-
Total other financing sources (uses)	<u>93,101</u>	<u>-</u>	<u>(93,101)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	26,396	<u>\$ 15,378</u>	89,598
Fund Balances - Beginning of Year		<u>266,492</u>		<u>176,894</u>
Fund Balances - End of Year		<u>\$ 292,888</u>		<u>\$ 266,492</u>

CATAWBA COUNTY, NORTH CAROLINA
Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 2,603	\$ 2,603	\$ 4,649
Total revenues	<u>-</u>	<u>2,603</u>	<u>2,603</u>	<u>4,649</u>
Expenditures				
Culture and recreation	-	-	-	-
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>2,603</u>	<u>2,603</u>	<u>4,649</u>
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>	<u>2,603</u>	<u>\$ 2,603</u>	<u>4,649</u>
Fund Balances - Beginning of Year		<u>232,603</u>		<u>227,954</u>
Fund Balances - End of Year		<u>\$ 235,206</u>		<u>\$ 232,603</u>

CATAWBA COUNTY, NORTH CAROLINA
Gretchen Peed Scholarship Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 473	\$ 473	\$ 1,602
Miscellaneous				
Donations	<u>7,500</u>	<u>1,250</u>	<u>(6,250)</u>	<u>5,155</u>
Total revenues	<u>7,500</u>	<u>1,723</u>	<u>(5,777)</u>	<u>6,757</u>
Expenditures				
Human services				
Scholarship awards	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>800</u>
Total expenditures	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>800</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,723</u>	<u>1,723</u>	<u>5,957</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>1,723</u>	<u>\$ 1,723</u>	<u>5,957</u>
Fund Balances - Beginning of Year		<u>41,576</u>		<u>35,619</u>
Fund Balances - End of Year		<u>\$ 43,299</u>		<u>\$ 41,576</u>

CATAWBA COUNTY, NORTH CAROLINA
Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Licenses and permits				
Developer fee	\$ -	\$ -	\$ -	\$ 2,482
Investment earnings	-	1,592	1,592	2,774
Miscellaneous				
Cookbook sales	-	350	350	1,300
Total revenues	<u>-</u>	<u>1,942</u>	<u>1,942</u>	<u>6,556</u>
Expenditures				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,942</u>	<u>1,942</u>	<u>6,556</u>
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>	<u>1,942</u>	<u>\$ 1,942</u>	<u>6,556</u>
Fund Balances - Beginning of Year		<u>140,769</u>		<u>134,213</u>
Fund Balances - End of Year		<u>\$ 142,711</u>		<u>\$ 140,769</u>



CATAWBA COUNTY, NORTH CAROLINA
Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2011

NC Housing Finance Agency 2010 Urgent Repair Grant - URP0905	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000	\$ -
Investment earnings	-	340	109	449	449
Total revenues	75,000	37,840	37,609	75,449	449
Expenditures					
Economic and physical development					
Administration	10,000	3,600	5,600	9,200	800
Rehabilitation	65,000	25,725	40,524	66,249	(1,249)
Total expenditures	75,000	29,325	46,124	75,449	(449)
Excess of revenues over (under) expenditures	-	8,515	(8,515)	-	-
Net change in fund balance	\$ -	\$ 8,515	(8,515)	\$ -	\$ -
Fund Balances - Beginning of Year			8,515		
Fund Balances - End of Year			\$ -		

Community Development Block Grant Scattered Site Housing (09-C-1987)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 400,000	\$ 40,693	\$ 204,870	\$ 245,563	\$ (154,437)
Total revenues	400,000	40,693	204,870	245,563	(154,437)
Expenditures					
Economic and physical development					
Administration	40,000	2,795	24,153	26,948	13,052
Emergency funds (L-1)	40,000	22,679	11,939	34,618	5,382
Rehabilitation	198,000	7,544	95,148	102,692	95,308
Clearance activities	5,000	300	5,600	5,900	(900)
Relocation assistance	110,000	345	70,870	71,215	38,785
Planning	7,000	7,000	-	7,000	-
Total expenditures	400,000	40,663	207,710	248,373	151,627
Excess of revenues over (under) expenditures	-	30	(2,840)	(2,810)	2,810
Net change in fund balance	\$ -	\$ 30	(2,840)	\$ (2,810)	\$ 2,810
Fund Balances - Beginning of Year			30		
Fund Balances - End of Year			\$ (2,810)		

CATAWBA COUNTY, NORTH CAROLINA
Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2011

Community Development Block Grant Individual Development Accounts (09-C-2042)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 70,000	\$ -	\$ 19,555	\$ 19,555	\$ (50,445)
Total revenues	<u>70,000</u>	<u>-</u>	<u>19,555</u>	<u>19,555</u>	<u>(50,445)</u>
Expenditures					
Economic and physical development					
Administration	10,000	-	6,013	6,013	3,987
Housing assistance	60,000	1,000	13,542	14,542	45,458
Total expenditures	<u>70,000</u>	<u>1,000</u>	<u>19,555</u>	<u>20,555</u>	<u>49,445</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>-</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Fund Balances - Beginning of Year			<u>(1,000)</u>		
Fund Balances - End of Year			<u>\$ (1,000)</u>		
Grand Total					
Fund Balances - Beginning of Year			<u>7,545</u>		
Fund Balances - End of Year			<u>\$ (3,810)</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, 2011

	<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	\$ 415,068	\$ 195,710	\$ 599,386	\$ 78,407	\$ 260,837
Investment earnings	347	287	1,818	1,585	531
Total revenues	<u>415,415</u>	<u>195,997</u>	<u>601,204</u>	<u>79,992</u>	<u>261,368</u>
Expenditures					
Current					
Public safety	<u>431,534</u>	<u>192,066</u>	<u>707,366</u>	-	<u>256,949</u>
Total expenditures	<u>431,534</u>	<u>192,066</u>	<u>707,366</u>	-	<u>256,949</u>
Excess of revenue over (under) expenditures	<u>(16,119)</u>	<u>3,931</u>	<u>(106,162)</u>	<u>79,992</u>	<u>4,419</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	(16,119)	3,931	(106,162)	79,992	4,419
Fund Balances - Beginning of Year	<u>30,776</u>	<u>12,071</u>	<u>184,576</u>	<u>96,612</u>	<u>29,604</u>
Fund Balances - End of Year	<u>\$ 14,657</u>	<u>\$ 16,002</u>	<u>\$ 78,414</u>	<u>\$ 176,604</u>	<u>\$ 34,023</u>

(continued on page 124)

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
\$ 1,353,426	\$ 368,513	\$ 163,116	\$ 223,771	\$ 128,698	\$ 22,260	\$ 343,897
1,705	651	1,160	299	829	174	304
<u>1,355,131</u>	<u>369,164</u>	<u>164,276</u>	<u>224,070</u>	<u>129,527</u>	<u>22,434</u>	<u>344,201</u>
1,366,219	299,230	137,261	218,656	137,362	21,693	335,674
<u>1,366,219</u>	<u>299,230</u>	<u>137,261</u>	<u>218,656</u>	<u>137,362</u>	<u>21,693</u>	<u>335,674</u>
(11,088)	69,934	27,015	5,414	(7,835)	741	8,527
-	-	-	-	-	-	-
<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>
(11,088)	69,934	27,015	5,414	(7,835)	741	8,527
108,559	93,574	86,767	12,198	83,935	13,834	4,818
<u>97,471</u>	<u>163,508</u>	<u>113,782</u>	<u>17,612</u>	<u>76,100</u>	<u>14,575</u>	<u>13,345</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, 2011

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
Revenues			
Ad valorem taxes	\$ 74,208	\$ 294,102	\$ 4,521,399
Investment earnings	449	-	10,139
Total revenues	<u>74,657</u>	<u>294,102</u>	<u>4,531,538</u>
Expenditures			
Current			
Public safety	<u>72,697</u>	<u>306,202</u>	<u>4,482,909</u>
Total expenditures	<u>72,697</u>	<u>306,202</u>	<u>4,482,909</u>
Excess of revenue over (under) expenditures	<u>1,960</u>	<u>(12,100)</u>	<u>48,629</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,960	(12,100)	48,629
Fund Balances - Beginning of Year	<u>34,934</u>	<u>13,009</u>	<u>805,267</u>
Fund Balances - End of Year	<u>\$ 36,894</u>	<u>\$ 909</u>	<u>\$ 853,896</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 411,496	\$ 415,068	\$ 3,572	\$ 344,058
Investment earnings	-	347	347	750
Total revenues	<u>411,496</u>	<u>415,415</u>	<u>3,919</u>	<u>344,808</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>431,534</u>	<u>431,534</u>	-	<u>350,883</u>
Total expenditures	<u>431,534</u>	<u>431,534</u>	-	<u>350,883</u>
Excess of revenues over (under) expenditures	(20,038)	(16,119)	3,919	(6,075)
Other Financing Sources (Uses)				
Fund balance appropriated	<u>20,038</u>	-	<u>(20,038)</u>	-
Total other financing sources (uses)	<u>20,038</u>	-	<u>(20,038)</u>	-
Net change in fund balance	<u>\$ -</u>	(16,119)	<u>\$ (16,119)</u>	(6,075)
Fund Balances - Beginning of Year		<u>30,776</u>		<u>36,851</u>
Fund Balances - End of Year		<u>\$ 14,657</u>		<u>\$ 30,776</u>

CATAWBA COUNTY, NORTH CAROLINA
Propst Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 192,066	\$ 195,710	\$ 3,644	\$ 204,034
Investment earnings	-	287	287	220
Total revenues	<u>192,066</u>	<u>195,997</u>	<u>3,931</u>	<u>204,254</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>192,066</u>	<u>192,066</u>	-	<u>227,704</u>
Total expenditures	<u>192,066</u>	<u>192,066</u>	-	<u>227,704</u>
Excess of revenues over (under) expenditures	-	3,931	3,931	(23,450)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	3,931	<u>\$ 3,931</u>	(23,450)
Fund Balances - Beginning of Year		<u>12,071</u>		<u>35,521</u>
Fund Balances - End of Year		<u>\$ 16,002</u>		<u>\$ 12,071</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 591,139	\$ 599,386	\$ 8,247	\$ 590,546
Investment earnings	-	1,818	1,818	2,763
Total revenues	<u>591,139</u>	<u>601,204</u>	<u>10,065</u>	<u>593,309</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>767,366</u>	<u>707,366</u>	<u>60,000</u>	<u>438,011</u>
Total expenditures	<u>767,366</u>	<u>707,366</u>	<u>60,000</u>	<u>438,011</u>
Excess of revenues over (under) expenditures	(176,227)	(106,162)	70,065	155,298
Other Financing Sources (Uses)				
Fund balance appropriated	<u>176,227</u>	-	<u>(176,227)</u>	-
Total other financing sources (uses)	<u>176,227</u>	-	<u>(176,227)</u>	-
Net change in fund balance	<u>\$ -</u>	(106,162)	<u>\$ (106,162)</u>	155,298
Fund Balances - Beginning of Year		<u>184,576</u>		<u>29,278</u>
Fund Balances - End of Year		<u>\$ 78,414</u>		<u>\$ 184,576</u>

CATAWBA COUNTY, NORTH CAROLINA
Conover Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 78,087	\$ 78,407	\$ 320	\$ 78,840
Investment earnings	-	1,585	1,585	1,572
Total revenues	<u>78,087</u>	<u>79,992</u>	<u>1,905</u>	<u>80,412</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>78,087</u>	-	<u>78,087</u>	-
Total expenditures	<u>78,087</u>	-	<u>78,087</u>	-
Excess of revenues over (under) expenditures	-	79,992	79,992	80,412
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	79,992	<u>\$ 79,992</u>	80,412
Fund Balances - Beginning of Year		<u>96,612</u>		<u>16,200</u>
Fund Balances - End of Year		<u>\$ 176,604</u>		<u>\$ 96,612</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 256,949	\$ 260,837	\$ 3,888	\$ 262,633
Investment earnings	-	531	531	563
Total revenues	<u>256,949</u>	<u>261,368</u>	<u>4,419</u>	<u>263,196</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>256,949</u>	<u>256,949</u>	-	<u>251,504</u>
Total expenditures	<u>256,949</u>	<u>256,949</u>	-	<u>251,504</u>
Excess of revenues over (under) expenditures	-	4,419	4,419	11,692
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	4,419	<u>\$ 4,419</u>	11,692
Fund Balances - Beginning of Year		<u>29,604</u>		<u>17,912</u>
Fund Balances - End of Year		<u>\$ 34,023</u>		<u>\$ 29,604</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 1,324,958	\$ 1,353,426	\$ 28,468	\$ 1,346,510
Investment earnings	-	1,705	1,705	2,408
Total revenues	<u>1,324,958</u>	<u>1,355,131</u>	<u>30,173</u>	<u>1,348,918</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>1,366,219</u>	<u>1,366,219</u>	<u>-</u>	<u>1,341,766</u>
Total expenditures	<u>1,366,219</u>	<u>1,366,219</u>	<u>-</u>	<u>1,341,766</u>
Excess of revenues over (under) expenditures	(41,261)	(11,088)	30,173	7,152
Other Financing Sources (Uses)				
Transfer from Denver Fire District	-	-	-	-
Fund balance appropriated	<u>41,261</u>	<u>-</u>	<u>(41,261)</u>	<u>-</u>
Total other financing sources (uses)	<u>41,261</u>	<u>-</u>	<u>(41,261)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(11,088)	<u>\$ (11,088)</u>	7,152
Fund Balances - Beginning of Year		<u>108,559</u>		<u>101,407</u>
Fund Balances - End of Year		<u>\$ 97,471</u>		<u>\$ 108,559</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 399,230	\$ 368,513	\$ (30,717)	\$ 370,160
Investment earnings	-	651	651	2,893
Total revenues	<u>399,230</u>	<u>369,164</u>	<u>(30,066)</u>	<u>373,053</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>399,230</u>	<u>299,230</u>	<u>100,000</u>	<u>407,999</u>
Total expenditures	<u>399,230</u>	<u>299,230</u>	<u>100,000</u>	<u>407,999</u>
Excess of revenues over (under) expenditures	-	69,934	69,934	(34,946)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	69,934	<u>\$ 69,934</u>	(34,946)
Fund Balances - Beginning of Year		<u>93,574</u>		<u>128,520</u>
Fund Balances - End of Year		<u>\$ 163,508</u>		<u>\$ 93,574</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 160,395	\$ 163,116	\$ 2,721	\$ 137,561
Investment earnings	-	1,160	1,160	1,257
Total revenues	<u>160,395</u>	<u>164,276</u>	<u>3,881</u>	<u>138,818</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>160,395</u>	<u>137,261</u>	<u>23,134</u>	<u>120,312</u>
Total expenditures	<u>160,395</u>	<u>137,261</u>	<u>23,134</u>	<u>120,312</u>
Excess of revenues over (under) expenditures	-	27,015	27,015	18,506
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	27,015	<u>\$ 27,015</u>	18,506
Fund Balances - Beginning of Year		<u>86,767</u>		<u>68,261</u>
Fund Balances - End of Year		<u>\$ 113,782</u>		<u>\$ 86,767</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 218,656	\$ 223,771	\$ 5,115	\$ 226,587
Investment earnings	-	299	299	319
Total revenues	<u>218,656</u>	<u>224,070</u>	<u>5,414</u>	<u>226,906</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>218,656</u>	<u>218,656</u>	-	<u>235,064</u>
Total expenditures	<u>218,656</u>	<u>218,656</u>	-	<u>235,064</u>
Excess of revenues over (under) expenditures	-	5,414	5,414	(8,158)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	5,414	<u>\$ 5,414</u>	(8,158)
Fund Balances - Beginning of Year		<u>12,198</u>		<u>20,356</u>
Fund Balances - End of Year		<u>\$ 17,612</u>		<u>\$ 12,198</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 125,616	\$ 128,698	\$ 3,082	\$ 126,155
Investment earnings	-	829	829	1,744
Total revenues	<u>125,616</u>	<u>129,527</u>	<u>3,911</u>	<u>127,899</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>170,525</u>	<u>137,362</u>	<u>33,163</u>	<u>122,758</u>
Total expenditures	<u>170,525</u>	<u>137,362</u>	<u>33,163</u>	<u>122,758</u>
Excess of revenues over (under) expenditures	(44,909)	(7,835)	37,074	5,141
Other Financing Sources (Uses)				
Fund balance appropriated	<u>44,909</u>	-	<u>(44,909)</u>	-
Total other financing sources (uses)	<u>44,909</u>	-	<u>(44,909)</u>	-
Net change in fund balance	<u>\$ -</u>	(7,835)	<u>\$ (7,835)</u>	5,141
Fund Balances - Beginning of Year		<u>83,935</u>		<u>78,794</u>
Fund Balances - End of Year		<u>\$ 76,100</u>		<u>\$ 83,935</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 21,693	\$ 22,260	\$ 567	\$ 22,648
Investment earnings	-	174	174	285
Total revenues	<u>21,693</u>	<u>22,434</u>	<u>741</u>	<u>22,933</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>21,693</u>	<u>21,693</u>	-	<u>21,687</u>
Total expenditures	<u>21,693</u>	<u>21,693</u>	-	<u>21,687</u>
Excess of revenues over (under) expenditures	-	741	741	1,246
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	741	<u>\$ 741</u>	1,246
Fund Balances - Beginning of Year		<u>13,834</u>		<u>12,588</u>
Fund Balances - End of Year		<u>\$ 14,575</u>		<u>\$ 13,834</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 335,674	\$ 343,897	\$ 8,223	\$ 341,583
Investment earnings	-	304	304	375
Total revenues	<u>335,674</u>	<u>344,201</u>	<u>8,527</u>	<u>341,958</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>335,674</u>	<u>335,674</u>	-	<u>370,110</u>
Total expenditures	<u>335,674</u>	<u>335,674</u>	-	<u>370,110</u>
Excess of revenues over (under) expenditures	-	8,527	8,527	(28,152)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	8,527	<u>\$ 8,527</u>	(28,152)
Fund Balances - Beginning of Year		<u>4,818</u>		<u>32,970</u>
Fund Balances - End of Year		<u>\$ 13,345</u>		<u>\$ 4,818</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 72,697	\$ 74,208	\$ 1,511	\$ 74,808
Investment earnings	-	449	449	731
Total revenues	<u>72,697</u>	<u>74,657</u>	<u>1,960</u>	<u>75,539</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>72,697</u>	<u>72,697</u>	-	<u>72,325</u>
Total expenditures	<u>72,697</u>	<u>72,697</u>	-	<u>72,325</u>
Excess of revenues over (under) expenditures	-	1,960	1,960	3,214
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	1,960	<u>\$ 1,960</u>	3,214
Fund Balances - Beginning of Year		<u>34,934</u>		<u>31,720</u>
Fund Balances - End of Year		<u>\$ 36,894</u>		<u>\$ 34,934</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, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 298,358	\$ 294,102	\$ (4,256)	\$ 297,113
Investment earnings	-	-	-	1,758
Total revenues	<u>298,358</u>	<u>294,102</u>	<u>(4,256)</u>	<u>298,871</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>310,458</u>	<u>306,202</u>	<u>4,256</u>	<u>306,476</u>
Total expenditures	<u>310,458</u>	<u>306,202</u>	<u>4,256</u>	<u>306,476</u>
Excess of revenues over (under) expenditures	(12,100)	(12,100)	-	(7,605)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Fund balance appropriated	<u>12,100</u>	<u>-</u>	<u>(12,100)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,100</u>	<u>-</u>	<u>(12,100)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,100)</u>	<u>\$ (12,100)</u>	<u>(7,605)</u>
Fund Balances - Beginning of Year		<u>13,009</u>		<u>20,614</u>
Fund Balances - End of Year		<u>\$ 909</u>		<u>\$ 13,009</u>

Capital Projects Funds

To account for financial resources to be used for the acquisition or construction of major capital projects.

Non Major Funds

School Capital Projects Fund -

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

Hospital Capital Reserve Fund -

To account for the accumulation of funds for the financing and construction of major capital projects for Catawba Valley Medical Center. A legally budgeted Hospital Capital Reserve Fund is consolidated into the Hospital Construction Fund for reporting purposes.

Major Funds

General Capital Projects Fund -

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

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.

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2011

	<u>School Capital Fund</u>	<u>School Bond Fund - 1997 Series Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Assets				
Cash and investments	\$ 9,063,351	\$ 68,690	\$ 5,370,625	\$ 14,502,666
Due from other governments	962,010	-	-	962,010
Other receivables	-	-	-	-
Interest receivables	21,556	147	11,471	33,174
Restricted cash and investments	<u>88,862</u>	<u>-</u>	<u>-</u>	<u>88,862</u>
Total assets	<u>10,135,779</u>	<u>68,837</u>	<u>5,382,096</u>	<u>15,586,712</u>
Liabilities				
Accounts payable and accrued liabilities	<u>146,616</u>	<u>-</u>	<u>-</u>	<u>146,616</u>
Total liabilities	<u>146,616</u>	<u>-</u>	<u>-</u>	<u>146,616</u>
Fund Balance				
Restricted				
Stabilization by State Statute	983,566	147	11,471	995,184
School Capital	88,862	-	-	88,862
Hospital Capital	-	-	5,347,139	5,347,139
Committed				
School Capital	8,916,735	68,690	-	8,985,425
Hospital Construction	<u>-</u>	<u>-</u>	<u>23,486</u>	<u>23,486</u>
Total fund balances	<u>9,989,163</u>	<u>68,837</u>	<u>5,382,096</u>	<u>15,440,096</u>
Total liabilities and fund balances	<u>\$ 10,135,779</u>	<u>\$ 68,837</u>	<u>\$ 5,382,096</u>	<u>\$ 15,586,712</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, 2011

	<u>School Capital Fund</u>	<u>School Bond Fund - 1997 Series Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Revenues				
Other taxes	\$ 3,725,450	\$ -	\$ -	\$ 3,725,450
Investment earnings	112,706	762	59,568	173,036
Miscellaneous	65,000	-	-	65,000
Total revenues	<u>3,903,156</u>	<u>762</u>	<u>59,568</u>	<u>3,963,486</u>
Expenditures				
Capital outlay	5,050,915	-	-	5,050,915
Total expenditures	<u>5,050,915</u>	<u>-</u>	<u>-</u>	<u>5,050,915</u>
Excess of revenues over (under) expenditures	<u>(1,147,759)</u>	<u>762</u>	<u>59,568</u>	<u>(1,087,429)</u>
Other Financing Sources (Uses)				
Transfers from other funds	83,654	-	-	83,654
Transfers to other funds	(100,000)	-	-	(100,000)
Total other financing sources (uses)	<u>(16,346)</u>	<u>-</u>	<u>-</u>	<u>(16,346)</u>
Net change in fund balance	(1,164,105)	762	59,568	(1,103,775)
Fund Balances - Beginning of Year	<u>11,153,268</u>	<u>68,075</u>	<u>5,322,528</u>	<u>16,543,871</u>
Fund Balances - End of Year	<u>\$ 9,989,163</u>	<u>\$ 68,837</u>	<u>\$ 5,382,096</u>	<u>\$ 15,440,096</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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other taxes					
Sales Taxes-Article 40 and 42	7,933,939	11,764,036	3,725,450	15,489,486	7,555,547
Restricted intergovernmental revenues					
Public School Building Capital Fund	5,503,680	5,177,116	-	5,177,116	(326,564)
Public School Building Lottery Fund	178,904	182,029	-	182,029	3,125
Investment earnings	7,796,134	4,625,366	112,706	4,738,072	(3,058,062)
Miscellaneous					
Partnership for Children	30,000	15,000	15,000	30,000	-
Hickory Public Schools	-	50,000	50,000	100,000	100,000
Total revenues	21,442,657	21,813,547	3,903,156	25,716,703	4,274,046
Expenditures					
Capital outlay					
Catawba County Schools					
American with Disabilities Act Renovations	675,000	589,680	75,971	665,651	9,349
Arndt Middle School Addition	125,000	4,434	64,040	68,474	56,526
Arndt Middle School Roofing	130,000	54,438	32,945	87,383	42,617
Balls Creek Elementary Stacking Area	60,500	-	60,500	60,500	-
Banoak Elementary Stacking Area	39,500	-	39,500	39,500	-
Bandys High School Gym Lobby Roofing	40,000	-	3,111	3,111	36,889
Bunker Hill High School Guidance Area	50,000	-	13,162	13,162	36,838
Capital Projects Manager	33,092	-	33,092	33,092	-
Catawba Elementary School Boiler	100,000	-	99,134	99,134	866
Dump Truck	50,000	49,500	-	49,500	500
Energy Management/Gym Lighting	64,000	58,373	4,641	63,014	986
HVAC Controls System Upgrade	439,990	164,990	28,400	193,390	246,600
Maiden Middle Chiller Replacements	100,000	-	73,862	73,862	26,138
Per Capita Allocation	862,500	-	862,500	862,500	-
Propst Crossroads School Land	500,000	-	-	-	500,000
Roofing Projects	1,134,432	964,896	141,749	1,106,645	27,787
School Buses	2,767,579	2,533,024	234,555	2,767,579	-
Sherrills Ford Lyle Creek Heating	80,000	-	73,844	73,844	6,156
Sherrills Ford Wastewater	40,000	29,749	5,319	35,068	4,932
Startown Elementary Window Replacement	20,000	-	-	-	20,000
Storage Facility	180,000	115,389	1,170	116,559	63,441
Sweetwater Early Childhood Center	159,000	61,952	-	61,952	97,048
Webb Murrery Elementary Renovation Planning	20,000	-	12,786	12,786	7,214
Window Replacements	61,000	22,738	-	22,738	38,262
Total Catawba County Schools	7,731,593	4,649,163	1,860,281	6,509,444	1,222,149
Catawba County Community College					
Alert System	100,000	38,800	61,200	100,000	-
Boiler	100,000	-	100,000	100,000	-
Bookstore Renovation	150,000	-	20,535	20,535	129,465
Center for Emerging Manufacturing Solutions	425,838	-	88,759	88,759	337,079
Cooling Tower	87,448	37,448	-	37,448	50,000
Equipment Allowance	95,000	34,187	60,813	95,000	-
General Renovations	1,860,721	1,755,721	105,000	1,860,721	-
HVAC Replacement	245,000	-	135,535	135,535	109,465
Parking Lot Security	40,000	31,661	8,339	40,000	-
Security Cameras	90,000	-	90,000	90,000	-
Simulated Hospital	1,000,000	86,952	913,048	1,000,000	-
Total Catawba Valley Community College	4,194,007	1,984,769	1,583,229	3,567,998	626,009

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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
Carpet Replacement	106,325	-	106,325	106,325	-
Hickory Career Magnet School	290,000	-	281,569	281,569	8,431
Hickory Career Magnet School Asbestos	80,000	-	80,000	80,000	-
Hickory Career Magnet School Renovation	60,000	-	60,000	60,000	-
Hickory High School Asbestos	1,710,000	1,630,383	79,617	1,710,000	-
Longview Elementary Roofing	134,000	-	696	696	133,304
Oakwood Elementary Roofing	50,000	-	50,000	50,000	-
Per Capita Allocation	219,650	-	219,650	219,650	-
Southwest Elementary Roof	328,972	327,495	-	327,495	1,477
Total Hickory Public Schools	<u>2,978,947</u>	<u>1,957,878</u>	<u>877,857</u>	<u>2,835,735</u>	<u>143,212</u>
Newton-Conover City Schools					
Americans with Disabilities Act	80,000	79,426	-	79,426	574
Asbestos Removal	66,869	33,543	-	33,543	33,326
Capital Projects Manager	37,610	-	31,748	31,748	5,862
Newton-Conover High School Softball Field	24,267	-	24,267	24,267	-
Newton-Conover High School Gas Packs	36,000	-	25,150	25,150	10,850
NC Middle School to Elementary	526,806	41,710	109,076	150,786	376,020
Per Capita Allocation	145,550	-	145,550	145,550	-
Roofing Projects	807,272	324,006	391,786	715,792	91,480
Summit System	70,000	49,279	1,971	51,250	18,750
Total Newton-Conover City Schools	<u>1,794,374</u>	<u>527,964</u>	<u>729,548</u>	<u>1,257,512</u>	<u>536,862</u>
Future Unspecified Projects	<u>3,186,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,186,885</u>
Total expenditures	<u>19,885,806</u>	<u>9,119,774</u>	<u>5,050,915</u>	<u>14,170,689</u>	<u>5,715,117</u>
Excess of revenues over (under) expenditures	<u>1,556,851</u>	<u>12,693,773</u>	<u>(1,147,759)</u>	<u>11,546,014</u>	<u>9,989,163</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	1,084,778	1,084,778	-	1,084,778	-
School Construction Fund	1,473,492	1,389,838	83,654	1,473,492	-
Transfers to					
General Fund	(2,921,693)	(2,871,693)	(50,000)	(2,921,693)	-
School Construction Fund	(1,193,428)	(1,143,428)	(50,000)	(1,193,428)	-
Total other financing sources (uses)	<u>(1,556,851)</u>	<u>(1,540,505)</u>	<u>(16,346)</u>	<u>(1,556,851)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,153,268</u>	<u>(1,164,105)</u>	<u>\$ 9,989,163</u>	<u>\$ 9,989,163</u>
Fund Balances - Beginning of Year			<u>11,153,268</u>		
Fund Balances - End of Year			<u>\$ 9,989,163</u>		

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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 68,075	\$ 762	\$ 68,837	\$ 68,837
Expenditures					
Capital Outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	-	68,075	762	68,837	68,837
Net change in fund balance	\$ -	\$ 68,075	762	\$ 68,837	\$ 68,837
Fund Balances - Beginning of Year			68,075		
Fund Balances - End of Year			\$ 68,837		

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, 2011

	Project Authorization	Actual			Over/ Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 23,277	\$ 260	\$ 23,537	\$ 23,537
Expenditures					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	23,277	260	23,537	23,537
Net change in fund balance	<u>\$ -</u>	<u>\$ 23,277</u>	260	<u>\$ 23,537</u>	<u>\$ 23,537</u>
Fund Balances - Beginning of Year			<u>23,277</u>		
Fund Balances - End of Year			<u>\$ 23,537</u>		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statement due to consolidation of the Hospital Capital Reserve Fund:					
Investment Earnings			59,308		
Fund Balance - Beginning (Hospital Capital Reserve Fund)			5,299,251		
Fund Balance - Ending (Consolidated Hospital Construction Fund)			<u>\$ 5,382,096</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, 2011
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 59,308	\$ 59,308	\$ 106,487
Total revenues	<u>-</u>	<u>59,308</u>	<u>59,308</u>	<u>106,487</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>59,308</u>	<u>59,308</u>	<u>106,487</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>59,308</u>	<u>\$ 59,308</u>	<u>106,487</u>
Fund Balances - Beginning of Year		<u>5,299,251</u>		<u>5,192,764</u>
Fund Balances - End of Year		<u>\$ 5,358,559</u>		<u>\$ 5,299,251</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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	\$ 7,661,434	\$ 5,223,452	\$ 2,251,297	\$ 7,474,749	\$ (186,685)
Restricted intergovernmental revenues					
Geospatial grant	-	12,118	-	12,118	12,118
Governor's Crime Commission	121,624	-	114,281	114,281	(7,343)
Municipalities Grants	53,020	45,885	-	45,885	(7,135)
NC Department of Natural Resources Clean Water Management Trust - CWMTF 2008-006					
Parks and Recreation grant	2,060,272	-	2,060,272	2,060,272	-
Investment earnings	125,000	125,000	-	125,000	-
Miscellaneous	3,585,738	5,906,844	215,633	6,122,477	2,536,739
Animal Shelter	-	5,997	1,223	7,220	7,220
Duke Energy	1,119,588	-	1,119,588	1,119,588	-
Miscellaneous	298,136	144,213	10,000	154,213	(143,923)
Rental - Jail Beds	800,000	1,128,456	244,944	1,373,400	573,400
Rental - Lifeskills	119,928	75,744	80,856	156,600	36,672
Rental - Mental Health	816,174	766,233	-	766,233	(49,941)
Total revenues	16,760,914	13,433,942	6,098,094	19,532,036	2,771,122
Expenditures					
Capital outlay					
Animal Shelter - HVAC	133,500	130,200	-	130,200	3,300
Animal Shelter Renovation	3,150,000	31,770	11,550	43,320	3,106,680
Bandys EMS Addition	321,520	-	-	-	321,520
Dental Clinic	403,400	118,152	1,688	119,840	283,560
Employment Security Commission Building	150,000	-	24,463	24,463	125,537
Future Unspecified Projects	331,465	-	-	-	331,465
General Renovations	943,238	938,040	-	938,040	5,198
GIS Remapping	125,000	114,474	-	114,474	10,526
Imaging System	60,000	53,934	-	53,934	6,066
Jail Expansion	18,119,980	17,847,990	4,974	17,852,964	267,016
Jail Expansion - Federal Beds	550,000	-	-	-	550,000
Justice Center Expansion/Public Safety	36,987,155	339,158	445,763	784,921	36,202,234
Justice Center Roofing	140,000	139,572	-	139,572	428
Justice Center Security System	20,000	18,191	-	18,191	1,809
Lifeskills Building Maintenance	119,928	-	-	-	119,928
Microsoft Software Licensing	1,065,000	823,685	150,422	974,107	90,893
Microwave Link - Anderson Mountain	40,000	-	-	-	40,000
Mobile Field Applications	391,000	390,172	-	390,172	828
Mobile Workforce	100,000	47,220	-	47,220	52,780
Mountain Creek Park	3,629,860	850	3,350,753	3,351,603	278,257
Multi-jurisdictional Park	200,000	-	-	-	200,000
PeopleSoft Financials Project	298,702	298,513	-	298,513	189
PeopleSoft Replacement	51,115	-	50,554	50,554	561
Permitting/Inspections System	750,000	607,014	62,474	669,488	80,512
Pictometry Flyover	95,000	94,800	-	94,800	200
Public Health Billing Software	110,000	-	61,668	61,668	48,332
Public Health Billing System	60,000	59,985	-	59,985	15
Public Safety Software System	622,149	620,794	-	620,794	1,355

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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Radio Frequency Study	1,114,904	1,076,430	-	1,076,430	38,474
Rescue Squad - Hickory	1,300,000	946	-	946	1,299,054
Rescue Squad - Newton-Conover	120,000	-	-	-	120,000
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	186,727	182,874	-	182,874	3,853
Sherrills Ford Library	1,500,000	4,350	3,975	8,325	1,491,675
Snow Creek Park Gardens	210,000	208,642	-	208,642	1,358
Tax Software	530,000	315,000	-	315,000	215,000
Technology Infrastructure Upgrades	968,100	804,119	-	804,119	163,981
Viper 800mhz System	378,764	145,613	154,732	300,345	78,419
Voting Equipment	1,124,000	1,112,689	-	1,112,689	11,311
Total expenditures	76,770,775	26,821,368	4,323,016	31,144,384	45,626,391
Excess of revenues over (under) expenditures	(60,009,861)	(13,387,426)	1,775,078	(11,612,348)	48,397,513
Other Financing Sources (Uses)					
Transfers from					
General Fund	15,212,896	13,818,053	1,394,843	15,212,896	-
General Capital Reserve Fund	225,156	-	225,156	225,156	-
Emergency Telephone Fund Transfer	2,877,627	2,877,627	-	2,877,627	-
Park Preservation Fund	370,000	370,000	-	370,000	-
Transfers to					
General Fund	(3,062,318)	(3,062,318)	-	(3,062,318)	-
Sales of Capital Assets	24,000	322,428	-	322,428	298,428
Installment Purchase Issued	26,362,500	-	-	-	(26,362,500)
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)	60,009,861	32,135,240	1,619,999	33,755,239	(26,254,622)
Net change in fund balance	\$ -	\$ 18,747,814	3,395,077	\$ 22,142,891	\$ 22,142,891
Fund Balances - Beginning of Year			<u>18,747,814</u>		
Fund Balances - End of Year			<u>\$ 22,142,891</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, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Public School Building Lottery Fund	\$ 2,123,485	\$ 4,267,529	\$ 365,760	\$ 4,633,289	\$ 2,509,804
North Carolina Department of Transportation	-	-	134,032	134,032	134,032
Investment earnings	2,820,988	2,186,111	28,736	2,214,847	(606,141)
Total revenues	<u>4,944,473</u>	<u>6,453,640</u>	<u>528,528</u>	<u>6,982,168</u>	<u>2,037,695</u>
Expenditures					
Catawba County Schools					
Arndt Middle School Renovation	5,150,000	549,820	4,317,058	4,866,878	283,122
Bandys High School Renovation	5,933,474	5,903,426	30,048	5,933,474	-
Bunker Hill High School Renovation	7,991,000	7,985,215	5,785	7,991,000	-
Fred T Foard High School Renovation	4,763,000	4,728,906	33,602	4,762,508	492
School Bus Parking	-	-	134,032	134,032	(134,032)
Snow Creek Elementary	11,688,704	11,566,531	41,275	11,607,806	80,898
St. Stephens High School Cafeteria/Kitchen	1,709,992	-	871,219	871,219	838,773
Webb Murray Elementary Renovation	5,776,800	-	2,069,049	2,069,049	3,707,751
Total Catawba County Schools	<u>43,012,970</u>	<u>30,733,898</u>	<u>7,502,068</u>	<u>38,235,966</u>	<u>4,777,004</u>
Catawba Valley Community College					
East Campus Renovation	2,308,299	58,907	1,027,523	1,086,430	1,221,869
Student Services Center	3,025,000	1,746,648	1,227,123	2,973,771	51,229
Total Catawba Valley Community College	<u>5,333,299</u>	<u>1,805,555</u>	<u>2,254,646</u>	<u>4,060,201</u>	<u>1,273,098</u>
Hickory Public Schools					
Hickory High School Renovation	9,547,577	8,104,542	1,443,035	9,547,577	-
Total Hickory Public Schools	<u>9,547,577</u>	<u>8,104,542</u>	<u>1,443,035</u>	<u>9,547,577</u>	<u>-</u>
Newton-Conover City Schools					
Newton-Conover Middle School Construction	20,800,000	1,985,933	9,222,392	11,208,325	9,591,675
Total Newton-Conover City Schools	<u>20,800,000</u>	<u>1,985,933</u>	<u>9,222,392</u>	<u>11,208,325</u>	<u>9,591,675</u>
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	4,024,427	-	-	-	4,024,427
Total Other	<u>4,874,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,874,427</u>
Total expenditures	<u>83,568,273</u>	<u>42,629,928</u>	<u>20,422,141</u>	<u>63,052,069</u>	<u>20,516,204</u>
Excess of revenues over (under) expenditures	<u>(78,623,800)</u>	<u>(36,176,288)</u>	<u>(19,893,613)</u>	<u>(56,069,901)</u>	<u>22,553,899</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, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Other Financing Sources (Uses)					
Transfers from					
General Fund	6,522,218	6,522,218	-	6,522,218	-
School Capital Fund	1,364,554	1,314,554	50,000	1,364,554	-
Transfers to					
General Fund	(5,401,903)	(5,079,111)	(322,792)	(5,401,903)	-
School Capital Fund	(1,473,492)	(1,389,838)	(83,654)	(1,473,492)	-
Qualified School Construction Bonds 2011	6,300,000	-	6,300,000	6,300,000	-
Qualified School Construction Bonds 2010	21,508,553	-	21,508,553	21,508,553	-
Build America Bonds 2010	8,691,447	-	8,691,447	8,691,447	-
Installment Purchase Obligations Issued 2009	16,750,000	16,750,000	-	16,750,000	-
Installment Purchase Obligations Issued 2008	24,362,423	24,224,423	-	24,224,423	(138,000)
Total other financing sources (uses)	<u>78,623,800</u>	<u>42,342,246</u>	<u>36,143,554</u>	<u>78,485,800</u>	<u>(138,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,165,958</u>	16,249,941	<u>\$ 22,415,899</u>	<u>\$ 22,415,899</u>
Fund Balances - Beginning of Year			<u>6,165,958</u>		
Fund Balances - End of Year			<u>\$ 22,415,899</u>		



Enterprise Fund
(Proprietary Fund Type)

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.

Solid Waste Management Fund -

To account for the operations of the County's solid waste activities.

Solid Waste Management Construction Fund -

To account for the financing and construction of all major solid waste capital projects.

Water and Sewer Fund -

To account for the County's water and sewer activities.

Water and 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.

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Fund
Schedule of Revenues, Expenditures and Changes in Net Assets - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 3,957,967	\$ 3,643,540		
Methane recovery	589,500	806,469		
Other operating	104,350	42,199		
Total operating revenues	<u>4,651,817</u>	<u>4,492,208</u>	<u>(159,609)</u>	<u>5,600,814</u>
Nonoperating revenues				
Investment earnings	-	179,712		
Tire disposal tax	130,000	185,772		
Solid waste disposal tax	80,814	69,747		
White goods disposal tax	50,000	46,642		
Scrap tire grant	80,000	57,798		
Miscellaneous	800	-		
Total nonoperating revenues	<u>341,614</u>	<u>539,671</u>	<u>198,057</u>	<u>833,345</u>
Total revenues	<u>4,993,431</u>	<u>5,031,879</u>	<u>38,448</u>	<u>6,434,159</u>
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	219,646	218,990		
Other operating	291,533	277,733		
Solid waste reserve	266,420	-		
	<u>777,599</u>	<u>496,723</u>	<u>280,876</u>	<u>455,360</u>
Recycling				
Other operating	52,069	38,270		
	<u>52,069</u>	<u>38,270</u>	<u>13,799</u>	<u>39,649</u>
Solid Waste Management Improvements				
Other operating	436,828	171,151		
	<u>436,828</u>	<u>171,151</u>	<u>265,677</u>	<u>257,060</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	58,009	56,949		
Other operating	67,040	9,753		
	<u>125,049</u>	<u>66,702</u>	<u>58,347</u>	<u>74,180</u>
Biodiesel and Freon Recovery				
Other operating	42,300	23,215		
	<u>42,300</u>	<u>23,215</u>	<u>19,085</u>	<u>-</u>
Sanitary Landfill				
Salaries & employee benefits	1,121,284	1,075,421		
Other operating	1,726,959	1,466,720		
	<u>2,848,243</u>	<u>2,542,141</u>	<u>306,102</u>	<u>2,269,990</u>

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Fund
Schedule of Revenues, Expenditures and Changes in Net Assets - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Convenience Centers				
Other operating	321,075	332,507		
	<u>321,075</u>	<u>332,507</u>	(11,432)	<u>329,002</u>
Household Hazardous Waste				
Other operating	82,699	77,224		
	<u>82,699</u>	<u>77,224</u>	5,475	<u>86,320</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	124,254	103,515		
Other operating	646,133	511,648		
	<u>770,387</u>	<u>615,163</u>	155,224	<u>625,964</u>
Total operating expenditures	<u>5,456,249</u>	<u>4,363,096</u>	1,093,153	<u>4,137,525</u>
Capital outlay	<u>2,790,553</u>	<u>1,551,996</u>	1,238,557	<u>1,237,378</u>
Total expenditures	<u>8,246,802</u>	<u>5,915,092</u>	2,331,710	<u>5,374,903</u>
Excess of revenues over (under) expenditures	<u>(3,253,371)</u>	<u>(883,213)</u>	2,370,158	<u>1,059,256</u>
Other Financing Sources (Uses)				
Fund balance appropriated	3,253,371	-	(3,253,371)	
Total other financing sources (uses)	<u>3,253,371</u>	<u>-</u>	<u>(3,253,371)</u>	<u>-</u>
Change in net assets	<u>\$ -</u>	<u>\$ (883,213)</u>	<u>\$ (883,213)</u>	<u>\$ 1,059,256</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Change in net assets		<u>\$ (883,213)</u>		
Reconciling items				
Capital outlay		1,551,996		
Depreciation		(712,933)		
(Increase) decrease in accrued landfill closure and postclosure care		(785,261)		
(Increase) decrease in compensated absences		(8,522)		
Revenues from capital projects		1,115,790		
Capital contribution		337,943		
Total reconciling items		<u>1,499,013</u>		
Change in net assets (Exhibit 7) (full accrual)		<u>\$ 615,800</u>		

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
North Carolina Biofuels Grant	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Landfill user fees	1,115,790		1,115,790	1,115,790	-
Total revenues	<u>1,130,790</u>	<u>-</u>	<u>1,115,790</u>	<u>1,115,790</u>	<u>(15,000)</u>
Expenditures					
Capital outlay					
Crop Processing Facility	830,790	-	11,483	11,483	819,307
EcoComplex Facility	300,000	-	103,542	103,542	196,458
Total expenditures	<u>1,130,790</u>	<u>-</u>	<u>115,025</u>	<u>115,025</u>	<u>1,015,765</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,000,765</u>	<u>1,000,765</u>	<u>1,000,765</u>
Other Financing Sources (Uses)					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,765</u>	<u>\$ 1,000,765</u>	<u>\$ 1,000,765</u>

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Fund
Schedule of Revenues, Expenditures and Changes in Net Assets - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2011
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2011</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,245</u>
Nonoperating revenues				
Municipality revenue	463,800	443,235		
Investment earnings	-	172,113		
Total nonoperating revenues	<u>463,800</u>	<u>615,348</u>	<u>151,548</u>	<u>587,902</u>
Total revenues	<u>463,800</u>	<u>615,348</u>	<u>151,548</u>	<u>800,147</u>
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	76,743	79,547		
Other operating	216,687	116,446		
Principal	324,295	324,291		
Interest	271,115	271,114		
Capital outlay	1,528,013	-	-	-
Total expenditures	<u>2,416,853</u>	<u>791,398</u>	<u>(1,625,455)</u>	<u>611,988</u>
Excess of revenues over (under) expenditures	<u>(1,953,053)</u>	<u>(176,050)</u>	<u>1,777,003</u>	<u>188,159</u>
Other Financing Sources (Uses)				
Transfer from General fund	1,915,778	1,915,778		3,700,000
Fund balance appropriated	37,275	-	-	-
Total other financing sources (uses)	<u>1,953,053</u>	<u>1,915,778</u>	<u>(37,275)</u>	<u>3,700,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,739,728</u>	<u>\$ 1,739,728</u>	<u>\$ 3,888,159</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Net change in fund balance		<u>\$ 1,739,728</u>		
Reconciling items				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,739,728		
Depreciation		(156,229)		
Loan principal		324,291		
Revenues from capital projects		3,582,341		
Project expenditures not capitalized		(741,706)		
Change in net assets		<u>\$ 4,748,425</u>		

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2011

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	\$ 1,500,000	\$ -	\$ 1,425,000	\$ 1,425,000	\$ (75,000)
Community Development Block Grants (CDBG)					
Infrastructure Water Hookup - 2010 (09-C-2023)	150,000	55,887	62,363	118,250	(31,750)
Royal Heights Water (09-C-2018)	308,500	3,709	132,502	136,211	(172,289)
State Clean Water Grant (E-SRG-T-02-0139)	600,000	-	-	-	(600,000)
Investment earnings	786,503	1,132,915	181,423	1,314,338	527,835
Miscellaneous					
Capital fees	79,000	-	59,500	59,500	(19,500)
Cardinal estates	32,193	-	-	-	(32,193)
Domestic Haulers	40,052	-	75,358	75,358	35,306
Sherrills Ford Development Water Project	35,462	-	-	-	(35,462)
Total revenues	3,531,710	1,192,511	1,936,146	3,128,657	(403,053)
Expenditures					
Capital outlay					
Blackburn Elementary Water	580,000	-	-	-	580,000
Blackburn/Plateau Water	3,780,600	2,455,647	636,537	3,092,184	688,416
Cardinal Estates Water	72,440	-	2,903	2,903	69,537
Community Development Block Grants (CDBG)					
Advents Crossroads Waterline	9,097	-	-	-	9,097
Infrastructure Water Hookup - 2005	28,290	11,000	-	11,000	17,290
Infrastructure Water Hookup - 2010	150,000	70,076	47,672	117,748	32,252
Royal Heights Water	330,000	12,499	123,979	136,478	193,522
Community Road Water	300,000	-	-	-	300,000
State Clean Water Grants					
Bunker Hill Sewer (E-SRG-T-02-0139)	2,768,734	238,411	22,810	261,221	2,507,513
EcoComplex Utilities	75,000	-	-	-	75,000
EPA Stormwater Phase II	150,000	-	-	-	150,000
Future Water & Sewer Projects	2,994,212	-	-	-	2,994,212
Heatherbrook Subdivision Water	325,000	-	155,938	155,938	169,062
Hwy 16 North Water	370,000	-	-	-	370,000
Hwy 150 Water Service	34,951	-	-	-	34,951
Hwy 150 Sewer Service	9,660,000	9,517	33,329	42,846	9,617,154
Hwy 150 Sewer Service Phase I and II	1,205,000	-	-	-	1,205,000
Leeland Terrace Subdivision Water	213,226	83,516	4,210	87,726	125,500
Mountain View Elementary Water	30,000	-	-	-	30,000
NDPES Testing and Removal	191,514	11,760	2,970	14,730	176,784
Newton Pass Through	15,000	-	-	-	15,000
Regional Biosolids Facility	1,369,367	394,629	307,176	701,805	667,562
Regional Water Supply Study	50,000	-	-	-	50,000
Rocky Ford/Startown Water	1,240,000	-	6,780	6,780	1,233,220
Sherrills Ford/Terrell Water	12,141	-	-	-	12,141
Sludge Composting Project	1,468,246	522,094	354,090	876,184	592,062
Southeastern Catawba County Wastewater	6,810,573	6,232,902	210,246	6,443,148	367,425
Southeastern Catawba County Water Supply Loop	5,107,976	4,538,742	29,247	4,567,989	539,987
Stormwater Layers Flyover	99,930	-	-	-	99,930
Wastewater Treatment Plant-Hickory/Catawba	4,000,000	-	-	-	4,000,000
Total expenditures	43,441,297	14,580,793	1,937,887	16,518,680	26,922,617

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2011

	Project	Actual			Over/Under
		Authorization	Prior Years	Current Year	
Excess of revenues over (under) expenditures	(39,909,587)	(13,388,282)	(1,741)	(13,390,023)	26,519,564
Other Financing Sources (Uses)					
Transfers from (to)					
General Fund	1,646,195	-	1,646,195	1,646,195	-
General Fund	(1,237,224)	-	-	-	1,237,224
Water and Sewer Construction Fund -					
Governmental	24,340,616	30,427,414	-	30,427,414	6,086,798
Revolving Loan Obligations Issued	1,500,000	-	1,425,000	1,425,000	(75,000)
Installment Purchase Obligations Issued 2010	13,660,000	-	-	-	(13,660,000)
Total other financing sources (uses)	39,909,587	30,427,414	3,071,195	33,498,609	(6,410,978)
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 17,039,132	\$ 3,069,454	\$ 20,108,586	\$ 20,108,586



Agency Funds
(Fiduciary Fund Types)

Agency Funds are used to account for funds 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.

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.

Deed of Trust Fee Fund - accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the North Carolina State Treasurer.

CATAWBA COUNTY, NORTH CAROLINA
All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Fiscal Year Ended June 30, 2011

	<u>Balance June 20, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Social Services Fund				
Assets				
Cash and investments	\$ 42,704	\$ 313,494	\$ 307,519	\$ 48,679
Liabilities				
Miscellaneous liabilities	\$ 42,704	\$ 313,494	\$ 307,519	\$ 48,679
Sheriff Commissary Fund				
Assets				
Cash and investments	\$ 45,365	\$ 257,561	\$ 258,358	\$ 44,568
Liabilities				
Miscellaneous liabilities	\$ 45,365	\$ 257,561	\$ 258,358	\$ 44,568
Delinquent Motor Vehicle Fund				
Assets				
Cash and investments	\$ 5,082	\$ 66,030	\$ 66,019	\$ 5,093
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 5,082	\$ 66,030	\$ 66,019	\$ 5,093
Deed of Trust Fee Fund				
Assets				
Cash and investments	\$ 2,235	\$ 25,570	\$ 25,925	\$ 1,880
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 2,235	\$ 25,570	\$ 25,925	\$ 1,880
Total - All Agency Funds				
Assets				
Cash and investments	\$ 95,386	\$ 637,085	\$ 631,896	\$ 100,220
Liabilities				
Miscellaneous liabilities	\$ 95,386	\$ 637,085	\$ 631,896	\$ 100,220

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, 2011

	<u>Amounts Represented on Statements</u>	<u>Cost Value</u>	<u>Fair Value</u>
Cash			
On hand	\$ 8,156	\$ 8,156	\$ 8,156
In demand deposits (interest bearing)	565,455	558,455	565,455
(noninterest bearing)	93,247	93,247	93,247
Total cash	<u>\$ 666,858</u>	<u>\$ 659,858</u>	<u>\$ 666,858</u>
Other Investments			
North Carolina Capital Management Trust, unrestricted	49,931,019	49,931,019	49,931,019
North Carolina Capital Management Trust, restricted for capital	67	67	67
Finistar	2,386,962	2,386,962	2,386,962
Commercial Paper	25,401,870	25,401,870	25,401,870
Federal Home Loan Bank	18,277,627	18,234,445	18,277,627
Federal Home Loan Mortgage Corporation	19,645,863	19,520,452	19,645,863
Federal National Mortgage Association	18,445,609	18,383,505	18,445,609
Money Market, unrestricted	2,540,295	2,540,295	2,540,295
Money Market, restricted for capital	16,649,604	16,649,604	16,649,604
Certificates of deposit	5,255,133	5,255,133	5,255,133
Total other investments	<u>\$ 158,534,049</u>	<u>\$ 158,303,352</u>	<u>\$ 158,534,049</u>
Total cash and investments	<u>\$ 159,200,907</u>	<u>\$ 158,963,210</u>	<u>\$ 159,200,907</u>

Distribution by funds

General Fund	\$	47,488,291	
Restricted cash		1,343,193	\$ 48,831,484
Special Revenue Funds			
Emergency Telephone System Fund	\$	2,182,811	
Citizens' Alert System Fund		22,588	
Narcotics Seized Funds and Property Fund		257,028	
Rescue Squads Fund		292,987	
Library Endowment Fund		234,704	
Gretchen Peed Scholarship Fund		43,207	
Parks Preservation Trust Fund		142,407	
Fire District Funds		<u>871,574</u>	4,047,306
Capital Projects Funds			
Schools Capital Projects Fund	\$	9,063,351	
Restricted Cash		88,862	
School Bond Fund 1997 Series		68,690	
Hospital Construction Fund		5,370,625	
School Construction Fund		5,400,961	
Restricted Cash		15,843,622	
General Capital Projects Fund		<u>21,440,492</u>	57,276,603
Enterprise Fund			
Water & Sewer Fund	\$	32,397,172	
Solid Waste Management Fund		16,548,122	48,945,294
Fiduciary Funds			
Social Services Fund	\$	48,679	
Sheriff Commissary Fund		44,568	
Delinquent Motor Vehicle Fund		5,093	
Deed of Trust Fee Fund		<u>1,880</u>	<u>100,220</u>
Total			<u>\$ 159,200,907</u>

CATAWBA COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2011

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 14,759,974,766	0.535	\$ 78,965,865	\$ 75,318,505	\$ 3,647,360
Motor vehicles taxed at prior year's rate	292,154,393	0.535	1,563,026	-	1,563,026
Penalties	-		73,276	73,276	-
Total	<u>15,052,129,159</u>		<u>80,602,167</u>	<u>75,391,781</u>	<u>5,210,386</u>
Discoveries:					
Current year taxes	118,883,551	0.535	636,027	119,928	516,099
Prior year taxes	-		129,520	60,597	68,923
Penalties	-		19,934	19,934	-
Total	<u>118,883,551</u>		<u>785,481</u>	<u>200,459</u>	<u>585,022</u>
Abatements:	<u>(89,785,794)</u>		<u>(480,354)</u>	<u>(391,925)</u>	<u>(88,429)</u>
Total property valuation	<u><u>\$ 15,081,226,916</u></u>				
Net levy			80,907,294	75,200,315	5,706,979
Uncollected taxes at June 30, 2011			<u>3,002,758</u>	<u>2,066,523</u>	<u>936,235</u>
Current year's taxes collected			<u>\$ 77,904,536</u>	<u>\$ 73,133,792</u>	<u>\$ 4,770,744</u>
Current levy collection percentage			<u>96.29%</u>	<u>97.25%</u>	<u>83.59%</u>

Secondary Market Disclosures

Assessed Valuation:		
Assessment Ratio ⁽¹⁾		100%
Real Property		\$ 12,057,640,336
Personal Property		2,454,965,234
Public Service Companies ⁽²⁾		<u>610,253,122</u>
Total Assessed Valuation		\$ 15,122,858,692
Tax Rate per \$100		<u>0.535</u>
Levy (includes discoveries, releases and abatements) ⁽³⁾		<u><u>\$ 80,907,294</u></u>

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	\$ 4,550,271
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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.

⁽³⁾ The levy includes interest and penalties.

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Taxes Receivable
For the Year Ended June 30, 2011

<u>General Fund</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2010	\$ -	\$ 80,907,294	\$ 77,904,536	\$ 3,002,758
2009	2,958,920	-	1,697,766	1,261,154
2008	1,198,503	-	361,688	836,815
2007	642,070	-	108,838	533,232
2006	407,337	-	44,959	362,378
2005	338,836	-	29,509	309,327
2004	306,651	-	17,422	289,229
2003	301,349	-	9,318	292,031
2002	275,732	-	9,712	266,020
2001	259,928	-	11,587	248,341
Prior	940,026	-	940,026	-
	<u>\$ 7,629,352</u>	<u>\$ 80,907,294</u>	<u>\$ 81,135,361</u>	<u>\$ 7,401,285</u>
Less allowance for uncollectible taxes	<u>3,961,798</u>			<u>3,604,800</u>
Taxes receivable -- net	<u>\$ 3,667,554</u>			<u>\$ 3,796,485</u>

Reconciliation with revenues:

Ad valorem taxes		
General Fund	\$ 79,747,849	
Rescue Squad Fund	<u>1,000,500</u>	
Total ad valorem taxes		\$ 80,748,349
Reconciling items:		
Penalties and interest collected	(546,066)	
Tax on leased vehicle collected	(70,893)	
Prior year release/adjustments	63,945	
Taxes written off	<u>940,026</u>	
Total reconciling items		<u>387,012</u>
Total collections		<u>\$ 81,135,361</u>

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Bonded Indebtedness and Debt Service Requirement
For the Fiscal Year Ended June 30, 2011

<u>Date of Issue</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest</u>	<u>Notes and Bonds Outstanding June 30, 2010</u>	<u>Notes and Bonds Issued 2010-2011</u>	<u>Notes and Bonds Retired 2010-2011</u>	<u>Interest Paid 2010-2011</u>	<u>Notes and Bonds Outstanding June 30, 2011</u>	<u>Falling Due Within Next Fiscal Year</u>	
									<u>Principal</u>	<u>Interest</u>
6/01/1998	School Bonds Series 1998	1998-13	4.30-4.40	\$ 2,375,000	\$ -	\$ 775,000	\$ 104,500	\$ 1,600,000	\$ 800,000	\$ 70,400
6/01/1999	School Bonds Series 1999	2000-14	4.40-4.70	5,250,000	-	1,250,000	246,750	4,000,000	1,300,000	188,000
12/1/2002	Refunding Series 2002 Schools	2003-14	2.00-4.00	1,976,000	-	852,000	79,040	1,124,000	396,000	44,960
	Community College	2003-14	2.00-4.00	494,000	-	213,000	19,760	281,000	99,000	11,240
6/1/2005	Refunding Series 2005 Schools	2006-15	3.00-3.75	6,929,286	-	2,026,444	268,642	4,902,842	1,728,720	200,250
	Community College	2006-15	3.00-3.75	285,714	-	83,556	11,077	202,158	71,280	8,256
				<u>\$ 17,310,000</u>	<u>\$ -</u>	<u>\$ 5,200,000</u>	<u>\$ 729,769</u>	<u>\$ 12,110,000</u>	<u>\$ 4,395,000</u>	<u>\$ 523,106</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
For the Fiscal Year Ended June 30, 2011

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2012	12,201,576	6,058,573	18,260,149	334,845	260,560	595,405
2013	12,016,846	5,580,166	17,597,012	345,847	249,558	595,405
2014	10,191,846	5,031,483	15,223,329	357,314	238,091	595,405
2015	8,386,846	4,590,156	12,977,002	369,267	226,138	595,405
2016	7,626,846	4,232,827	11,859,673	381,726	213,679	595,405
2017-2021	36,789,233	16,106,207	52,895,440	2,114,780	862,247	2,977,027
2022-2026	45,135,407	7,879,004	53,014,411	2,515,617	461,409	2,977,026
2027-2029	2,160,700	113,167	2,273,867	1,213,501	52,310	1,265,811
(1)	<u>\$ 134,509,300</u>	<u>\$ 49,591,583</u>	<u>\$ 184,100,883</u>	<u>\$ 7,632,897</u>	<u>\$ 2,563,992</u>	<u>\$ 10,196,889</u>

(1) 12 % 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>Pages</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.	172-181
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	182-185
<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.	186-189
<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.	190-191
<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.	192-194

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			
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:				
Invested in capital assets, net of related debt	71,693,769	\$ 68,272,595	\$ 67,484,313	\$ 81,948,941
Restricted	47,011,143	1,377,237	1,089,189	810,599
Unrestricted	<u>(53,622,693)</u>	<u>(1,870,336)</u>	<u>(5,481,946)</u>	<u>35,727,062</u>
Total governmental activities net assets	<u>65,082,219</u>	<u>67,779,496</u>	<u>63,091,556</u>	<u>118,486,602</u>
Business-type activities:				
Invested in capital assets, net of related debt	46,958,987	46,177,552	43,612,368	22,121,146
Restricted	-	-	-	-
Unrestricted	<u>40,391,776</u>	<u>35,808,986</u>	<u>33,954,727</u>	<u>8,696,235</u>
Total business-type activities net assets	<u>87,350,763</u>	<u>81,986,538</u>	<u>77,567,095</u>	<u>30,817,381</u>
Primary government:				
Invested in capital assets, net of related debt	118,652,756	114,450,147	111,096,681	104,070,087
Restricted	47,011,143	1,377,237	1,089,189	810,599
Unrestricted	<u>(13,230,917)</u>	<u>33,938,650</u>	<u>28,472,781</u>	<u>44,423,297</u>
Total primary government net assets	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>	<u>\$ 149,303,983</u>

Data Source

Audited Financial Statements

Catawba County implemented GASB 54 during the fiscal year ended June 30, 2011.

Fiscal Year

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 78,197,249	\$ 76,988,789	\$ 74,327,245	\$ 72,847,615	\$ 69,185,903	\$ 65,163,339
745,357	655,333	650,382	12,276,811	2,822,098	4,636,398
16,336,081	10,274,088	24,523,260	21,007,494	24,825,035	11,253,425
<u>95,278,687</u>	<u>87,918,210</u>	<u>99,500,887</u>	<u>106,131,920</u>	<u>96,833,036</u>	<u>81,053,162</u>
18,670,633	17,159,517	15,639,246	15,371,592	13,580,563	13,841,215
-	-	-	-	-	-
12,411,036	10,784,695	10,547,160	9,707,303	10,020,174	8,709,873
<u>31,081,669</u>	<u>27,944,212</u>	<u>26,186,406</u>	<u>25,078,895</u>	<u>23,600,737</u>	<u>22,551,088</u>
96,867,882	94,148,306	89,966,491	88,219,207	82,766,466	79,004,554
745,357	655,333	650,382	12,276,811	2,822,098	4,636,398
28,747,117	21,058,783	35,070,420	30,714,797	34,845,209	19,963,298
<u>\$ 126,360,356</u>	<u>\$ 115,862,422</u>	<u>\$ 125,687,293</u>	<u>\$ 131,210,815</u>	<u>\$ 120,433,773</u>	<u>\$ 103,604,250</u>

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

	Fiscal Year			
	2011	2010	2009	2008
Expenses				
Governmental activities:				
General government	\$ 9,795,648	\$ 10,533,518	\$ 10,172,611	\$ 11,203,800
Public safety	30,599,650	29,076,572	28,263,640	26,316,167
Environmental protection	508,248	495,248	539,138	546,680
Economic and physical development	9,713,902	10,627,991	10,743,831	10,827,271
Human services	51,350,294	51,688,459	56,066,282	74,150,353
Culture and recreation	2,733,249	2,830,504	2,830,192	2,760,614
Education	65,072,007	53,825,312	78,130,574	50,388,730
Interest on long-term debt	4,998,419	5,411,021	5,163,100	4,584,583
Total governmental activities expenses	<u>174,771,417</u>	<u>164,488,625</u>	<u>191,909,368</u>	<u>180,778,198</u>
Business-type activities:				
Solid waste management	5,869,812	5,800,628	5,570,927	8,172,432
Water and sewer	<u>1,365,042</u>	<u>1,270,443</u>	<u>1,118,908</u>	<u>-</u>
Total business-type activities expenses	<u>7,234,854</u>	<u>7,071,071</u>	<u>6,689,835</u>	<u>8,172,432</u>
Total primary government expenses	<u>182,006,271</u>	<u>171,559,696</u>	<u>198,599,203</u>	<u>188,950,630</u>
Program Revenues				
Governmental activities:				
Fees, fines, and charges for services:				
General government	2,915,961	2,631,983	2,683,400	4,340,110
Public safety	10,169,062	8,188,847	8,613,711	6,950,872
Environmental protection	5,525	4,675	5,125	4,825
Economic and physical development	1,788,439	2,858,217	2,013,945	4,618,557
Human services	7,286,797	7,876,144	7,962,471	9,819,859
Culture and recreation	61,607	74,256	77,989	62,332
Education	796,001	892,179	994,015	1,081,098
Operating grants and contributions	32,659,457	32,298,988	31,213,021	46,999,422
Capital grants and contributions	<u>5,380,157</u>	<u>3,217,167</u>	<u>4,164,591</u>	<u>4,857,657</u>
Total governmental activities program revenues	<u>61,063,006</u>	<u>58,042,456</u>	<u>57,728,268</u>	<u>78,734,732</u>
Business-type activities:				
Fees, fines, and charges for services	5,742,856	5,816,059	7,440,625	6,626,224
Operating grants and contributions	501,033	546,052	144,989	41,279
Capital grants and contributions	<u>1,957,808</u>	<u>209,796</u>	<u>44,081</u>	<u>148,518</u>
Total business-type activities program revenues	<u>8,201,697</u>	<u>6,571,907</u>	<u>7,629,695</u>	<u>6,816,021</u>
Total primary government program revenues	<u>69,264,703</u>	<u>64,614,363</u>	<u>65,357,963</u>	<u>85,550,753</u>
Net (Expenses) Revenues				
Governmental activities	(113,708,411)	(106,446,169)	(134,181,100)	(102,043,466)
Business-type activities	<u>966,843</u>	<u>(499,164)</u>	<u>939,861</u>	<u>(1,356,411)</u>
Total primary government net expense	<u>(112,741,568)</u>	<u>(106,945,333)</u>	<u>(133,241,239)</u>	<u>(103,399,877)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	85,440,972	84,763,108	84,738,225	82,048,071
Local option sales taxes	26,504,695	26,692,186	32,272,780	35,299,813
Other taxes and licenses	1,491,355	1,263,135	1,605,323	2,119,554
Unrestricted intergovernmental	-	-	-	-
Investment earnings	1,136,085	2,115,680	4,023,446	5,786,693
Miscellaneous, unrestricted	-	-	-	-
Transfers	<u>(3,561,973)</u>	<u>(3,700,000)</u>	<u>(43,853,720)</u>	<u>(2,750)</u>
Total governmental activities	<u>111,011,134</u>	<u>111,134,109</u>	<u>78,786,054</u>	<u>125,251,381</u>
Business-type activities:				
Other taxes and licenses	302,161	290,643	255,732	228,024
Investment earnings	533,248	927,964	1,700,401	861,349
Transfers	<u>3,561,973</u>	<u>3,700,000</u>	<u>43,853,720</u>	<u>2,750</u>
Total business-type activities	<u>4,397,382</u>	<u>4,918,607</u>	<u>45,809,853</u>	<u>1,092,123</u>
Total primary government	<u>115,408,516</u>	<u>116,052,716</u>	<u>124,595,907</u>	<u>126,343,504</u>
Change in Net Assets				
Governmental activities	(2,697,277)	4,687,940	(55,395,046)	23,207,915
Business-type activities	<u>5,364,225</u>	<u>4,419,443</u>	<u>46,749,714</u>	<u>(264,288)</u>
Total primary government	<u>\$ 2,666,948</u>	<u>\$ 9,107,383</u>	<u>\$ (8,645,332)</u>	<u>\$ 22,943,627</u>

Fiscal Year

2007	2006	2005	2004	2003	2002
\$ 9,001,933	\$ 9,593,037	\$ 8,383,352	\$ 7,654,774	\$ 7,488,739	\$ 6,589,117
22,897,052	20,926,787	19,900,883	18,701,908	17,113,397	16,116,145
504,416	481,844	447,428	343,334	288,825	413,588
12,054,976	9,383,320	9,567,712	12,075,442	3,995,945	11,023,798
66,083,707	67,310,514	66,858,370	59,973,114	57,455,455	56,180,481
2,771,008	2,687,546	2,543,170	2,412,593	2,256,079	2,303,221
52,216,062	65,203,410	57,377,775	39,661,513	33,710,855	36,517,278
4,909,742	4,956,696	4,223,199	3,055,058	3,309,748	3,786,722
<u>170,438,896</u>	<u>180,543,154</u>	<u>169,301,889</u>	<u>143,877,736</u>	<u>125,619,043</u>	<u>132,930,350</u>
5,260,776	5,035,563	5,755,205	5,022,049	5,396,381	4,730,935
-	-	-	-	-	-
<u>5,260,776</u>	<u>5,035,563</u>	<u>5,755,205</u>	<u>5,022,049</u>	<u>5,396,381</u>	<u>4,730,935</u>
<u>175,699,672</u>	<u>185,578,717</u>	<u>175,057,094</u>	<u>148,899,785</u>	<u>131,015,424</u>	<u>137,661,285</u>
4,380,295	5,136,475	3,554,324	3,645,125	3,042,134	2,041,026
5,017,287	4,807,088	4,210,617	3,566,200	2,627,209	2,857,343
4,575	4,575	4,247	3,850	3,730	-
3,247,499	2,497,490	2,314,143	1,771,763	1,233,712	1,324,016
9,779,244	11,996,379	13,808,150	14,855,301	13,606,776	12,912,757
63,723	53,911	51,652	45,520	43,369	33,831
1,126,095	1,110,419	1,185,125	1,472,428	904,533	1,018,039
43,735,432	41,299,324	39,488,016	34,010,552	30,045,717	33,326,706
101,953	496,774	416,096	-	-	-
<u>67,456,103</u>	<u>67,402,435</u>	<u>65,032,370</u>	<u>59,370,739</u>	<u>51,507,180</u>	<u>53,513,718</u>
6,677,959	6,046,872	6,154,906	6,164,825	5,865,730	6,059,102
102,816	129,482	145,601	59,007	63,206	60,527
526,398	-	-	-	-	-
<u>7,307,173</u>	<u>6,176,354</u>	<u>6,300,507</u>	<u>6,223,832</u>	<u>5,928,936</u>	<u>6,119,629</u>
<u>74,763,276</u>	<u>73,578,789</u>	<u>71,332,877</u>	<u>65,594,571</u>	<u>57,436,116</u>	<u>59,633,347</u>
(102,982,793)	(113,140,719)	(104,269,519)	(84,506,997)	(74,111,863)	(79,416,632)
2,046,397	1,140,791	545,302	1,201,783	532,555	1,388,694
<u>(100,936,396)</u>	<u>(111,999,928)</u>	<u>(103,724,217)</u>	<u>(83,305,214)</u>	<u>(73,579,308)</u>	<u>(78,027,938)</u>
68,378,012	65,459,626	64,264,969	63,381,711	59,644,241	57,696,921
33,760,033	29,984,796	28,690,324	26,988,268	25,417,154	21,638,450
2,135,782	2,015,798	1,807,700	1,456,338	1,343,759	1,388,474
-	-	-	1,336,917	1,379,229	4,021,740
6,069,443	4,099,093	2,876,185	642,647	2,107,354	2,720,791
-	-	-	-	-	1,038,890
-	(1,271)	(692)	-	-	41,301
<u>110,343,270</u>	<u>101,558,042</u>	<u>97,638,486</u>	<u>93,805,881</u>	<u>89,891,737</u>	<u>88,546,567</u>
221,825	178,691	243,796	165,754	180,656	194,554
869,235	437,053	317,721	110,621	336,438	405,559
-	1,271	692	-	-	(41,301)
<u>1,091,060</u>	<u>617,015</u>	<u>562,209</u>	<u>276,375</u>	<u>517,094</u>	<u>558,812</u>
<u>111,434,330</u>	<u>102,175,057</u>	<u>98,200,695</u>	<u>94,082,256</u>	<u>90,408,831</u>	<u>89,105,379</u>
7,360,477	(11,582,677)	(6,631,033)	9,298,884	15,779,874	9,129,935
3,137,457	1,757,806	1,107,511	1,478,158	1,049,649	1,947,506
<u>\$ 10,497,934</u>	<u>\$ (9,824,871)</u>	<u>\$ (5,523,522)</u>	<u>\$ 10,777,042</u>	<u>\$ 16,829,523</u>	<u>\$ 11,077,441</u>

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

	Fiscal Year
General Fund	2011
Nonspendable	
Inventories	\$ 395,153
Prepaid	86,781
Restricted	
Stabilization by State Statute	11,581,246
Register of Deeds	39,764
Committed	
Tax Revaluation	145,757
General Capital Reserve	444,128
Assigned	
Public Health	169,805
Social Services	4,594,451
Administration	158,767
Human Resources	559,216
Library	350,508
Cooperative Extension	136,811
Subsequent year's expenditures	5,244,348
Unassigned	29,177,889
Total general fund	53,084,624
 All other governmental funds	
Restricted	
Stabilization by State Statute	4,854,187
School Construction	19,189,675
School Capital	88,862
Public Safety	2,743,445
Fire Protection	852,061
Library Endowment	234,704
Scholarship	43,207
Parks Preservation	142,407
Hospital Capital	5,347,139
Committed	
General Capital	21,417,686
School Construction	213,091
School Capital	8,985,425
Hospital Construction	23,486
Assigned	-
Unassigned	(4,178)
Total fund balances	64,131,197
 Total governmental funds	 \$ 117,215,821



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

	Fiscal Year			
	2010	2009	2008	2007
General Fund				
Reserved	\$ 12,081,863	\$ 13,796,892	\$ 19,523,687	\$ 16,236,389
Unreserved	39,583,672	36,617,111	35,804,493	27,788,364
Total general fund	<u>51,665,535</u>	<u>50,414,003</u>	<u>55,328,180</u>	<u>44,024,753</u>
All other governmental funds				
Reserved	177,161	171,237	270,802	283,481
Unreserved, reported in:				
Special revenue funds	10,994,696	9,403,227	9,707,586	12,061,802
Capital projects funds	<u>36,158,392</u>	<u>46,160,443</u>	<u>78,048,289</u>	<u>49,513,929</u>
Total all other governmental funds	<u>47,330,249</u>	<u>55,734,907</u>	<u>88,026,677</u>	<u>61,859,212</u>
Total governmental funds	<u>\$ 98,995,784</u>	<u>\$ 106,148,910</u>	<u>\$ 143,354,857</u>	<u>\$ 105,883,965</u>

Fiscal Year

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 15,895,612	\$ 12,235,484	\$ 11,990,412	\$ 10,053,302	\$ 8,813,164
23,688,338	23,648,612	19,142,620	20,108,900	20,657,510
<u>39,583,950</u>	<u>35,884,096</u>	<u>31,133,032</u>	<u>30,162,202</u>	<u>29,470,674</u>
359,947	1,732,131	2,568,115	2,700,597	2,719,555
15,021,904	18,654,056	16,127,154	17,608,291	18,961,967
<u>60,905,823</u>	<u>78,006,562</u>	<u>44,752,247</u>	<u>33,587,313</u>	<u>28,385,726</u>
<u>76,287,674</u>	<u>98,392,749</u>	<u>63,447,516</u>	<u>53,896,201</u>	<u>50,067,248</u>
<u>\$ 115,871,624</u>	<u>\$ 134,276,845</u>	<u>\$ 94,580,548</u>	<u>\$ 84,058,403</u>	<u>\$ 79,537,922</u>

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

	Fiscal Year			
	2011	2010	2009	2008
Revenues				
Ad valorem taxes	\$ 85,290,748	\$ 84,697,609	\$ 84,125,547	\$ 81,625,223
Other taxes	26,934,772	27,121,865	32,794,322	36,391,110
Unrestricted intergovernmental revenues	1,906,277	1,878,455	2,127,081	1,970,909
Restricted intergovernmental revenues	41,544,195	41,218,717	41,946,212	56,482,993
Licenses and permits	1,795,495	2,547,643	2,271,147	4,101,574
Sales and services	13,631,424	13,041,964	12,936,583	15,071,656
Investment earnings	949,483	1,929,311	3,837,081	5,600,327
Miscellaneous	4,713,228	3,716,912	3,624,321	4,309,242
Total revenues	<u>176,765,622</u>	<u>176,152,476</u>	<u>183,662,294</u>	<u>205,553,034</u>
Expenditures				
Current:				
General government	10,115,078	11,601,149	11,556,920	9,944,571
Public safety	30,260,313	29,360,816	28,513,201	26,916,838
Environmental protection	503,130	469,014	512,882	520,587
Economic and physical development	9,926,951	10,619,754	10,727,052	10,682,552
Human services	50,540,941	50,879,470	55,118,250	73,690,327
Culture and recreation	2,661,530	2,758,668	2,758,206	2,719,466
Education	39,598,951	38,606,716	39,948,749	38,014,454
Capital Outlay	29,796,072	16,572,802	39,869,050	19,683,740
Debt service:				
Principal	12,460,866	13,421,793	12,067,834	10,724,874
Interest	4,902,829	5,315,420	5,067,500	4,488,983
Sinking fund escrow	716,951	-	-	-
Lease purchase payments	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>191,483,612</u>	<u>179,605,602</u>	<u>206,139,644</u>	<u>197,386,392</u>
Other Financing Sources (uses)				
Transfers from other funds	2,694,737	4,395,302	12,262,330	9,515,201
Transfers to other funds	(6,256,710)	(8,095,302)	(48,646,927)	(9,517,951)
Installment purchase obligations issued	-	-	21,656,000	28,607,000
Qualified Zone Academy Bonds issued	-	-	-	700,000
Qualified School Construction Bonds issued	27,808,553	-	-	-
Build America bonds issued	8,691,447	-	-	-
Bond debt issued	-	-	-	-
Proceeds of capital lease	-	-	-	-
General obligation refunding bonds issued	-	-	-	-
Premium on general obligation refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Certificates of participation issued	-	-	-	-
Premium on certificates of participation	-	-	-	-
Sales of capital assets	-	-	-	-
Total other financing sources (uses)	<u>32,938,027</u>	<u>(3,700,000)</u>	<u>(14,728,597)</u>	<u>29,304,250</u>
Net change in fund balances	<u>\$ 18,220,037</u>	<u>\$ (7,153,126)</u>	<u>\$ (37,205,947)</u>	<u>\$ 37,470,892</u>
Debt service as a percentage of noncapital expenditures	9.7%	10.6%	8.4%	8.1%

Fiscal Year

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 68,270,907	\$ 66,233,752	\$ 64,037,632	\$ 63,153,315	\$ 59,388,468	\$ 57,268,329
35,415,288	31,654,028	30,151,572	28,444,404	25,207,828	23,023,315
1,235,023	1,248,170	1,095,733	1,336,917	1,379,229	4,021,740
46,532,532	44,764,103	42,141,280	36,297,819	32,683,132	36,382,864
3,773,033	3,214,736	3,457,883	2,959,092	2,383,424	2,211,753
12,849,786	16,591,727	17,420,439	17,742,167	16,664,263	15,121,137
5,883,078	3,912,728	2,773,588	642,651	2,107,354	2,720,791
3,998,845	3,725,976	3,803,472	4,614,575	2,997,207	2,544,061
<u>177,958,492</u>	<u>171,345,220</u>	<u>164,881,599</u>	<u>155,190,940</u>	<u>142,810,905</u>	<u>143,293,990</u>
9,613,213	9,978,986	9,449,992	8,506,393	8,543,435	7,569,288
23,021,049	21,209,400	20,032,107	19,088,555	17,156,936	16,313,961
475,667	452,180	428,549	384,942	321,413	388,926
10,889,872	8,651,385	7,886,973	7,594,145	7,409,045	7,518,580
65,236,455	66,508,454	65,701,149	59,078,864	56,659,920	55,721,269
2,695,423	2,610,001	2,465,676	2,331,664	2,186,614	2,234,409
34,222,295	32,544,711	30,410,166	30,048,641	27,437,466	28,202,411
28,338,920	42,549,957	33,473,868	18,690,079	7,859,145	13,181,244
10,338,333	9,975,000	9,230,000	7,160,000	7,065,000	6,800,000
4,814,143	4,861,096	4,214,250	3,045,610	3,280,589	3,756,560
-	-	-	-	-	-
-	-	70,760	221,803	433,113	430,757
-	-	89,146	-	-	-
<u>189,645,370</u>	<u>199,341,170</u>	<u>183,452,636</u>	<u>156,150,696</u>	<u>138,352,676</u>	<u>142,117,405</u>
11,547,146	9,763,224	12,301,254	14,239,408	7,945,528	4,144,646
(11,547,146)	(9,764,495)	(12,301,946)	(14,239,408)	(7,945,528)	(4,103,345)
1,450,000	9,200,000	-	9,900,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	58,252	-
-	-	-	-	-	400,000
-	-	16,035,000	-	-	-
-	-	429,179	-	-	-
-	-	(16,321,853)	-	-	-
-	-	55,255,000	-	-	-
-	-	2,868,950	-	-	-
<u>249,219</u>	<u>392,000</u>	<u>1,750</u>	<u>24,500</u>	<u>4,000</u>	<u>-</u>
<u>1,699,219</u>	<u>9,590,729</u>	<u>58,267,334</u>	<u>9,924,500</u>	<u>62,252</u>	<u>441,301</u>
<u>\$ (9,987,659)</u>	<u>\$ (18,405,221)</u>	<u>\$ 39,696,297</u>	<u>\$ 8,964,744</u>	<u>\$ 4,520,481</u>	<u>\$ 1,617,886</u>
8.5%	7.9%	7.7%	7.0%	8.2%	7.9%

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
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	14,963,681,767
2009	11,778,146,940	2,560,844,568	794,924,639	15,133,916,147	0.535	15,452,232,129
2010	11,874,836,448	2,547,986,916	590,931,402	15,013,754,766	0.535	15,343,643,092
2011	12,057,640,336	2,454,965,234	610,253,122	15,122,858,692	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.

Source: Catawba County Property Appraiser

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Catawba County	0.5350	0.5350	0.5350	0.5350	0.4900	0.4900	0.4800	0.4800	0.4950	0.4950
Fire Districts:										
Bandys	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	0.0390	0.0390	0.0390	0.0390
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	0.0700	0.0700	0.0700	0.0500	0.0500	0.0350	0.0350	0.0350
Cooksville	0.0517	0.0517	0.0517	0.0517	0.0550	0.0550	0.0550	0.0550	0.0600	0.0600
Denver	-	-	-	0.0389	0.0500	0.0500	0.0450	0.0293	0.0320	0.0320
Fairbrook	-	-	-	-	0.0325	0.0325	0.0257	0.0257	0.0280	0.0280
Hickory Rural	0.0700	0.0700	0.0325	0.0325	-	-	-	-	-	-
Icard-Long View	-	-	-	-	-	-	-	-	0.0440	0.0440
Icard-Mountain View	-	-	-	-	-	-	-	-	0.0400	0.0400
Long View	0.0546	0.0546	0.0546	0.0546	0.0568	0.0568	0.0568	0.0568	0.0620	0.0620
Maiden	0.0600	0.0500	0.0500	0.0500	0.0500	0.0312	0.0312	0.0312	0.0340	0.0340
Mountain View	0.0600	0.0493	0.0493	0.0493	0.0525	0.0425	0.0425	0.0425	0.0450	0.0450
Newton	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0513	0.0513	0.0560	0.0560
Oxford	0.0558	0.0558	0.0558	0.0558	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0615	0.0615	0.0615	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400	0.0400
St. Stephens	0.0700	0.0700	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
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	0.4800
City of Claremont	0.4600	0.4600	0.4600	0.4600	0.4600	0.4500	0.4500	0.4500	0.4500	0.4500
City of Conover	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800	0.3600	0.3800	0.3600
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5500	0.5500
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	0.4000	0.4000	0.4000	0.3800	0.3800	0.4000	0.4000
City of Newton	0.4800	0.4800	0.4800	0.4600	0.4600	0.4400	0.4400	0.4400	0.4700	0.4700
Total Maximum Rate - Fire District	0.6050	0.6050	0.6050	0.6050	0.5600	0.5600	0.5500	0.5500	0.5650	0.5650
Total Maximum Rate - Municipalities	1.0550	1.0550	1.0550	1.0550	1.0100	1.0100	1.0000	1.0000	1.0450	1.0450

⁽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.

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2010 and December 31, 2001

Taxpayer	Type of Business	December 31, 2010			December 31, 2001		
		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	\$ 451,942,462	1	2.99	\$ 314,799,173	1	2.82
Target Corporation	Warehouse/Retail	119,249,281	2	0.79	-	-	-
Getrag Gears of North America, Inc.	Gears	117,633,736	3	0.78	-	-	-
CommScope, Inc.	Cable mfg.	110,337,114	4	0.73	145,072,584	4	1.30
Frye Regional Medical Center	Medical care	72,901,992	5	0.48	48,678,756	7	0.44
Draka Comteq Americas, Inc.	Cable mfg.	70,091,716	6	0.46	-	-	-
Corning Cable Systems	Cable mfg.	60,508,715	7	0.40	161,836,034	2	1.45
Hickory Springs Mfg. Co., Inc.	Furniture supplies	53,443,050	8	0.35	37,566,140	8	0.34
Valley Hills Mall, LLC	Retail	49,966,918	9	0.33	36,734,000	9	0.33
Apple Inc.	Computer Server	42,348,109	10	0.28	-	-	-
Alcatel N. A., Inc.	Cable mfg.	-	-	-	160,749,383	3	1.44
Shuford Mills/Shurtape Technologies	Textiles & Tape	-	-	-	60,662,121	5	0.54
Central Telephone Company	Telephone	-	-	-	54,495,658	6	0.49
Carolina Mills, Inc.	Textiles	-	-	-	36,266,864	10	0.32
		<u>\$ 1,148,423,093</u>		<u>7.64</u>	<u>\$ 1,056,860,713</u>		<u>9.47</u>
Total Assessed Valuation		<u>\$ 15,122,858,692</u>			<u>\$ 11,176,676,254</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	Tax Year	Total Tax Levy for Fiscal Year (¹)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2001	55,392,904	53,815,634	97.15	1,328,929	55,144,563	99.55
2003	2002	57,297,988	55,635,097	97.10	1,396,871	57,031,968	99.22
2004	2003	60,740,470	58,923,696	97.01	1,524,743	60,448,439	99.52
2005	2004	61,566,332	59,726,141	97.01	1,550,962	61,277,103	99.53
2006	2005	63,409,234	61,416,711	96.86	1,683,196	63,099,907	99.51
2007	2006	65,195,396	63,106,163	96.80	1,726,855	64,833,018	99.44
2008	2007	78,217,306	75,692,582	96.77	1,991,492	77,684,074	99.32
2009	2008	80,966,452	77,974,463	96.30	2,155,174	80,129,637	98.97
2010	2009	80,666,180	77,707,260	96.33	1,697,766	79,405,026	98.44
2011	2010	80,907,294	77,904,536	96.29	-	77,904,536	96.29

⁽¹⁾ Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

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

Fiscal Year	Governmental Activities							Business Type		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Capitalized Leases	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Installment Purchases	Federal Revolving Loan			
2002	69,650,000	522,908	-	163,180	-	-	-	-	-	70,336,088	1.77	485
2003	63,040,000	282,134	-	-	-	-	-	-	-	63,322,134	1.60	432
2004	55,880,000	69,778	-	9,900,000	-	-	-	-	-	65,849,778	1.69	448
2005	49,340,000	-	53,805,000	9,240,000	-	-	-	-	-	112,385,000	2.71	755
2006	42,815,000	-	51,015,000	17,780,000	-	-	-	-	-	111,610,000	2.61	747
2007	36,540,000	-	48,225,000	17,956,667	-	-	-	-	-	102,721,667	2.22	668
2008	30,160,000	-	45,435,000	45,008,793	700,000	-	-	-	-	121,303,793	2.51	780
2009	23,765,000	-	42,645,000	56,831,959	650,000	-	-	6,771,353	-	130,663,312	2.61	832
2010	17,310,000	-	39,855,000	52,705,167	600,000	-	-	6,532,188	-	117,002,355	2.37	736
2011	12,110,000	-	37,075,000	48,564,015	550,000	27,808,553	8,401,732	6,282,897	1,350,000	142,142,197	N/A	893

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⁾
2002	69,650,000	11,176,676,254	0.62	480
2003	63,040,000	11,568,969,626	0.54	430
2004	55,880,000	12,671,384,340	0.44	380
2005	49,340,000	12,942,756,938	0.38	332
2006	42,815,000	13,023,274,801	0.33	287
2007	36,540,000	13,359,326,399	0.27	238
2008	30,160,000	14,655,429,923	0.21	194
2009	23,765,000	15,133,916,147	0.16	151
2010	17,310,000	15,013,754,766	0.12	109
2011	12,110,000	15,122,858,692	0.08	76

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed value (after exemption)	15,122,858,692	15,013,754,766	15,068,712,596	14,655,429,923
Debt limit rate	8%	8%	8%	8%
Debt limit	1,209,828,695	1,201,100,381	1,205,497,008	1,172,434,394
Less: Total net debt applicable to limit	142,142,197	117,002,355	130,663,312	121,303,793
Legal debt margin	<u>1,067,686,498</u>	<u>1,084,098,026</u>	<u>1,074,833,696</u>	<u>1,051,130,601</u>
 Total net debt applicable to the limit as a percentage of debt limit	 12%	 10%	 11%	 10%

Legal Debt Margin Calculation for Fiscal Year 2011

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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
13,359,326,399	\$ 13,023,274,801	\$ 12,942,756,938	\$ 12,671,384,340	\$ 11,568,969,626	\$ 11,176,676,254
8%	8%	8%	8%	8%	8%
1,068,746,112	1,041,861,984	1,035,420,555	1,013,710,747	925,517,570	894,134,100
102,721,667	111,610,000	112,385,000	69,575,814	66,859,085	73,775,188
<u>966,024,445</u>	<u>930,251,984</u>	<u>923,035,555</u>	<u>944,134,933</u>	<u>858,658,485</u>	<u>820,358,912</u>
10%	11%	11%	7%	7%	8%

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⁾
2002	145,071	3,972,189,051	27,381	36.2	23,688	9.40
2003	146,690	3,949,628,250	26,925	36.3	23,825	9.30
2004	146,971	3,892,232,993	26,483	36.4	23,942	7.20
2005	148,797	4,140,871,713	27,829	36.6	24,243	6.60
2006	149,416	4,272,998,768	28,598	36.7	24,455	5.40
2007	153,784	4,624,900,016	30,074	37.0	24,766	5.90
2008	155,452	4,826,940,052	31,051	36.9	25,305	7.20
2009	157,073	4,998,534,079	31,823	38.1	24,688	15.50
2010	159,013	4,941,148,000	31,052	38.2	24,338	12.90
2011	159,125	N/A	N/A	38.4	24,245	12.00

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	2011			2002		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Catawba County School Systems	1,860	1	2.89%	1,935	2	2.67%
Catawba Valley Medical Center	1,639	2	2.55%	1,395	6	1.92%
CommScope, Inc.	1,560	3	2.43%	2,078	1	2.86%
Frye Regional Medical Center	1,450	4	2.26%	1,850	3	2.55%
Catawba County Government	1,164	5	1.81%	1,285	8	1.77%
Hickory Springs Manufacturing Company, Inc.	1,000	6	1.56%	1,500	5	2.07%
Corning Cable Systems ⁽³⁾	1,000	7	1.56%	930	10	1.28%
Ethan Allen, Inc.	900	8	1.40%	-	-	-
Pierre Foods	730	9	1.14%	-	-	-
Sherrill Furniture Company	723	10	1.12%	1,125	9	1.55%
Thomasville Furniture Industries	-	-	-	1,300	7	1.79%
CV Industries, Inc.	-	-	-	1,600	4	2.21%
	<u>12,026</u>		<u>19.63%</u>	<u>14,998</u>		<u>24.24%</u>

Sources:

¹ Survey of Employers² Labor estimates provided by the Employment Security Commission of North Carolina³ 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									
Function	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities:										
General government	90	92	92	89	90	87	86	85	84	86
Public safety	340	341	334	321	307	248	245	240	235	225
Environmental protection	9	11	11	11	11	11	9	10	10	11
Economic and physical development	90	98	100	93	91	94	89	87	78	83
Human services	572	561	578	614	583	583	655	641	639	616
Culture and recreation	33	37	37	37	37	38	38	38	36	38
Total governmental activities	<u>1,135</u>	<u>1,140</u>	<u>1,151</u>	<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>
Business-type activities:										
Water sewer	1	1	1	-	-	-	-	-	-	-
Solid waste management	28	28	28	28	28	28	29	28	28	26
Total business-type activities	<u>29</u>	<u>29</u>	<u>29</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>28</u>	<u>26</u>
Total primary government	<u>1,164</u>	<u>1,169</u>	<u>1,180</u>	<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>

Sources: Catawba County Human Resources Department

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

Function	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
General government										
Number of registered voters	99,844	101,558	101,142	99,117	95,855	95,470	93,633	95,480	93,299	93,035
Number of marriage licenses issued	991	926	1,062	1,181	1,073	1,040	1,135	1,071	1,071	1,142
Number of tax bills issued	263,073	297,925	272,581	272,255	266,786	266,221	265,177	262,797	260,636	259,736
Public safety										
Number of 911 dispatch/calls	82,876	83,000	83,367	115,000	108,658	106,093	86,941	106,262	92,094	111,880
Sheriff Department offenses reported	5,737	6,256	5,479	5,312	5,477	5,163	5,284	5,846	5,535	5,526
Environmental protection										
Cooperative extension agent contacts	46,960	45,945	71,001	66,324	67,385	37,194	33,163	24,819	24,743	27,912
Economic and physical development										
Number of commercial permits issued	496	504	534	721	622	663	760	733	387	491
Number of residential permits issued	991	1,057	1,056	1,497	1,692	1,799	1,681	1,762	1,429	1,973
Human services										
Households that received assistance with energy bills	2,785	2,764	3,042	2,004	1,429	1,261	1,111	944	1,140	1,230
Medicaid clients receiving transportation assistance	19,893	19,136	17,689	15,551	17,200	16,305	14,124	13,690	12,544	9,577
Child support services cases currently open	6,498	7,600	7,500	7,337	7,360	7,696	6,795	7,580	7,590	7,459
Public health clients served	24,068	28,826	21,534	21,634	24,965	17,183	26,123	22,113	20,803	27,337
Restaurant inspections	1,429	1,419	1,226	1,443	1,463	1,432	1,406	1,398	1,305	1,364
Culture and recreation										
Total circulation for library system	740,462	775,544	744,652	681,796	666,069	657,271	681,001	667,246	590,730	557,407
Number of patrons visiting parks	101,280	134,463	121,370	75,797	67,029	43,022	50,337	45,293	36,989	21,505
Education										
Public school student enrollment K-12	24,245	24,338	24,688	25,305	24,766	24,455	24,243	23,942	23,825	23,688
Business-type activities:										
Solid waste management										
Tons buried - MSW	123,149	122,938	165,811	151,007	165,384	167,988	168,140	164,590	164,142	164,469
Tons buried - C&D	23,203	22,570	32,911	38,745	49,733	40,246	30,294	31,920	25,490	35,884
Tons recycled	31,347	28,125	29,416	28,932	29,836	29,477	25,820	28,634	32,081	32,187

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
General government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	9	8	8	9	8	8	7	7	7	N/A
Public safety										
Buildings	10	9	8	8	8	8	8	7	7	7
Vehicles	182	168	156	166	153	148	143	144	144	N/A
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	2	2	2	2	2	2	2	2	2	N/A
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	50	57	57	60	47	51	59 ⁽¹⁾	37	37	N/A
Human services										
Buildings	39	39	39	39	40	40	40	40	40	38
Vehicles	35	32	27	47	46	39	40 ⁽²⁾	62	62	N/A
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	1	2	2	2	2	2	2	2	2	N/A
Business-type activities:										
Solid waste management										
Buildings	6	6	6	7	7	7	4	4	4	5
Vehicles	27	26	26	25	26	25	26	25	25	N/A
Water and sewer										
Buildings	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vehicles	0	0	0	N/A	N/A	N/A	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

Catawba County, North Carolina

Glossary

Accrual Basis. Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Accumulated Depreciation. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

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

Agency Fund. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments.

Appropriations. A legal authorization granted by the Board of Commissioners to make expenditures and to incur obligations for specific purposes.

Assessed Valuation. Valuation set upon real estate or other property by a government as a basis for levying taxes.

Balance Sheet. The financial statement that shows the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

Basic Financial Statements. The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements and notes to the financial statements.

Basis of Accounting. A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities are recognized in the accounts and reported in

the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Board of Commissioners. Five-member Board elected at large by the voters of Catawba County to serve four year terms on a staggered basis.

Capital Assets. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Projects Fund. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

Cash Basis. Method of accounting under which transactions are recognized only when cash is received or disbursed.

Component Unit. Legally separate organization for which elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Comprehensive Annual Financial Report (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support the columns in the basic financial statements that aggregate information from

Catawba County, North Carolina

Glossary

more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the County's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

Deferred Revenue. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidated liabilities of the current period.

Depreciation. (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Encumbrances. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise Fund. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Expenditures. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or

future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlement and shared revenues.

Fiduciary Fund. The trust and agency fund used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

Fund. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance. The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund Balance – Assigned. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Fund Balance – Committed. Amounts that are used for specific purposes pursuant to constraints imposed by *formal* action of the government's highest level of decision-making authority. Any amendments or modifications require board action.

Fund Balance – Nonspendable. Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Fund Balance – Restricted. Constraints are imposed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Catawba County, North Carolina

Glossary

Fund Balance – Unassigned. The amount of fund balance not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance.

General Fund. The general fund typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

Governmental Accounting Standards Board (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Joint Venture. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

Modified Accrual Basis. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, that is when they become both “measurable” and “available to finance expenditures of the current period”. Generally, expenditures are recognized when the fund liability is incurred. Governmental funds, expendable trust and agency fund are accounted for using the modified accrual basis of accounting.

Proprietary Funds. Funds that focus on the determination of operating income, changes in

net assets (or cost recovery), financial position, and cash flows.

Special Revenue Fund. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.