

## **Basic Financial Statements**

**CATAWBA COUNTY, NORTH CAROLINA**

**Exhibit 1  
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**Statement of Net Position  
June 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Assets</b>			
Cash and investments	\$ 103,822,429	\$ 55,373,215	\$ 159,195,644
Taxes receivable - net	1,628,867	-	1,628,867
Due from other governments	15,601,118	750,092	16,351,210
Notes receivable	1,597,343	296,030	1,893,373
Other receivables	2,789,752	497,180	3,286,932
Interest receivable	291,428	145,267	436,695
Inventories	319,059	-	319,059
Prepaid items	115,502	196,914	312,416
Restricted cash and investments	19,742,592	451,421	20,194,013
Net pension asset	5,104,530	119,434	5,223,964
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	30,488,526	39,031,286	69,519,812
Other capital assets, net of depreciation	69,952,974	25,117,858	95,070,832
Total capital assets	<u>100,441,500</u>	<u>64,149,144</u>	<u>164,590,644</u>
Net investment in joint venture	1,344,729	-	1,344,729
Total assets	<u>252,798,849</u>	<u>121,978,697</u>	<u>374,777,546</u>
<b>Deferred outflows of resources</b>	<u>6,221,402</u>	<u>132,012</u>	<u>6,353,414</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	6,645,924	420,032	7,065,956
Liabilities paid from restricted assets	8,151,233	-	8,151,233
Long-term liabilities:			
Due within one year	15,486,012	1,406,516	16,892,528
Due in more than one year	136,081,949	22,223,786	158,305,735
Total long-term liabilities	<u>151,567,961</u>	<u>23,630,302</u>	<u>175,198,263</u>
Total liabilities	<u>166,365,118</u>	<u>24,050,334</u>	<u>190,415,452</u>
<b>Deferred inflows of resources</b>	<u>11,771,241</u>	<u>293,801</u>	<u>12,065,042</u>
<b>Net Position</b>			
Net investment in capital assets	75,032,918	51,643,356	126,676,274
Restricted			
Stabilization by State statute	36,698,928	-	36,698,928
Register of Deeds	78,807	-	78,807
Public safety	2,489,115	-	2,489,115
Fire Protection	1,258,983	-	1,258,983
Debt service	8,273,296	-	8,273,296
Library Endowment	187,371	-	187,371
Social services scholarships	52,294	-	52,294
Parks preservation	50,004	-	50,004
Community development	12,105	-	12,105
Hospital capital projects	5,494,731	-	5,494,731
General capital reserve	456,389	-	456,389
Other	-	-	-
Unrestricted (deficit)	<u>(49,201,049)</u>	<u>46,123,218</u>	<u>(3,077,831)</u>
Total net position	<u>\$ 80,883,892</u>	<u>\$ 97,766,574</u>	<u>\$ 178,650,466</u>

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

Statement of Net Position  
June 30, 2015

	Component Units	
	Catawba	
	Catawba Valley Medical Center	County ABC Board
<b>Assets</b>		
Cash and investments	\$ 77,763,537	\$ 1,485,099
Taxes receivable - net	-	-
Due from other governments	1,128,720	-
Notes receivable	-	-
Other receivables	37,460,725	-
Interest receivable	38,056	-
Inventories	6,101,319	1,674,379
Prepaid items	-	-
Restricted cash and investments	5,566,234	-
Net pension asset	-	90,290
Other assets	13,388,711	-
Capital assets:		
Land, improvements, and construction in progress	5,969,290	741,643
Other capital assets, net of depreciation	116,747,456	998,079
Total capital assets	<u>122,716,746</u>	<u>1,739,722</u>
Net investment in joint venture	-	-
Total assets	<u>264,164,048</u>	<u>4,989,490</u>
<b>Deferred outflows of resources</b>	<u>5,523,013</u>	<u>121,117</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	32,951,522	1,391,675
Liabilities paid from restricted assets	-	-
Long-term liabilities:		
Due within one year	8,761,215	-
Due in more than one year	66,003,706	92,223
Total long-term liabilities	<u>74,764,921</u>	<u>92,223</u>
Total liabilities	<u>107,716,443</u>	<u>1,483,898</u>
<b>Deferred inflows of resources</b>	<u>6,984,000</u>	<u>220,059</u>
<b>Net Position</b>		
Net investment in capital assets	70,255,526	1,739,722
Restricted		
Stabilization by State statute	-	-
Register of Deeds	-	-
Public safety	-	-
Fire Protection	-	-
Debt service	-	-
Library Endowment	-	-
Social services scholarships	-	-
Parks preservation	-	-
Community development	-	-
Hospital capital projects	5,519,102	-
General capital reserve	-	-
Other	47,132	506,610
Unrestricted (deficit)	<u>79,164,858</u>	<u>1,160,318</u>
Total net position	<u>\$ 154,986,618</u>	<u>\$ 3,406,650</u>

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Statement of Activities  
For the Year Ended June 30, 2015**

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 9,933,029	\$ 1,870,508	\$ 6,248,471	\$ -
Public safety	32,921,751	8,747,839	514,483	-
Environmental protection	546,444	24,651	47,150	-
Economic and physical development	13,950,985	2,489,106	433,683	125,000
Human services	47,218,856	5,279,686	29,021,820	-
Culture and recreation	3,127,165	66,579	336,156	-
Education	49,298,062	-	627,433	-
Interest on long-term debt	3,815,195	-	-	-
Total governmental activities	<u>160,811,487</u>	<u>18,478,369</u>	<u>37,229,196</u>	<u>125,000</u>
Business-type activities				
Solid waste management	4,899,445	5,942,496	8,816	17,501
Water and sewer	2,291,702	112,073	597,950	469,231
Total business-type activities	<u>7,191,147</u>	<u>6,054,569</u>	<u>606,766</u>	<u>486,732</u>
Total primary government	<u>\$ 168,002,634</u>	<u>\$ 24,532,938</u>	<u>\$ 37,835,962</u>	<u>\$ 611,732</u>
<b>Component units</b>				
Catawba Valley Medical Center	\$ 220,984,441	\$ 234,037,055	\$ 917,351	\$ 1,147,162
Catawba County ABC Board	12,883,777	13,173,803	-	-
Total Component Units	<u>\$ 233,868,218</u>	<u>\$ 247,210,858</u>	<u>\$ 917,351</u>	<u>\$ 1,147,162</u>

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Exhibit 2  
Page 2 of 2**

**Statement of Activities  
For the Year Ended June 30, 2015**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Catawba Valley Medical Center	Catawba County ABC Board
<b>Primary Government</b>					
Governmental Activities					
General government	\$ (1,814,050)	\$ -	\$ (1,814,050)		
Public safety	(23,659,429)	-	(23,659,429)		
Environmental protection	(474,643)	-	(474,643)		
Economic and physical development	(10,903,196)	-	(10,903,196)		
Human services	(12,917,350)	-	(12,917,350)		
Culture and recreation	(2,724,430)	-	(2,724,430)		
Education	(48,670,629)	-	(48,670,629)		
Interest on long-term debt	(3,815,195)	-	(3,815,195)		
Total governmental activities	<u>(104,978,922)</u>	<u>-</u>	<u>(104,978,922)</u>		
Business-type activities					
Solid waste management	-	1,069,368	1,069,368		
Water and sewer	-	(1,112,448)	(1,112,448)		
Total business-type activities	<u>-</u>	<u>(43,080)</u>	<u>(43,080)</u>		
Total primary government	<u>(104,978,922)</u>	<u>(43,080)</u>	<u>(105,022,002)</u>		
<b>Component units</b>					
Catawba Valley Medical Center				\$ 15,117,127	\$ -
Catawba County ABC Board				<u>-</u>	<u>290,026</u>
Total Component Units				<u>\$ 15,117,127</u>	<u>\$ 290,026</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes	94,200,605	-	94,200,605	-	-
Local option sales taxes	29,962,757	1,451,312	31,414,069	-	-
Other taxes	1,652,213	312,429	1,964,642	-	-
Investment earnings, unrestricted	975,564	477,221	1,452,785	2,071,270	758
Gain on sale of capital assets	-	2,220	2,220	-	66,684
Total general revenues	<u>126,791,139</u>	<u>2,243,182</u>	<u>129,034,321</u>	<u>2,071,270</u>	<u>67,442</u>
Transfers	(800,000)	800,000	-	-	-
Total general revenues and transfers	<u>125,991,139</u>	<u>3,043,182</u>	<u>129,034,321</u>	<u>2,071,270</u>	<u>67,442</u>
Change in net position	<u>21,012,217</u>	<u>3,000,102</u>	<u>24,012,319</u>	<u>17,188,397</u>	<u>357,468</u>
Net position, beginning, previously reported	64,437,056	94,934,029	159,371,085	163,036,809	3,144,661
Restatement	(4,565,381)	(167,557)	(4,732,938)	(25,238,588)	(95,479)
Net position, beginning, restated	<u>59,871,675</u>	<u>94,766,472</u>	<u>154,638,147</u>	<u>137,798,221</u>	<u>3,049,182</u>
Net position, ending	<u>\$ 80,883,892</u>	<u>\$ 97,766,574</u>	<u>\$ 178,650,466</u>	<u>\$ 154,986,618</u>	<u>\$ 3,406,650</u>

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

Balance Sheet  
Governmental Funds  
June 30, 2015

	Major Funds		Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	Other Governmental Funds	
<b>Assets</b>				
Cash and investments	\$ 48,758,072	\$ 32,703,465	\$ 22,360,892	\$ 103,822,429
Taxes receivable - net	1,521,284	-	107,583	1,628,867
Due from other governments	13,903,697	308,643	1,388,778	15,601,118
Notes receivable	1,597,343	-	-	1,597,343
Other receivables	2,784,040	5,712	-	2,789,752
Interest receivable	144,306	88,774	58,348	291,428
Inventories	319,059	-	-	319,059
Prepaid items	115,502	-	-	115,502
Restricted cash and investments	8,913,405	10,604,245	224,942	19,742,592
Total assets	<u>78,056,708</u>	<u>43,710,839</u>	<u>24,140,543</u>	<u>145,908,090</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	5,235,478	1,125,843	284,603	6,645,924
Liabilities to be paid from restricted assets	8,151,233	-	-	8,151,233
Total liabilities	<u>13,386,711</u>	<u>1,125,843</u>	<u>284,603</u>	<u>14,797,157</u>
<b>Deferred Inflows of Resources</b>	<u>4,162,002</u>	<u>-</u>	<u>109,692</u>	<u>4,271,694</u>
<b>Fund Balances</b>				
Nonspendable				
Inventories	319,059	-	-	319,059
Prepaid	115,502	-	-	115,502
Notes receivable	1,597,343	-	-	1,597,343
Restricted				
Stabilization by State Statute	15,465,797	19,777,505	1,455,626	36,698,928
Register of Deeds	78,807	-	-	78,807
Public Safety	-	-	2,489,115	2,489,115
Fire Protection	-	-	1,258,983	1,258,983
Debt service	8,273,296	-	-	8,273,296
Library Endowment	-	-	187,371	187,371
Scholarship	-	-	52,294	52,294
Parks Preservation	-	-	50,004	50,004
Community Development	-	-	12,105	12,105
General Capital	-	10,604,245	-	10,604,245
School Capital and Construction	-	-	224,942	224,942
Hospital Capital	-	-	5,494,731	5,494,731
General Capital Reserve	456,389	-	-	456,389
Committed				
Tax Revaluation	165,832	-	-	165,832
General Capital	-	12,203,246	-	12,203,246
School Capital	-	-	5,900,499	5,900,499
School Construction	-	-	6,596,208	6,596,208
Hospital Construction	-	-	24,370	24,370
Assigned				
Public Health	241,739	-	-	241,739
Social Services	5,101,867	-	-	5,101,867
County Manager	94,899	-	-	94,899
Human Resources	582,027	-	-	582,027
Library	224,601	-	-	224,601
Subsequent year's expenditures	6,144,343	-	-	6,144,343
Unassigned	21,646,494	-	-	21,646,494
Total fund balances	<u>60,507,995</u>	<u>42,584,996</u>	<u>23,746,248</u>	<u>126,839,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 78,056,708</u>	<u>\$ 43,710,839</u>	<u>\$ 24,140,543</u>	<u>\$ 145,908,090</u>

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

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2015**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 126,839,239
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	100,441,500
The County has an equity interest in a joint venture for a regional jail agency. This investment is not a current financial resource and therefore not reported in the funds	1,344,729
Charges related to refunding bond issues	2,901,647
Net pension asset	5,104,530
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	3,316,397
Pension related deferrals	(11,658,776)
Liabilities for earned revenues considered deferred inflows of resources in fund statements	4,162,587
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>(151,567,961)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 80,883,892</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2015

	Major Funds		Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	Other Governmental Funds	
<b>Revenues</b>				
Ad valorem taxes	\$ 88,554,961	\$ -	\$ 6,427,176	\$ 94,982,137
Other taxes	25,820,339	370,602	4,386,477	30,577,418
Unrestricted intergovernmental revenues	1,950,128	-	-	1,950,128
Restricted intergovernmental revenues	36,619,839	-	1,295,064	37,914,903
Permits and fees	2,398,171	-	-	2,398,171
Sales and services	10,275,072	-	-	10,275,072
Investment earnings	465,358	309,592	200,616	975,566
Miscellaneous	6,221,346	563,372	5,845	6,790,563
Total revenues	<u>172,305,214</u>	<u>1,243,566</u>	<u>12,315,178</u>	<u>185,863,958</u>
<b>Expenditures</b>				
Current				
General government	10,889,713	-	-	10,889,713
Public safety	26,733,693	-	6,884,712	33,618,405
Environmental protection	545,637	-	-	545,637
Economic and physical development	13,650,736	-	162,738	13,813,474
Human services	47,773,150	-	-	47,773,150
Culture and recreation	3,109,069	-	-	3,109,069
Education	40,344,875	-	50,000	40,394,875
Capital outlay	-	9,369,915	8,903,187	18,273,102
Debt service				
Principal	12,331,427	-	-	12,331,427
Interest	4,042,723	-	-	4,042,723
Total expenditures	<u>159,421,023</u>	<u>9,369,915</u>	<u>16,000,637</u>	<u>184,791,575</u>
Excess of revenues over (under) expenditures	<u>12,884,191</u>	<u>(8,126,349)</u>	<u>(3,685,459)</u>	<u>1,072,383</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	542,571	1,422,904	3,221,708	5,187,183
Transfers to other funds	(5,211,708)	-	(775,475)	(5,987,183)
Total other financing sources (uses)	<u>(4,669,137)</u>	<u>1,422,904</u>	<u>2,446,233</u>	<u>(800,000)</u>
Net change in fund balance	8,215,054	(6,703,445)	(1,239,226)	272,383
<b>Fund Balances - Beginning of Year</b>	50,563,312	49,288,441	24,985,474	124,837,227
<b>Restatement (Note 10)</b>	<u>1,729,629</u>	<u>-</u>	<u>-</u>	<u>1,729,629</u>
<b>Fund Balances - Beginning of Year Restated</b>	<u>52,292,941</u>	<u>49,288,441</u>	<u>24,985,474</u>	<u>126,566,856</u>
<b>Fund Balances - End of Year</b>	<u>\$ 60,507,995</u>	<u>\$ 42,584,996</u>	<u>\$ 23,746,248</u>	<u>\$ 126,839,239</u>

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

**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, 2015**

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in <i>fund balances</i> - total governmental funds (Exhibit 4)	\$ 272,383
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.	7,081,148
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.	(275,012)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,316,397
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(723,429)
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 position. 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.	12,885,794
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.	<u>(1,545,064)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 21,012,217</u>

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

**General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
<b>Revenues</b>				
Ad Valorem taxes	\$ 84,610,982	\$ 84,610,982	\$ 88,554,961	\$ 3,943,979
Other taxes	22,948,020	22,948,020	25,820,339	2,872,319
Unrestricted intergovernmental revenues	1,798,000	1,809,785	1,950,128	140,343
Restricted intergovernmental revenues	37,977,093	38,521,366	36,619,839	(1,901,527)
Permits and fees	2,218,942	2,218,942	2,398,171	179,229
Sales and services	11,044,074	11,098,264	10,275,072	(823,192)
Investment earnings	400,600	400,600	457,840	57,240
Miscellaneous	2,427,115	2,525,242	6,221,346	3,696,104
Total revenues	<u>163,424,826</u>	<u>164,133,201</u>	<u>172,297,696</u>	<u>8,164,495</u>
<b>Expenditures</b>				
Current				
General government	11,992,482	11,877,904	10,489,305	1,388,599
Public safety	27,777,806	27,852,812	26,733,693	1,119,119
Environmental protection	674,587	719,553	545,637	173,916
Economic and physical development	14,699,381	14,807,199	13,650,736	1,156,463
Human services	55,877,179	55,349,609	47,773,150	7,576,459
Culture and recreation	3,333,237	3,471,103	3,109,069	362,034
Education	39,864,875	40,344,875	40,344,875	-
Debt service				
Principal	13,301,455	13,301,455	12,331,427	970,028
Interest	4,133,045	4,133,045	4,042,723	90,322
Total expenditures	<u>171,654,047</u>	<u>171,857,555</u>	<u>159,020,615</u>	<u>12,836,940</u>
Excess of revenues over (under) expenditures	<u>(8,229,221)</u>	<u>(7,724,354)</u>	<u>13,277,081</u>	<u>21,001,435</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	69,268	549,268	542,571	(6,697)
Transfers to other funds	(5,580,121)	(5,581,471)	(5,581,471)	-
Fund balance appropriated	13,740,074	12,756,557	-	(12,756,557)
Total other financing sources (uses)	<u>8,229,221</u>	<u>7,724,354</u>	<u>(5,038,900)</u>	<u>(12,763,254)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8,238,181	<u>\$ 8,238,181</u>
<b>Fund Balances - Beginning of Year</b>			49,912,956	
<b>Restatement (Note 10)</b>			<u>1,729,629</u>	
<b>Fund Balances - Beginning of Year Restated</b>			<u>51,642,585</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 59,880,766</u>	

A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:

Investment earnings	3,653
Transfer from other funds	369,763
Expenditures	(400,408)
Fund Balance, Beginning	196,661

A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:

Investment earnings	3,865
Fund Balance, Beginning	453,695
Fund Balance, Ending (Exhibit 4)	<u>\$ 60,507,995</u>

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

Statement of Net Position  
 Proprietary Funds  
 June 30, 2015

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 21,239,202	34,134,013	\$ 55,373,215
Due from other governments	135,411	614,681	750,092
Notes receivable	-	296,030	296,030
Accounts receivables (net of allowance)	487,684	9,496	497,180
Interest receivables	55,843	89,424	145,267
Prepaid fees	415	196,499	196,914
Restricted cash and investments	-	451,421	451,421
Total current assets	<u>21,918,555</u>	<u>35,791,564</u>	<u>57,710,119</u>
Noncurrent assets			
Net pension asset	117,841	1,593	119,434
Capital assets			
Land, non-depreciable improvements, and construction in progress	8,079,966	30,951,320	39,031,286
Other capital assets, net of depreciation	17,617,357	7,500,501	25,117,858
Total capital assets	<u>25,697,323</u>	<u>38,451,821</u>	<u>64,149,144</u>
Total noncurrent assets	<u>25,815,164</u>	<u>38,453,414</u>	<u>64,268,578</u>
Total assets	<u>47,733,719</u>	<u>74,244,978</u>	<u>121,978,697</u>
<b>Deferred outflows of resources</b>	82,143	49,869	132,012
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	278,006	142,026	420,032
Accrued landfill closure and postclosure care costs	100,000	-	100,000
Installment loan payable	-	1,221,370	1,221,370
Compensated absences payable	75,726	9,420	85,146
Total current liabilities	<u>453,732</u>	<u>1,372,816</u>	<u>1,826,548</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	10,181,541	-	10,181,541
Installment loan payable	-	11,609,139	11,609,139
Installment loan premium	-	175,458	175,458
Compensated absences payable	32,031	13,452	45,483
Other post employment benefits obligation	206,017	6,148	212,165
Total noncurrent liabilities	<u>10,419,589</u>	<u>11,804,197</u>	<u>22,223,786</u>
Total liabilities	<u>10,873,321</u>	<u>13,177,013</u>	<u>24,050,334</u>
<b>Deferred inflows of resources</b>	<u>289,881</u>	<u>3,920</u>	<u>293,801</u>
<b>Net Position</b>			
Net investment in capital assets	25,697,323	25,946,033	51,643,356
Unrestricted	10,955,337	35,167,881	46,123,218
Total net position	<u>\$ 36,652,660</u>	<u>\$ 61,113,914</u>	<u>\$ 97,766,574</u>

The accompanying notes are an integral part of the financial statements

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Fiscal Year Ended June 30, 2015

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
<b>Operating Revenues</b>			
Charges for services	\$ 4,771,416	\$ -	\$ 4,771,416
Methane recovery	972,568	-	972,568
Other operating revenues	74,381	-	74,381
Total operating revenues	<u>5,818,365</u>	<u>-</u>	<u>5,818,365</u>
<b>Operating Expenses</b>			
Administration	521,972	101,142	623,114
Recycling	73,596	-	73,596
Solid waste management improvements	93,299	-	93,299
Solid waste code enforcement	89,871	-	89,871
Biodiesel and freon recovery	8,420	-	8,420
Sanitary landfill	2,542,397	-	2,542,397
Landfill closure and postclosure costs	100,000	-	100,000
Convenience centers	1,187	-	1,187
Blackburn landfill methane recovery	632,334	-	632,334
Water and sewer	-	1,245,574	1,245,574
Depreciation	836,369	225,395	1,061,764
Total operating expenses	<u>4,899,445</u>	<u>1,572,111</u>	<u>6,471,556</u>
Operating income (loss)	<u>918,920</u>	<u>(1,572,111)</u>	<u>(653,191)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Engineering fees	-	36,500	36,500
Sales Taxes - Article 46 - one quarter of one percent	-	1,451,312	1,451,312
Interest on long term debt	-	(338,096)	(338,096)
Investment earnings	178,690	298,531	477,221
Miscellaneous	112,093	75,573	187,666
Municipal revenue sharing	-	597,950	597,950
Scrap tire grant	5,816	-	5,816
Solid waste disposal taxes	312,429	-	312,429
Proceeds from sale of asset	2,220	-	2,220
Hickory community relations	3,000	-	3,000
Donated asset	-	(381,495)	(381,495)
Electronics management distribution	12,038	-	12,038
Total nonoperating revenues (expenses)	<u>626,286</u>	<u>1,740,275</u>	<u>2,366,561</u>
Income (loss) before contributions and transfers	<u>1,545,206</u>	<u>168,164</u>	<u>1,713,370</u>
Capital contributions	17,501	469,231	486,732
Transfer from General Fund	-	800,000	800,000
Change in net position	1,562,707	1,437,395	3,000,102
<b>Net Position - Beginning of Year</b>	35,255,275	59,678,754	94,934,029
<b>Restatement (Note 10)</b>	<u>(165,322)</u>	<u>(2,235)</u>	<u>(167,557)</u>
<b>Net Position - Beginning of Year Restated</b>	<u>35,089,953</u>	<u>59,676,519</u>	<u>94,766,472</u>
<b>Net Position - End of Year</b>	<u>\$ 36,652,660</u>	<u>\$ 61,113,914</u>	<u>\$ 97,766,574</u>

The accompanying notes are an integral part of the financial statements



Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 5,646,451	48,585	\$ 5,695,036
Cash paid for goods and services	(2,547,397)	(1,610,875)	(4,158,272)
Cash paid to employees	(1,609,050)	(100,000)	(1,709,050)
Other operating revenues	74,381	-	74,381
Net cash provided (used) by operating activities	<u>1,564,385</u>	<u>(1,662,290)</u>	<u>(97,905)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Tire disposal tax	196,395	-	196,395
Solid waste disposal tax	66,569	-	66,569
White goods disposal tax	49,465	-	49,465
Scrap tire grant	5,816	-	5,816
Other charges	127,131	-	127,131
Other taxes	-	1,451,312	1,451,312
Domestic haulers	-	112,073	112,073
Municipal revenue sharing	-	597,950	597,950
Transfer from general fund	-	800,000	800,000
Total cash provided by noncapital financing activities	<u>445,376</u>	<u>2,961,335</u>	<u>3,406,711</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Community development block grant	-	469,231	469,231
Principal paid on installment notes payable	-	(978,778)	(978,778)
Interest paid on installment notes payable	-	(348,298)	(348,298)
Acquisition and construction of capital assets	(245,542)	(2,650,647)	(2,896,189)
Gain on sale of assets	2,220	-	2,220
Capital contribution	17,501	-	17,501
Net cash provided (used) by capital and related financing activities	<u>(225,821)</u>	<u>(3,508,492)</u>	<u>(3,734,313)</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	<u>168,485</u>	<u>292,457</u>	<u>460,942</u>
Net increase (decrease) in cash and cash equivalents	1,952,425	(1,916,990)	35,435
Cash and cash equivalents - beginning of year	<u>19,286,777</u>	<u>36,502,424</u>	<u>55,789,201</u>
Cash and cash equivalents - end of year	<u>\$ 21,239,202</u>	<u>34,585,434</u>	<u>\$ 55,824,636</u>

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income (loss)	\$ 918,920	(1,572,111)	(653,191)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	836,369	225,395	1,061,764
Pension expense	6,718	92	6,810
Increase (decrease) in landfill closure and postclosure care costs	100,000	-	100,000
Changes in assets and liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in refundable sales tax	(3,525)	(26,749)	(30,274)
(Increase) decrease in other receivables	(94,008)	1,393	(92,615)
(Increase) decrease in notes receivables	-	73,941	73,941
Increase (decrease) in accounts payable and other liabilities	(31,018)	(365,301)	(396,319)
Increase (decrease) in compensated absences	(10,357)	651	(9,706)
Increase (decrease) in OPEB obligation	27,227	1,047	28,274
Increase (decrease) in deferred outflows of resources for pensions	(82,143)	(1,111)	(83,254)
Increase (decrease) in accrued salaries and other benefits	(103,798)	463	(103,335)
Total adjustments	<u>645,465</u>	<u>(90,179)</u>	<u>555,286</u>
Net cash provided (used) by operating activities	<u>\$ 1,564,385</u>	<u>(1,662,290)</u>	<u>(97,905)</u>
Noncash investing, capital and financing activities:			
Donated capital asset	-	(381,495)	(381,495)
(Premium)/deferred charge from debt refunding	-	(10,203)	(10,203)
	<u>\$ -</u>	<u>\$ (391,698)</u>	<u>\$ (391,698)</u>

The accompanying notes are an integral part of the financial statements

**CATAWBA COUNTY, NORTH CAROLINA**

**Exhibit 9**

**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	\$ <u>80,257</u>
<b>Liabilities</b>	
Miscellaneous liabilities	\$ <u>80,257</u>

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